STATEMENT OF ADDITIONAL INFORMATION

VERSUS CAPITAL REAL ASSETS FUND LLC
Limited Liability Company Shares of Beneficial Interest

5555 DTC Parkway, Suite 330
Greenwood Village, Colorado 80111
(Address of Principal Executive Offices)

Registrant's Telephone Number, including Area Code: (877) 200-1878.

March 6, 2020

This Statement of Additional Information (''**SAI**'') is not a prospectus. This SAI relates to and should be read in conjunction with the Prospectus of Versus Capital Real Assets Fund LLC (the ''**Fund**''), dated March 6, 2020 (the ''Prospectus''). Defined terms used herein, and not otherwise defined herein, have the same meanings as in the Prospectus. The financial statements, along with the accompanying notes and report of independent registered public accounting firm, are incorporated by reference into this SAI. You can request a copy of the Prospectus, this SAI and the Fund's financial statements, without charge, by writing to the Fund at the address above or by calling (877) 200-1878 or by visiting www.versuscapital.com. This SAI, material incorporated by reference and other information about the Fund are also available on the SEC's website (http://www.sec.gov).

TABLE OF CONTENTS

ADDITIONAL INVESTMENT POLICIES

The investment objective and principal investment strategies of the Fund, as well as the principal risks associated with the Fund's investment strategies, are set forth in the Prospectus. See ''Investment Objective, Strategies and Investment Features'' in the Prospectus. Certain additional investment information is set forth below.

Fundamental Policies

The Fund's stated fundamental policies may be changed only by the affirmative vote of a majority of the outstanding shares of beneficial interest of the Fund (the ''Shares''). Fundamental policies of the Fund are listed below. For the purposes of this SAI, ''majority of the outstanding Shares of the Fund'' means the vote, at an annual or special meeting of shareholders duly called, of (a) 67% or more of the Shares present at such meeting, if the holders of more than 50% of the outstanding Shares of the Fund are present or represented by proxy; or (b) more than 50% of the outstanding Shares of the Fund, whichever is less. As fundamental policies, the Fund may not:

- Invest more than 25% of the value of its total assets in the securities of companies or entities engaged in any one industry or group of industries, except that, under normal circumstances, the Fund will invest over 25% of its total assets in the securities of companies in the real estate industry. This limitation does not apply to investment in the securities of the U.S. Government, its agencies or instrumentalities. For purposes of this limitation, the Fund will define an industry or group of industries by reference to Standard & Poor's Global Industry Classification Standard codes for industry classifications.
- Borrow money, except to the extent permitted by the Investment Company Act of 1940, as amended (the ''Investment Company Act''), which currently limits borrowing to no more than 33-1/3% of the value of the Fund's total assets. The interest on borrowings will be at prevailing market rates, to the extent the Fund borrows. The Fund's use of leverage involves risk of loss.
- Engage in short sales, purchases on margin or the writing of put and call options.
- Issue senior securities (including preferred shares of beneficial interest), except to the extent permitted under the Investment Company Act (which currently limits the issuance of a class of senior securities that is indebtedness to no more than 33-1/3% of the value of the Fund's total assets or, if the class of senior security is stock, to no more than 50% of the value of the Fund's total assets).
- Underwrite securities of other issuers, except insofar as the Fund may be deemed an underwriter under the Securities Act of 1933, as amended (the ''Securities Act''), in connection with the disposition of its portfolio securities.
- Make loans, except through purchasing fixed-income securities or entering into repurchase agreements in a manner consistent with the Fund's investment policies or as otherwise permitted under the Investment Company Act. To the extent the Fund engages in loan activity, it exposes its assets to a risk of loss.
- Purchase, hold or deal in real assets, except that the Fund may invest in public and private, debt and equity securities related to investments in real assets, including timberland, infrastructure and agriculture/farmland.
- Invest in securities of other investment companies, except to the extent permitted by the Investment Company Act.
- Purchase or sell commodities.

The Fund's investment objective is fundamental and may not be changed without the vote of a majority (as defined by the Investment Company Act) of the Fund's outstanding voting securities. The Fund has also adopted a fundamental policy that it will make quarterly repurchase offers for no less than 5% of its shares outstanding at NAV (as defined below), unless suspended or postponed in accordance with regulatory requirements, and that each quarterly repurchase pricing shall occur on the Repurchase Pricing Date (as defined below), all in accordance with the requirements set forth in Rule 23c-3(b)(2)(i) under the Investment Company Act.

Under normal market conditions, the Fund may invest in Institutional Investment Funds that concentrate their assets in one or more industries and, under normal market conditions, the Fund will invest at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in investments in global infrastructure, timberland and agriculture/farmland (''Real Asset Related Investments''). The Fund is focused on investing in Real Asset Related Investments and will not concentrate in any industries other than the group of real estate investment and

management industries. The Fund will monitor the investments of the Institutional Investment Funds to the extent commercially practicable and, to the extent that the Fund is aware of the investments held by the Institutional Investment Funds, the Fund will consider such information when determining compliance with its concentration policy.

The Fund's board of directors (the ''Board'') has also adopted a fundamental policy pursuant to which the Fund may terminate its status as a continuously offered interval fund, if the Fund achieves a certain amount of assets to have reached its investment capacity, and take action to list the outstanding shares of the Fund on a national exchange, thereby providing investors with daily market liquidity. Such action may be taken by the Board and shall be subject to shareholder approval.

Certain Portfolio Securities and Other Operating Policies

Institutional Investment Fund Equity

The Fund attempts to achieve its investment objective by allocating its capital among a select group of institutional asset managers with expertise in managing portfolios of Real Asset Related Investments. Under normal market conditions, the Fund will invest between 50% and 80% of its assets into investment funds (collectively, the ''Institutional Investment Funds'') that invest in real assets through entities that qualify as REITs or corporations and in debt investments secured by real assets. Additionally, the Fund will not invest in Institutional Investment Funds that hold themselves out or otherwise operate as ''hedge funds.'' The Fund will invest no more than 15% of its assets in Institutional Investment Funds or other entities that would be investment companies but for Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act (excluding, for the avoidance of doubt, entities that qualify as REITs and that would qualify for an exemption under Section 3(c)(5) of the Investment Company Act).

The Fund May Change Its Non-Fundamental Policies, Restrictions, Strategies, and Techniques

Except as otherwise indicated, the Fund may change its non-fundamental policies, restrictions, strategies, and techniques if the Board believes doing so is in the best interest of the Fund and its shareholders.

DIRECTORS AND OFFICERS

Directors

The Board has overall responsibility to manage and control the business affairs of the Fund, including the complete and exclusive authority to oversee and to establish policies regarding the management, conduct and operation of the Fund's business. The Board exercises the same powers, authority and responsibilities on behalf of the Fund as are customarily exercised by the board of directors of a registered investment company organized as a corporation.

The address, age, and descriptions of their principal occupations during the past five years are listed below for each director of the Fund. The Fund has divided the directors into two groups: Independent Directors and directors who are ''interested persons,'' as defined in the Investment Company Act (''Interested Directors''):

Name, Address and Age[1]	Position(s) Held with Fund	Term of Office and Length of Time Served[2]	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex[3] Overseen by Director	Other Public Company Directorships Held by Director
Independent Directors[4]					
Robert F. Doherty; Age 55	Independent Director	Since inception	Chief Financial Officer of Sustainable Living Partners (2018 - present); Partner of Renova Capital Partners (2010 – present); Chief Financial Officer of Ensyn Corporation (2013 – 2018).	2	0
Jeffry A. Jones; Age 61	Independent Director	Since inception	Principal of SmithJones (Real Estate) (August 2008 – present).	2	0
Richard J. McCready; Age 61	Lead Independent Director	Lead Independent Director (March 2020 – present); Independent Director since inception	President of The Davis Companies (2014 – present).	2	0
Paul E. Sveen; Age 58	Independent Director	Since inception	Chief Financial Officer of Beam Technologies (February 2020 – present); Chief Financial Officer of Paypal's merchant lending platform (2018 – 2020); Chief Financial Officer of Swift Financial (2016 – 2018); Managing Partner of Pantelan Real Estate Services LLC (2013 – 2016).	2	0
Interested Directors[5]					
William R. Fuhs, Jr.; Age 51	Director; President	Since inception	President of Versus Capital Multi-Manager Real Estate Income Fund LLC (2016 – present); President of the Adviser (2010 – present); Chief Financial Officer of Versus Capital Multi-Manager Real Estate Income Fund LLC (2011 – 2016); Chief Financial Officer of the Adviser (2010 – 2016).	2	0

Name, Address and Age[1]	Position(s) Held with Fund	Term of Office and Length of Time Served[2]	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex[3] Overseen by Director	Other Public Company Directorships Held by Director
Casey Frazier; Age 42	Chair of the Board; Director; Chief Investment Officer	Since inception	Chief Investment Officer of the Adviser (2011 – present); Chief Investment Officer of Versus Capital Multi-Manager Real Estate Income Fund LLC (2011 – present).	2	0
Mark Quam; Age 50	Chief Executive Officer	Since inception	Chief Executive Officer of Versus Capital Multi-Manager Real Estate Income Fund LLC (2011 – present); Chief Executive Officer of the Adviser (2010 – present).	2	0

(1) The address of each member of the Board is: c/o Versus Capital Real Assets Fund LLC, 5555 DTC Parkway, Suite 330, Greenwood Village, Colorado 80111.

(2) Each Director will serve for the duration of the Fund, or until his death, resignation, termination, removal or retirement.

(3) The term ''Fund Complex'' as used herein includes the Fund and Versus Capital Multi-Manager Real Estate Income Fund LLC.

(4) ''Independent Directors'' means members of the Board who are not ''interested persons'' of the Fund, the Adviser, the Securities Sub-Advisers, the Distributor, or any affiliate of the Fund, the Adviser, the Securities Sub-Advisers or the Distributor, as defined by the Investment Company Act (the ''Independent Directors'').

(5) ''Interested Directors'' means members of the Board who are ''interested person,'' as defined in the Investment Company Act, because of such person's affiliation with the Fund (the ''Interested Directors'').

Additional information about each director follows (supplementing the information provided in the table above) that describes certain specific experiences, qualifications, attributes or skills that each director possesses and that the Board believes has prepared them to be effective directors.

Independent Directors

Robert F. Doherty co-founded Renova Capital Partners, a private equity company focusing on renewable and sustainable investments, in 2010 and has served as the Chief Financial Officer of Sustainable Living Partners since 2018. Prior to founding Renova, Mr. Doherty held the post of Managing Director and Deputy Head of Municipal and Infrastructure Finance at JP Morgan, where he directed the investment banking services to state and local government, water, energy, transport, housing, healthcare, and higher education clients. He also served as the co-head of UBS/Paine's Webber National Infrastructure Group. He was a Managing Director in Merrill Lynch's alternative investment, private equity and municipal finance groups. From 2013-2018, Mr. Doherty served as Chief Financial Officer for Ensyn Corporation, one of Renova's joint venture partners. One of Renova's initial investments was Main Street Power Company, Inc., a commercial solar developer and owner/operator of solar assets in the U.S. Mr. Doherty served on the Board of Directors of Main Street Power prior to is sale to AES Corporation in 2015. He also serves on the management committee for Sustainable Living Partners. Mr. Doherty has a Bachelors of Science degree in Foreign Services from Georgetown University Edmund A. Walsh School of Foreign Service, and a Masters degree in Business Administration from the University of Chicago Graduate School of Business Chicago.

Jeffry A. Jones has over thirty-five years of real estate investment experience in multiple real estate product types in markets throughout the U.S. Mr. Jones is currently a Principal at SmithJones Partners. Mr. Jones was President and Executive Director of Ameriton Properties Inc. (''Ameriton''), as well as Executive Vice President of Archstone-Smith in Denver, Colorado from 2000 to November of 2007, where he had overall investment, management and asset management responsibility for more than $2.3 billion of apartment investments. Prior to joining Ameriton, Mr. Jones was Senior Vice President with Archstone-Smith in Austin, Texas where he was responsible for Archstone's multifamily acquisition and development activities throughout the central U.S. From 1995 to 1999, Mr. Jones was Senior Vice President of Homestead Village Inc. (''Homestead''), where he directed acquisition and development activities for its limited service extended-stay hotel product throughout the central part of the U.S. Prior to Homestead, Mr. Jones held development or investment positions with Sentre Partners, Stark Companies International, Maclachlan Investment Company and Trammell Crow Company. Mr. Jones received his Bachelor of Arts degree in Economics from Stanford University.

Richard J. McCready has been involved in commercial real estate investment and finance for over 30 years, gaining experience in capital markets, raising debt and equity capital, innovative transaction structuring, organization building, asset/risk management and value creation in a variety of real estate-related businesses. He is currently President of The Davis Companies, a Boston-based commercial real estate investment, development and management company. Mr. McCready is responsible for firm-wide strategy and oversees day-to-day management of all aspects of the firm's investment and asset management functions and operations. Prior to joining The Davis Companies, Mr. McCready was the Chief Operating Officer and Executive Vice President of NorthStar Realty Finance Corp (NYSE: NRF), formerly a publicly-traded commercial real estate finance company with over $10 billion in assets under management, prior to the company's merger with Colony Capital. He served as the President, Chief Operating Officer and Director of NRF's predecessor company, NorthStar Capital Investment Corp., a private equity fund business specializing in opportunistic investments in real estate assets and operating companies, where he spearheaded and managed the IPO spin-off of NRF. Prior to NorthStar, Mr. McCready served as the President, Chief Operating Officer and Director of Winthrop Financial Associates. From 1984 to 1990, he practiced law at Mintz Levin in Boston. In addition, Mr. McCready has served on numerous real estate company boards and has a broad knowledge of multiple real estate property types and strategies. Mr. McCready is a Phi Beta Kappa graduate of The University of New Hampshire and received his law degree, magna cum laude, from Boston College Law School.

Paul E. Sveen has over 35 years of experience in financial services across investment banking, structured finance, real estate investments, mortgage lending/servicing and small business lending. Since February 2020, Mr. Sveen has served as CFO of Beam Technologies Inc., a Columbus-based insurtech company that is seeking to blend innovative technology with traditional insurance policies to bring a differentiated value proposition to the employee benefits market and disrupt the traditional dental insurance market. He also was engaged in the fintech lending arena as CFO of Swift Financial, a leading alternative technology-enabled small business lender, which was acquired by PayPal in September 2017. After the merger, he was CFO of PayPal's merchant lending platform, where he focused on developing strategies to drive growth through strategic partnerships and a broader use of financial capital markets. Prior to Swift, Mr. Sveen spent a decade focused in the real estate investment sector, leading several businesses providing mortgage lending, default services and rental home investment opportunities. From 2013-2016, he served as Managing Partner of Pantelan Real Estate Services LLC. Pantelan, whose clients included institutional investors such as private equity firms and hedge funds, invested in single family residential portfolios and provided a suite of services to support the residential asset class across all phases of the investment life cycle. For two years prior, Mr. Sveen served as CEO and Chief Restructuring Officer for Integrated Asset Services, a mortgage default services provider. Since 2007, Mr. Sveen had been engaged by several private equity firms to advise on existing portfolio investments, and to lead the evaluation of investments in several new business ventures in the mortgage, structured finance and real estate industries. He has also worked extensively with banks on capital and liquidity enhancement initiatives, negotiating facility terminations, assignments, restructurings and sales. Mr. Sveen is a 19-year veteran of Lehman Brothers, where he was integral in building the structured finance business into one of Wall Street's leading securitization franchises. While a Managing Director at Lehman, he led several groups including asset-backed finance, principal finance, asset-backed commercial paper and structured finance client solutions. In 2004, Mr. Sveen was appointed CAO of Aurora Loan Services, a wholly-owned subsidiary of Lehman Brothers and one of the leading Alt-A mortgage originators and servicers in the US at that time. Mr. Sveen holds a BA in Economics from St. Lawrence University and attended The University of Oslo, Norway.

Interested Directors

William R. Fuhs, Jr. is a founding partner of the Adviser and has been the President since inception. In 2006, Mr. Fuhs partnered with Mr. Quam as the Chief Financial and Operating Officer of Welton Street Holdings LLC from 2006 to 2010, where he was responsible for product development, finance, administration and operations. Prior to Welton Street, Mr. Fuhs held several senior product development and finance positions with the Dividend Capital companies from 2003 to 2005. Mr. Fuhs' prior professional experience, from 1992 to 2003, included various positions within the investment banking division of Merrill Lynch. During his eleven years at Merrill Lynch, Mr. Fuhs was involved in numerous aspects of the business including equity and debt underwriting, asset based financing (including real estate) and mergers and acquisitions. Mr. Fuhs has a Bachelor of Arts degree in Economics from Middlebury College. Mr. Fuhs brings to the Board extensive experience in the financial industry.

Casey Frazier joined the Adviser as the Chief Investment Officer in 2011. Previously, Mr. Frazier was a Senior Vice President of NRF Capital Markets LLC from 2010 to 2011, where he was responsible for product development and due diligence for the firm including helping to develop products to be sold in the retail broker-dealer channel,

managing the due diligence process for existing products and overseeing the marketing efforts of the firm. Prior to that Mr. Frazier acted as the Chief Investment Officer for Welton Street Investments, LLC and Welton Street Advisors LLC from 2005 to 2010. In this capacity he reviewed and monitored all prospective securities offerings and investments. This included the review of over $7 billion in private real estate transactions. From 2004 to 2005 he was an Assistant Vice President, Asset Management of Curian Capital LLC (''Curian''), a registered investment adviser. In this capacity, Mr. Frazier helped supervise the asset allocation and money manager selection for Curian's turnkey asset management program. Mr. Frazier helped develop over 300 multi-disciplinary account portfolios. During his tenure he helped the firm grow assets from $200 million to over $1 billion. Previously, Mr. Frazier managed the due diligence process for the National Planning Holdings' (''NPH'') broker/dealer network from 2003 to 2004. NPH is an organization with four separate broker dealers and over 3,000 registered representatives. This process included analyzing all potential investments to be sold within the broker dealer network including; mutual funds, variable annuities, private placements, REITs, hedge funds and derivative products. Mr. Frazier received a Bachelor of Arts degree in American Political Economy from The Colorado College, and has earned the CFA (Chartered Financial Analyst) designation. The Board is aided by Mr. Frazier's strong investment management skills.

Mark D. Quam is the Fund's Chief Executive Officer. Mr. Quam has been a veteran of the real estate investment and securities business since the late 1990's. He co-founded Versus Capital Advisors and has been its Chief Executive Officer since inception. Previously, Mr. Quam was the President, Chief Executive Officer and Founder of Welton Street Investments, LLC and Welton Street Holdings LLC (collectively ''**Welton Street**'') from 2005 to 2010. Prior to Welton Street, Mr. Quam, as a partner and senior executive, conceptualized and co-founded both Dividend Capital Trust and Dividend Capital Securities LLC, a private real estate investment trust and its affiliated distributor, respectively. Before co-founding the Dividend Capital companies, Mr. Quam founded and acted as Chief Executive Officer, for EquityCity.com from 1998 to 2002. Prior to establishing EquityCity.com, Mr. Quam was active in real estate development as a Director of Construction and Project Management for CBRE. Mr. Quam holds an undergraduate degree in finance from the University of Arizona and attended the Masters Program in real estate finance and construction management at the University of Denver. Mr. Quam was a member of the Financial Industry Regulatory Authority's (''FINRA'') National Corporate Finance Committee from 2007 to 2012.

Officers

The address, age, and a description of principal occupations during the past five years are listed below for each officer of the Fund.

Name, Address and Age[(1)]	Position(s) Held with Fund	Term of Office and Length of Time Served[(2)]	Principal Occupation(s) During Past 5 Years
Mark D. Quam; Age 50	Chief Executive Officer	Since inception	Chief Executive Officer of the Adviser, 2010 to present; Chief Executive Officer of Versus Capital Multi-Manager Real Estate Income Fund LLC, 2011 to present.
William R. Fuhs, Jr.; Age 51	President	Since inception	President of the Adviser, 2010 to present and Chief Financial Officer of the Adviser, 2010 to 11/2016; Chief Financial Officer of Versus Capital Multi-Manager Real Estate Income Fund LLC, 2011 to 01/2016 and President from 01/2016 to present.
Casey Frazier; Age 42	Chief Investment Officer	Since inception	Chief Investment Officer of the Adviser, 2011 to present; Chief Investment Officer of Versus Capital Multi-Manager Real Estate Income Fund LLC, 2011 to present.
Brian Petersen; Age 49	Chief Financial Officer, Treasurer	August 2019	Managing Director, Fund Financial Operations of the Adviser, from 07/2019 to present; Chief Financial Officer and Treasurer of Versus Capital Multi-Manager Real Estate Income Fund LLC, from 08/2019 to present; Senior Vice President of OFI Global Asset Management, Inc., 01/2017 to 05/2019; Vice President of OFI Global Asset

Name, Address and Age[1]	Position(s) Held with Fund	Term of Office and Length of Time Served[2]	Principal Occupation(s) During Past 5 Years
			Management, Inc., from 02/2007 to 01/2017.
Steve Andersen; Age 43	Chief Compliance Officer and Secretary	October 2018	Chief Compliance Officer of the Adviser and the Fund since October 2018. Secretary of the Fund since December 2018. Chief Compliance Officer of Versus Capital Multi-Manager Real Estate Income Fund LLC since October 2018. Secretary of Versus Capital Multi-Manager Real Estate Income Fund LLC since December 2018. VP Compliance at Janus Henderson Investors August 2017 to August 2018. AVP Compliance at Janus Capital Group January 2016 to August 2017. Senior Compliance Manager at Janus Capital Group August 2011 to January 2016.

(1) The address of each officer of the Fund is: c/o Versus Capital Real Assets Fund LLC, 5555 DTC Parkway, Suite 330, Greenwood Village, Colorado 80111.

(2) Each officer will serve for the duration of the Fund, or until his death, resignation, termination, removal or retirement.

Additional biographical information for officers that are not Directors of the Fund is listed below.

Executive Officers

Steve Andersen is the Fund's Chief Compliance Officer and Secretary. Prior to joining the Adviser as Chief Compliance Officer and Chief Operating Officer in 2018, Mr. Andersen spent 15 years in senior compliance roles at Janus Henderson Investors and Intech Investment Management, leading teams responsible for supporting and monitoring the Investment and Trading Departments and developing policies and procedures necessary to ensure adherence to global regulations, including the U.S. Investment Advisers Act and Investment Company Act. Mr. Andersen graduated from the University of Nebraska with a B.S. in Business Administration and has an M.B.A. from the University of Kansas. Mr. Andersen has earned the Certified Securities Compliance Professional (CSCP) designation.

Brian Petersen is the Fund's Chief Financial Officer and Treasurer. Mr. Petersen's 25-year professional background includes 20 years at Oppenheimer Funds, most recently serving as Treasurer and Principal Financial Officer of its mutual funds, leading a team responsible for oversight of the day-to-day operations of all its investment products including investment valuation, NAV production, financial reporting and accounting policy administration, service provider oversight and Audit Committee reporting and relationship management. Mr. Petersen previously was a vice president of Corporate Finance at Oppenheimer Funds performing financial planning, analysis and accounting functions. He also held officer roles in its Fund Treasury and Fund Accounting departments. Prior to working at Oppenheimer Funds, Mr. Petersen spent 5 years as an auditor with PricewaterhouseCoopers focused on clients in the financial services industry including asset managers, transfer agents and mutual funds. Mr. Petersen earned Bachelor of Science in Accounting and Master of Accountancy degrees from the University of Denver and is a Certified Public Accountant in the State of Colorado.

Board Participation and Committees

The Board believes that each director's experience, qualifications, attributes and skills give each director the ability to critically review, evaluate, question and discuss information provided to them, and to interact effectively with Fund management, service providers and counsel, in order to exercise effective business judgment in the performance of their duties. The charter for the Board's Nominating and Governance Committee contains other factors considered by the Nominating and Governance Committee in identifying and evaluating potential Board member nominees. To assist them in evaluating matters under federal and state law, the directors may benefit from information provided by counsel to the Independent Directors or counsel to the Fund; both Board and Fund counsel have significant experience advising funds and fund board members. The Board and its committees have the ability to engage other experts as appropriate. The Board evaluates its performance on an annual basis.

Each director serves on the Board for the duration of the Fund, or until his death, resignation, termination, removal or retirement. A director's position in that capacity will terminate if such director is removed, resigns or is

subject to various disabling events such as death or incapacity. A director may resign upon 90 days' prior written notice to the other directors, subject to waiver of notice, and may be removed either by vote of two-thirds of the directors not subject to the removal vote or vote of the shareholders holding not less than two-thirds of the total number of votes eligible to be cast by all shareholders. In the event of any vacancy in the position of a director, the remaining directors may appoint an individual to serve as a director, so long as immediately after such appointment at least two-thirds of the directors then serving would have been elected by the shareholders. The directors may call a meeting of shareholders to fill any vacancy in the position of a director, and must do so within 60 days after any date on which directors who were elected by the shareholders cease to constitute a majority of the directors then serving. If no director remains to manage the business of the Fund, the Adviser may manage and control the Fund, but must convene a meeting of shareholders within 60 days for the purpose of either electing new directors or dissolving the Fund.

The Chairman of the Board is Mr. Frazier. The only standing committees of the Board are the Audit Committee, Nominating and Governance Committee, Investment Committee and Valuation Committee.

The current members of the Audit Committee are Mr. Doherty, Mr. McCready, Mr. Jones and Mr. Sveen, each of whom is an Independent Director. The current Chairman of the Audit Committee is Mr. Doherty. The function of the Audit Committee, pursuant to its adopted written charter, is to (1) oversee the Fund's accounting and financial reporting processes, the audits of the Fund's financial statements and the Fund's internal controls over, among other things, financial reporting and disclosure controls and procedures, (2) oversee or assist in Board oversight of the integrity of the Fund's financial statements and the Fund's compliance with legal and regulatory requirements and (3) approve prior to appointment the engagement of the Fund's independent registered public accounting firm and review the independent registered public accounting firm's qualifications and independence and the performance of the independent registered public accounting firm.

The current members of the Nominating and Governance Committee are Mr. Doherty, Mr. McCready, Mr. Jones and Mr. Sveen, each of whom is an Independent Director. The current Chairman of the Nominating and Governance Committee is Mr. Sveen. The function of the Nominating and Governance Committee, pursuant to its adopted written charter, is to (1) evaluate the suitability of potential candidates for election or appointment to the Board and recommend candidates for nomination; (2) recommend the appointment of members and chairs of each Board committee; and (3) oversee periodic evaluations of the Board and its committees. The Nominating and Governance Committee reviews nominations of potential Directors made by Fund management and by Fund shareholders, which includes all information relating to the recommended nominees that is required to be disclosed in solicitations or proxy statements for the election of directors, including without limitation the biographical information and the qualifications of the proposed nominees. The Nominating and Governance Committee will consider nominations as it deems appropriate after taking into account, among other things, the factors listed in the charter. Nomination submissions must be accompanied by a written consent of the individual to stand for election if nominated by the Board and to serve if elected by the shareholders, and such additional information must be provided regarding the recommended nominee as reasonably requested by the Nominating and Governance Committee. The Nominating and Governance Committee meets as is necessary or appropriate.

The Investment Committee is comprised of all of the Directors, the majority of which are Independent Directors. The current Chairman of the Investment Committee is Mr. Frazier. The function of the Investment Committee, pursuant to its adopted written charter, is to (1) oversee the Adviser's determination of, implementation of, and ongoing monitoring of investment strategies and objectives of the Fund, which include the Adviser's process for the selection and ongoing due diligence of Institutional Investment Funds, Securities Sub-Advisers, and other direct investments of the Fund; and (2) review and make recommendations to the Board regarding the initial approval and periodic renewal of advisory contracts between the Fund, the Adviser and the Securities Sub-Advisers, as required by Section 15 of the Investment Company Act.

The Valuation Committee is comprised of all of the Directors, the majority of which are Independent Directors. The current Chairman of the Valuation Committee is Mr. Jones. The function of the Valuation Committee, pursuant to its adopted written charter, is to oversee the development of Fund policies and procedures and the Adviser's implementation of those policies and procedures, for the calculation of the Fund's NAV. The Valuation Committee reviews and oversees the policies and reporting of the underlying asset values of the Institutional Investment Funds, as well as the portion of the Fund's assets that are sub-advised by Securities Sub-Advisers and invested directly by the Adviser, including through the Sub-REITs.

Director Ownership of Securities

The dollar range of equity securities beneficially owned by each director is set forth below, as of December 31, 2019.

Name of Director	Dollar Range of Equity Securities in the Fund*	Aggregate Dollar Range of Equity Securities in All Registered Investment Companies Overseen by Director in Family of Investment Companies*
Independent Directors		
Robert Doherty	$0	$0
Jeffry A. Jones	$0	$50,001 to $100,000
Richard J. McCready	$0	$10,001 to $50,000
Paul E. Sveen	$0	$50,001 to $100,000
Interested Directors		
William R. Fuhs, Jr.	Over $500,000	Over $1,000,000
Casey Frazier	Over $500,000	Over $1,000,000
Mark Quam	Over $500,000	Over $1,000,000

* Based on the value of holdings at December 31, 2019.

Independent Director Ownership of Securities

To the best of their knowledge, none of the Independent Directors (nor any of their immediate family members) have or hold any securities of the Adviser, the Securities Sub-Advisers or the Distributor, nor any entities controlling or controlled by or under common control with the Adviser, the Securities Sub-Advisers or the Distributor. None of the Independent Directors hold securities of the Fund as outlined above.

Compensation

Effective March 1, 2020, the Fund pays each Independent Director a fee of $60,000 per annum. In addition, the Fund reimburses each of the Independent Directors for travel and other expenses incurred in connection with attendance at meetings. The Chairman of the Audit Committee receives an additional amount of $10,000 per annum. Other members of the Board and executive officers of the Fund receive no compensation, other than as noted in the table below. The Nominating and Governance Committee of the Board evaluates the compensation of the Board members on an ongoing basis and may increase or decrease such compensation based upon market factors and the ongoing responsibilities and commitment of the members, all of which will be subject to Board approval, including a majority of the Independent Directors.

The following table summarizes the compensation paid to the Independent Directors, including Committee fees, and certain executive officers of the Fund for the fiscal year ended March 31, 2019. The Interested Directors and executive officers of the Fund receive no compensation, other than as noted in the table below. This compensation will continue to be evaluated by the Board on an ongoing basis.

Name of Person, Position	Aggregate Compensation from the Fund	Pension or Retirement Benefits Accrued as Part of Fund Expenses	Estimated Annual Benefits Upon Retirement	Total Compensation from Fund and Fund Complex paid to Directors/Officers
Independent Directors				
Robert F. Doherty[(1)]	$50,000	N/A	N/A	$52,917
Jeffry A. Jones	$35,000	N/A	N/A	$70,000
Richard T. McCready	$35,000	N/A	N/A	$85,000
Paul E. Sveen	$35,000	N/A	N/A	$70,000
Officers				
Steve Andersen as Chief Compliance Officer and Secretary	$18,750[(2)]	N/A	N/A	$37,500

(1) As Chairman of the Audit Committee, Mr. Doherty received an additional amount of $15,000 per annum for the fiscal year ended March 31, 2019 and for periods prior to March 1, 2020. Subsequent to March 1, 2020, Mr. Doherty receives an additional amount of $10,000 per annum for this role.

(2) Represents amounts being charged to the Fund for compliance services.

CONTROL PERSONS AND PRINCIPAL HOLDERS

A principal shareholder is any person who owns (either of record or beneficially) 5% or more of the outstanding shares of a fund. A control person is one who owns, either directly or indirectly more than 25% of the voting securities of a company or acknowledges the existence of control. A control person may be able to determine the outcome of a matter put to a shareholder vote.

As of February 25, 2020, to the best knowledge of the Fund, no person owned beneficially or of-record 5% or more of the outstanding shares of any class of the Fund or 5% or more of the outstanding shares of the Fund addressed herein, except as set forth in the table below.

RECORD SHAREHOLDER	PERCENTAGE OF SHARES
CHARLES SCHWAB & CO INC[1] 211 MAIN ST SAN FRANCISCO CA 94105-190	55.48%
NATIONAL FINANCIAL SERVICES LLC NEWPORT OFFICE CENTER III 499 WASHINGTON BLVD 5TH FL JERSEY CITY NJ 07310	24.75%
TD AMERITRADE INC PO BOX 2226 OMAHA NE 68103-2226	10.00%

(1) The Fund has no knowledge as to whether all or a portion of the shares owned of record are also owned beneficially.

INVESTMENT ADVISORY AND OTHER SERVICES

The Adviser

The Fund's investment adviser is Versus Capital Advisors LLC (the ''Adviser'' or ''Versus Capital''), a registered adviser under the Investment Advisers Act of 1940, as amended (the ''Advisers Act''). The Adviser's offices are located at 5555 DTC Parkway, Suite 330, Greenwood Village, Colorado 80111. The Adviser is a Delaware Limited Liability Company originally formed in March of 2007 and reorganized in 2011. Versus Capital is a wholly owned subsidiary of Versus Capital Group, LLC. The co-founders of Versus Capital - Mark D. Quam, William R. Fuhs and Casey R. Frazier - indirectly own a controlling interest in Versus Capital Group, LLC. Mr. Quam, Mr. Fuhs and Mr. Frazier also serve as Interested Directors to the Fund.

The Board has engaged the Adviser to provide investment advice to, and manage the day-to-day business and affairs of, the Fund, in each case under the ultimate supervision of and subject to any policies established by the Board, pursuant to an investment management agreement entered into between the Fund and the Adviser. The Adviser has been delegated the responsibility of selecting the Fund's investments. The Adviser allocates the Fund's assets and, thereafter, evaluates regularly each investment to determine whether each respective investment is consistent with the Fund's investment objective and whether their respective investment performance is satisfactory. The Adviser may, at its discretion, subject to the repurchase policies of the Institutional Investment Funds, reallocate the Fund's assets terminate or redeem investments and select additional investments. The Adviser may only enter into sub-advisory relationships for the Fund upon Board approval and upon the approval of a majority (as defined under the Investment Company Act) of the Fund's outstanding voting securities pursuant to the Investment Company Act. If such approval is obtained, the Adviser (or the Fund) may enter into sub-advisory relationships with registered investment advisers that possess skills that the Adviser believes will aid it in achieving the Fund's investment objective. The Adviser has entered into such sub-advisory agreements, with the following Securities Sub-Advisers: Brookfield and Lazard. The Adviser also provides certain administrative services to the Fund, including: providing office space, handling of shareholder inquiries regarding the Fund, providing shareholders with information concerning their investment in the Fund, coordinating and organizing meetings of the Board and providing other support services. The Adviser will perform its duties subject to any policies established by the Board. The Adviser may only enter into new sub-advisory relationships for the Fund upon Board approval and upon the approval of a majority (as defined under the Investment Company Act) of the Fund's outstanding voting securities pursuant to the Investment Company Act. If such approval is obtained, the Adviser (or the Fund) may enter into sub-advisory relationships with registered investment advisers that possess skills that the Adviser believes will aid it in achieving the Fund's objectives.

In consideration for all such services, the Fund pays the Adviser a quarterly Investment Management Fee at an annual rate of 1.15% of the Fund's NAV, which will accrue daily on the basis of the average daily NAV of the Fund. The Investment Management Fee is paid to the Adviser out of the Fund's assets. The Adviser was paid approximately $3,301,100 and $12,485,700 in advisory fees for the fiscal years ended March 31, 2018 and 2019, respectively.

Sub-Adviser – Brookfield

The Adviser has engaged Brookfield Public Securities Group LLC (''Brookfield''), a registered adviser under the Advisers Act, to act as an independent sub-adviser to the Fund. Brookfield has been managing real asset related securities for 30 years. Brookfield is a wholly-owned, indirect subsidiary of Brookfield Asset Management Inc. (''BAM''), a publicly traded Canadian corporation. BAM shares are listed on the Toronto Stock Exchange (symbol: BAM.A), the New York Stock Exchange (symbol: BAM), and Euronext (symbol: BAMA). Brookfield focuses on investments in publicly traded real asset securities including both equity and debt investments across the globe. Brookfield is located at Brookfield Place, 250 Vesey Street, New York, New York 10281 and maintains offices in Chicago, Hong Kong, Houston, London, San Diego, Seoul and Toronto. Brookfield typically seeks to provide exposure to publicly traded Real Asset Securities on behalf of the Fund. Brookfield is paid a management fee by the Fund's Adviser based on assets under management that decreases as assets increase. The fees are assessed on a sliding scale and range from 0.60% down to 0.55% based on assets under management. Brookfield was paid approximately $538,000 and $726,000 in sub-advisory fees for the fiscal years ended March 31, 2018 and 2019, respectively.

Sub-Adviser – Lazard

The Adviser has engaged Lazard Asset Management, LLC (''Lazard''), a registered adviser under the Advisers Act, to act as an independent sub-adviser to the Fund. Lazard has been managing multi-asset portfolios since 2007 and is a wholly-owned, indirect subsidiary of Lazard Ltd., a public company listed on the NYSE. Lazard is located

at 30 Rockefeller Plaza, New York, NY 10112. Lazard typically seeks to provide exposure to publicly traded Real Asset Securities on behalf of the Fund. Lazard is paid a management fee by the Fund's Adviser based on assets under management that decreases as assets increase. The fees are assessed on a sliding scale and range from 0.40% down to 0.30% based on assets under management. The SAI provides additional information about the portfolio managers' compensation, other accounts managed by the portfolio managers and the portfolio managers' ownership of securities in the Fund. For the fiscal year ended March 31, 2018, Lazard did not earn any fees. For the fiscal year ended March 31, 2019, Lazard was paid approximately $27,085 in sub-advisory fees.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Grant Thornton LLP, 171 N. Clark Street, Chicago, IL 60601, serves as the independent registered public accounting firm of the Fund. Grant Thornton provides audit services, tax assistance and consultation in connection with the review of SEC and IRS filings.

CUSTODIAN

The Bank of New York Mellon (the ''Custodian'') serves as the primary custodian of the assets of the Fund held in Investment Funds or managed by Securities Sub-Advisers, and may maintain custody of such assets with domestic and foreign sub-custodians (which may be banks, trust companies, securities depositories and clearing agencies) approved by the Board. Assets of the Fund and Investment Funds are not held by the Adviser or institutional asset managers, respectively, or commingled with the assets of other accounts other than to the extent that securities are held in the name of a custodian in a securities depository, clearing agency or omnibus customer account of such custodian. The Custodian's principal business address is 4400 Computer Drive, Westborough, MA 01581.

LEGAL COUNSEL

Ropes & Gray LLP, Prudential Tower, 800 Boylston Street, Boston, Massachusetts 02199, acts as legal counsel to the Fund.

PORTFOLIO MANAGERS

The following tables identify, as of March 31, 2019 (i) the number of other registered investment companies, other pooled investment vehicles and other accounts managed by the Fund's portfolio managers (collectively, ''Other Accounts''; (ii) the total assets of such Other Accounts; and (iii) the number and total assets of Other Accounts with respect to which the management fee charged is based on performance.

Versus Capital Advisors, LLC

	Other Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts	
Portfolio Manager	Number	Total Assets of Other Registered Investment Companies	Number	Total Assets	Number	Total Assets of Other Accounts
Casey Frazier, CFA	1	$2.8 billion	4	$1.5 million	0	N/A
William Fuhs	1	$2.8 billion	4	$1.5 million	0	N/A
Dave Truex, CFA	1	$2.8 billion	4	$1.5 million	0	N/A
Performance Fee Based Accounts (The number of accounts and the total assets in the accounts managed by each portfolio manager with respect to which the advisory fee is based on the performance of the account.)						
Casey Frazier, CFA	0	N/A	0	N/A	0	N/A
William Fuhs	0	N/A	0	N/A	0	N/A
Dave Truex, CFA	0	N/A	0	N/A	0	N/A

Conflicts of Interest

In addition to the Fund, the Adviser provides investment advisory services to the Versus Capital Multi-Manager Real Estate Income Fund LLC, a continuously offered registered closed end management investment company that has elected to be treated as an interval fund, as well as four charitable pooled income funds, as defined under section 642(c)(5) of the Code. Given the significant differences in the investment objectives of the other accounts managed by the portfolio managers, it is not anticipated that holdings will overlap. As a result, the Adviser does not believe that it has any conflicts of interest in allocating investment opportunities to the Fund.

Compensation

A team approach is used by the Adviser to manage the Fund. The Investment Committee of the Adviser is chaired by Casey Frazier, and includes William Fuhs and David Truex. Mr. Frazier and Mr. Fuhs are founding members of the Adviser and are paid a base salary and a share of the profits, if any, earned in their ownership of the Adviser. Mr. Truex is paid a base salary and a discretionary bonus.

Ownership of Securities

The following table discloses the dollar range of equity securities beneficially owned by the portfolio managers of the Fund. The information is as of the date of this SAI.

Name of Portfolio Manager	Dollar Range of Equity Securities in the Fund
William R. Fuhs, Jr.	$500,001-$1,000,000
Casey Frazier	$500,001-$1,000,000
David Truex	$10,001 to $50,000

Brookfield Public Securities Group LLC ("Brookfield")

As of March 31, 2019, in addition to the Fund, Brookfield's portfolio managers were responsible for the day-to-day management of certain other accounts, as follows:

	Other Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts	
Portfolio Manager	Number	Total Assets of Other Registered Investment Companies	Number	Total Assets of Other Pooled Investment Vehicles	Number	Total Assets of Other Accounts
Larry Antonatos.	2	$1,726 million	7	$270 million	0	$0
Performance Fee Based Fee Accounts (The number of accounts and the total assets in the accounts managed by each portfolio manager with respect to which the advisory fee is based on the performance of the account.)						
Larry Antonatos.	0	$0	0	$0	0	$0

Conflicts of Interest

In the course of our normal business, Brookfield may encounter situations where Brookfield faces a conflict of interest or could be perceived to be in a conflict of interest situation. A conflict of interest occurs whenever the interests of Brookfield or its personnel diverge from those of a client or when Brookfield or its personnel have obligations to more than one party whose interests are different. In order to preserve its reputation and comply with applicable legal and regulatory requirements, Brookfield believes managing perceived conflicts is as important as managing actual conflicts.

A list of potential conflicts can be found in the Brookfield Public Securities Group LLC's Form ADV, Part 2A, which can be found at https://www.adviserinfo.sec.gov/Firm/110497.

Compensation

Brookfield incentivizes its professionals to exceed client objectives by providing competitive compensation packages designed to strategically align employee, client and firm interests. Compensation packages typically include an attractive and appropriate balance of base salary and cash bonus; investment personnel also receive incentive-oriented compensation tied to client-generated performance fees for certain strategies.

Specifically, investment team member compensation is assessed over an appropriate time horizon (up to three years) and is based on an employee's investment decisions relative to the performance of his or her respective area of sector/geographical coverage, in addition to the team's performance relative to the benchmark and on an absolute basis. Team members are incentivized by an annual discretionary bonus, which is largely derived from their long-only product investment decisions. Investment team members share in an additional bonus pool to the extent that the team generates incentive fees in certain strategies.

Bonuses

For portfolio management and investment professionals, bonuses are determined on a discretionary basis by senior executives. Key performance measurements primarily include relative and nominal investment performance of client portfolios, as well as measured outcomes of the following individual and team-oriented performance guidelines:

- Individual performance guidelines
- Performance of individual stocks selected
- Contribution to business development and client service
- Development of team culture and management
- Team-oriented performance guidelines
- Achievement of set business and client performance objectives
- Regional and global team performance

Long-Term Incentive Plan

To aid in retention, portfolio managers, senior analysts and other key personnel receive a portion of their bonus in the form of deferred compensation through Brookfield's Long-Term Incentive Plan (''LTIP''). LTIP compensation is invested in PSG's funds with a multi-year vesting schedule.

LTIP deferred compensation amounts are approved annually by Brookfield's Board of Directors. To securely align Brookfield professionals' interests with those of its clients, the primary factor influencing compensation amount is achievement of client objectives. Relative performance of all strategies and clients is also taken under serious consideration.

Performance Matrix

The following matrix is used as a guide when determining compensation; however, it is only a tool and one piece of a comprehensive performance assessment process.

Individual Performance	50%	25%
Team Performance (investment returns, operational efficiency, client satisfaction, line of business profits, if applicable)	25%	25%
Public Securities Group Financial Performance[1]	10%	25%
Corporate Citizenship (core values, culture, team, compliance, etc.)	15%	25%
Total	100%	100%

[1] Brookfield Financial Performance consists of achieving annual financial targets, rather than simply having a positive profit. For example, if Brookfield is profitable, but performance does not meet targets, then employees would receive a poor score on this metric. The same logic applies to Team level financial performance.

Ownership of Securities

As of March 31, 2019, Brookfield's portfolio manager did not beneficially own any shares of the Fund.

Lazard Asset Management ("Lazard")

As of March 31, 2019, in addition to the Fund, Lazard's portfolio managers were responsible for the day-to-day management of certain other accounts, as follows:

	Other Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts	
Portfolio Manager	Number	Total Assets of Other Registered Investment Companies	Number	Total Assets of Other Pooled Investment Vehicles	Number	Total Assets of Other Accounts
Jai Jacob	5	$1,473 million	5	$675 million	15	$1,477 million
Terence Brennan	2	$50 million	3	$37 million	1	$0 million
Performance Fee-Based Accounts (The number of accounts and the total assets in the accounts managed by each portfolio manager with respect to which the advisory fee is based on the performance of the account.)						
Jai Jacob	0	$0	0	$0	0	$0
Terence Brennan	0	$0	0	$0 million	0	$0

Conflicts of Interest

Although the potential for conflicts of interest exists when an investment adviser and portfolio managers manage other accounts that invest in securities in which the Fund may invest or that may pursue a strategy similar to the Fund's investment strategies implemented by Lazard (collectively, ''Similar Accounts''), Lazard has procedures in place that are designed to ensure that all accounts are treated fairly and that the Fund is not disadvantaged, including procedures regarding trade allocations and ''conflicting trades'' (e.g., long and short positions in the same or similar securities). In addition, the Fund is subject to different regulations than certain of the Similar Accounts, and, consequently, may not be permitted to engage in all the investment techniques or transactions, or to engage in such techniques or transactions to the same degree, as the Similar Accounts.

Potential conflicts of interest may arise because of Lazard's management of the Fund and Similar Accounts, including the following:

1. Similar Accounts may have investment objectives, strategies and risks that differ from those of the Fund. In addition, the Fund may be subject to different regulations than certain of the Similar Accounts and, consequently, may not be permitted to invest in the same securities, exercise rights to exchange or convert securities or engage in all the investment techniques or transactions, or to invest, exercise or engage to the same degree, as the Similar Accounts. For these or other reasons, the portfolio managers may purchase different securities for the Fund and the corresponding Similar Accounts, and the performance of securities purchased for the Fund may vary from the performance of securities purchased for Similar Accounts, perhaps materially.

2. Conflicts of interest may arise with both the aggregation and allocation of securities transactions and allocation of limited investment opportunities. Lazard may be perceived as causing accounts it manages to participate in an offering to increase Lazard's overall allocation of securities in that offering, or to increase Lazard's ability to participate in future offerings by the same underwriter or issuer. Allocations of bunched trades, particularly trade orders that were only partially filled due to limited availability, and allocation of investment opportunities generally, could raise a potential conflict of interest, as Lazard may have an incentive to allocate securities that are expected to increase in value to preferred accounts. Initial public offerings, in particular, are frequently of very limited availability. A potential conflict of interest may be perceived to arise if transactions in one account closely follow related transactions in a different account, such as when a purchase increases the value of securities previously purchased by the other account, or when a sale in one account lowers the sale price received in a sale by a second account.

3. Portfolio managers may be perceived to have a conflict of interest because of the large number of Similar Accounts, in addition to the Fund, that they are managing on behalf of Lazard. Although Lazard does not track each individual portfolio manager's time dedicated to each account, Lazard periodically reviews each portfolio manager's overall responsibilities to ensure that he or she is able to allocate the necessary time and resources to effectively manage the Fund. As illustrated in the table above, most of the portfolio managers manage a significant number of Similar Accounts in addition to the Fund.

4. Generally, Lazard and/or its portfolio managers have investments in Similar Accounts. This could be viewed as creating a potential conflict of interest, since certain of the portfolio managers do not invest in the Fund.

5. The table above notes the portfolio managers who manage Similar Accounts with respect to which the advisory fee is based on the performance of the account, which could give the portfolio managers and Lazard an incentive to favor such Similar Accounts over the Fund.

6. Portfolio managers may place transactions on behalf of Similar Accounts that are directly or indirectly contrary to investment decisions made for the Fund, which could have the potential to adversely impact the Fund, depending on market conditions. In addition, if the Fund's investment in an issuer is at a different level of the issuer's capital structure than an investment in the issuer by Similar Accounts, in the event of credit deterioration of the issuer, there may be a conflict of interest between the Fund's and such Similar Accounts' investments in the issuer. If Lazard sells securities short, including on behalf of a Similar Account, it may be seen as harmful to the performance of the Fund to the extent it invests ''long'' in the same or similar securities whose market values fall as a result of short-selling activities.

7. Investment decisions are made independently from those of the Similar Accounts. If, however, such Similar Accounts desire to invest in, or dispose of, the same securities as the Fund, available investments or opportunities for sales will be allocated equitably to each. In some cases, this procedure may adversely affect the size of the position obtained for or disposed of by the Fund or the price paid or received by the Fund.

8. Under Lazard's trade allocation procedures applicable to domestic and foreign initial and secondary public offerings and Rule 144A transactions (collectively herein a ''Limited Offering''), Lazard will generally allocate Limited Offering shares among client accounts, including the Fund, pro rata based upon the aggregate asset size (excluding leverage) of the account. Lazard may also allocate Limited Offering shares on a random basis, as selected electronically, or other basis. It is often difficult for the Adviser to obtain a sufficient number of Limited Offering shares to provide a full allocation to each account. Lazard's allocation procedures are designed to allocate Limited Offering securities in a fair and equitable manner.

Compensation

Lazard compensates portfolio managers by a competitive salary and bonus structure, which is determined both quantitatively and qualitatively. Salary and bonus are paid in cash, stock and restricted interests in funds managed by Lazard or its affiliates. Portfolio managers are compensated on the performance of the aggregate group of portfolios managed by the teams of which they are a member rather than for a specific fund or account. Various factors are considered in the determination of a portfolio manager's compensation. All of the portfolios managed by a portfolio manager are comprehensively evaluated to determine his or her positive and consistent performance contribution over time. Further factors include the amount of assets in the portfolios as well as qualitative aspects that reinforce Lazard's investment philosophy.

Total compensation is generally not fixed, but rather is based on the following factors: (i) leadership, teamwork and commitment, (ii) maintenance of current knowledge and opinions on companies owned in the portfolio; (iii) generation and development of new investment ideas, including the quality of security analysis and identification of appreciation catalysts; (iv) ability and willingness to develop and share ideas on a team basis; and (v) the performance results of the portfolios managed by the investment teams of which the portfolio manager is a member.

Variable bonus is based on the portfolio manager's quantitative performance as measured by his or her ability to make investment decisions that contribute to the pre-tax absolute and relative returns of the accounts managed by the teams of which the portfolio manager is a member, by comparison of each account to a predetermined benchmark, generally as set forth in the Prospectus or other governing document, over the current fiscal year and the longer-term performance of such account, as well as performance of the account relative to peers. The portfolio manager's bonus also can be influenced by subjective measurement of the manager's ability to help others make investment decisions. A portion of a portfolio manager's variable bonus is awarded under a deferred compensation arrangement pursuant to which the portfolio manager may allocate certain amounts awarded among certain Portfolios, in shares that vest in two to three years. Certain portfolio managers' bonus compensation may be tied to a fixed percentage of revenue or assets generated by the accounts managed by such portfolio management teams.

Ownership of Securities

The portfolio managers at Lazard do not own any of the Fund's shares.

REPURCHASES AND TRANSFERS OF SHARES

Involuntary Repurchases

The Fund's Board may cause a mandatory repurchase by the Fund of a shareholder's Shares in accordance with the LLC Agreement, the Investment Company Act and the rules thereunder.

Transfers of Shares

No person may become a substituted shareholder without the written consent of the Board, which consent may be withheld for any reason in the Board's sole and absolute discretion. Shares may be transferred only (i) by operation of law pursuant to the death, bankruptcy, insolvency or dissolution of a shareholder or (ii) with the written consent of the Board, which may be withheld in its sole and absolute discretion. The Board may, in its discretion, delegate to the Adviser its authority to consent to transfers of Shares.

Each shareholder and transferee is required to pay all expenses, including attorneys' and accountants' fees, incurred by the Fund in connection with such transfer.

CODE OF ETHICS

The Fund and the Adviser have each adopted a Joint Code of Ethics, and each Securities Sub-Adviser has adopted a code of ethics, pursuant to Rule 17j-1 under the Investment Company Act, that permits its personnel, subject to the codes, to invest in securities, including securities that may be purchased or held by the Fund. Foreside Funds Distributors LLC, acting as Distributor, is exempt from Rule 17j-1. These codes are available on the Electronic Data-Gathering, Analysis, and Retrieval system (''EDGAR'') on the U.S. Securities and Exchange Commission's (the ''SEC'') website at http://www.sec.gov, and also may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov.

PROXY VOTING POLICIES AND PROCEDURES

The Fund is a fund of funds that typically invests a majority of its assets in Institutional Investment Funds which have investors other than the Fund. The Fund may invest substantially all of its assets in non-voting securities of Institutional Investment Funds.

The Fund has delegated voting of proxies in respect of portfolio holdings to the Adviser, to vote the Fund's proxies in accordance with the Adviser's proxy voting guidelines and procedures. For assets sub-advised by Securities Sub-Advisers, the Adviser has delegated its authority to vote proxies to those Securities Sub-Advisers. The proxy voting policies and procedures of the Securities Sub-Advisers, or summaries thereof, are set forth on Appendix A to this SAI. Institutional Investment Funds typically do not submit matters to investors for vote; however, if an Institutional Investment Fund submits a matter to the Fund for vote (and the Fund holds voting interests in the Institutional Investment Fund), the Adviser will vote on the matter in a way that it believes is in the best interest of the Fund and in accordance with the following proxy voting guidelines (the ''Voting Guidelines''):

- In voting proxies, the Adviser is guided by general fiduciary principles. The Adviser's goal is to act prudently, solely in the best interest of the Fund.
- The Adviser attempts to consider all factors of its vote that could affect the value of the investment and will vote proxies in the manner that it believes will be consistent with efforts to maximize shareholder value.
- The Adviser, absent a particular reason to the contrary, generally will vote with management's recommendations on routine matters. Other matters will be voted on a case-by-case basis.

The Adviser applies its Voting Guidelines in a manner designed to identify and address material conflicts that may arise between the Adviser's interests and those of its clients before voting proxies on behalf of such clients. The Adviser relies on the following to seek to identify conflicts of interest with respect to proxy voting and assess their materiality:

- The Adviser's employees are under an obligation (i) to be aware of the potential for conflicts of interest on the part of the Adviser with respect to voting proxies on behalf of client accounts both as a result of an employee's personal relationships and due to special circumstances that may arise during the conduct of the Adviser's business, and (ii) to bring conflicts of interest of which they become aware to the attention of certain designated persons.

- Such designated persons work with appropriate personnel of the Adviser to determine whether an identified conflict of interest is material. A conflict of interest will be considered material to the extent that it is determined that such conflict has the potential to influence the Adviser's decision-making in voting the proxy. All materiality determinations will be based on an assessment of the particular facts and circumstances. The Adviser shall maintain a written record of all materiality determinations.
- If it is determined that a conflict of interest is not material, the Adviser may vote proxies notwithstanding the existence of the conflict.
- If it is determined that a conflict of interest is material, the Adviser may seek legal assistance from appropriate counsel for the Adviser to determine a method to resolve such conflict of interest before voting proxies affected by the conflict of interest. Such methods may include:
    - disclosing the conflict to the Board and obtaining the consent of the Board before voting;
    - engaging another party on behalf of the Fund to vote the proxy on its behalf;
    - engaging a third party to recommend a vote with respect to the proxy based on application of the policies set forth herein; or
    - such other method as is deemed appropriate under the circumstances given the nature of the conflict.

The Adviser shall maintain a written record of the method used to resolve a material conflict of interest. Information regarding how the Adviser and Securities Sub-Advisers voted the Fund's proxies related to the Fund's portfolio holdings during the most recent 12-month period is available without charge, upon request, by calling (877) 200-1878 and is available on the SEC's website at http://www.sec.gov.

CONFLICTS OF INTEREST

The Adviser, the Securities Sub-Advisers, the Institutional Asset Managers Managing the Institutional Investment Funds, the Distributor and their Respective Affiliates

In addition to the Fund, the Adviser provides investment advisory services to Versus Capital Multi-Manager Real Estate Income Fund LLC, which has in excess of $2.9 billion in assets under management as of the date of this prospectus. Additionally, the Adviser provides investment management services to private funds that take the form of charitable pooled income funds, as defined under section 642(c)(5) of the Code. Given the significant differences in the investment objectives of the other accounts managed by the Adviser, it is not anticipated that holdings will overlap. As a result, the Adviser does not believe that it has any conflicts of interest in allocating investment opportunities to the Fund.

The institutional asset managers managing the Institutional Investment Funds, the Securities Sub-Advisers and their respective affiliates are participants in equity, fixed-income and other markets. As such, institutional asset managers managing the Institutional Investment Funds, the Securities Sub-Advisers their respective affiliates are actively engaged in transactions and in rendering discretionary or non-discretionary investment advice on behalf of other investment funds and accounts at the same time as it is advising the Fund, which may or may not involve the same institutional asset managers managing the Institutional Investment Funds, the Institutional Investment Funds and the Securities Sub-Advisers in which the Fund will invest. Additionally, while the Adviser intends to employ a consistent investment program, certain portfolio strategies, particularly other multi-manager portfolio strategies, of the institutional asset managers managing the Institutional Investment Funds, the Securities Sub-Advisers and/or their respective affiliates used for other investment funds or accounts could conflict with the strategies employed by such institutional asset managers managing the Institutional Investment Funds and such Securities Sub-Advisers in managing the Fund and affect access to other investment managers and their investment funds, particularly where any such institutional asset manager managing an Institutional Investment Fund or a Securities Sub-Adviser has limited the amount of assets or number of accounts it will manage. As a result, affiliates of institutional asset managers managing the Institutional Investment Funds and the Securities Sub-Advisers may compete with the Fund, the Institutional Investment Funds and other Securities Sub-Advisers for appropriate investment opportunities.

The Adviser, the institutional asset managers managing the Institutional Investment Funds, the Securities Sub-Advisers and/or their respective affiliates manage the assets of and/or provide advice to registered investment companies, private investment funds and individual accounts (collectively, ''Other Clients''), as well as to the Fund. The Fund has no interest in the activities of Other Clients. In addition, the Adviser, the institutional asset managers managing the Institutional Investment Funds, the Securities Sub-Advisers and/or their respective affiliates, and any

of their respective officers, directors, partners, members or employees, may invest for their own accounts in various investment opportunities, including in investment funds, private investment companies or other investment vehicles in which the Fund will have no interest. However, there are no known affiliations or arrangements between the Other Clients, the Adviser, the Institutional Investment Funds and the Securities Sub-Advisers that the Adviser believes will negatively impact the Fund.

The Adviser, the institutional asset managers managing the Institutional Investment Funds, the Securities Sub-Advisers and/or their respective affiliates may give advice or take action with respect to any of their Other Clients which may differ from the advice given or the timing or nature of any action taken with respect to investments in the Fund. It is the policy of the Adviser, to the extent possible, to allocate investment opportunities to the Fund over a period of time on a fair and equitable basis relative to other funds and accounts under its management. The Adviser's investment decisions for the Fund are made independently from those of Other Clients. The Adviser has no obligation to invest on behalf of the Fund in any Institutional Investment Fund that the Adviser invests with on behalf of the account of Other Clients if, in its opinion, such investment appears to be unsuitable, impractical or undesirable for the Fund. The Adviser may use certain institutional asset managers managing the Institutional Investment Funds and Securities Sub-Advisers for certain of its other funds and accounts and the Adviser will have discretion in determining the Fund's level of participation with such managers/advisers. In some cases, investments for Other Clients may be on terms different than, and sometimes more favorable than, an investment made on behalf of the Fund. This process may adversely affect the amount the Fund will be able to invest in an Institutional Investment Fund or with a Securities Sub-Adviser. In other cases, the Fund may invest in a manner opposite to that of Other Clients – *i.e.* the Fund buying an investment when Other Clients are selling, and vice-versa.

The Adviser, institutional asset managers managing the Institutional Investment Funds, the Securities Sub-Advisers and/or their respective affiliates may determine that an investment opportunity in a particular investment vehicle is appropriate for a particular Other Client or for their selves or their officers, directors, partners, members or employees, but not for the Fund. In addition, provisions of the Investment Company Act or the rules and regulations of the SEC thereunder may limit or prohibit the Fund from investing in an investment opportunity in which Other Clients or the Adviser or its affiliates or any of their respective officers, directors, partners, members or employees are also invested. Situations may arise in which the Adviser, the institutional asset managers managing the Institutional Investment Funds, the Securities Sub-Advisers and/or their respective affiliates or Other Clients have made investments which would have been suitable for investment by the Fund but, for various reasons, were not pursued by, or available to, the Fund. The investment activities of the Adviser, the institutional asset managers managing the Institutional Investment Funds, the Securities Sub-Advisers and/or their respective affiliates and any of their respective officers, directors, partners, members or employees may disadvantage the Fund in certain situations, if, among other reasons, the investment activities limit the Fund's ability to invest.

Investment decisions for the Fund are made independently from those of Other Clients. If the Fund desires to invest in the same Institutional Investment Fund or with the same Securities Sub-Adviser as an Other Client, the available investment will be allocated equitably. Decisions in this regard are subjective and there is no requirement that the Fund participate, or participate to the same extent as the Other Clients, in all investments. At times, the Adviser may determine that Other Clients and the Fund should take differing positions with respect to a particular investment. In these cases, the Adviser, the institutional asset managers managing the Institutional Investment Funds, the Securities Sub-Advisers and/or their respective affiliates may place separate transactions for one or more Other Clients which may affect the market price of the investment vehicle, the execution of the transaction or the amount the Fund will be able to invest in the Investment Fund, to the detriment or benefit of one or more Other Clients. Placing transactions on behalf of Other Clients that are directly or indirectly contrary to investment decisions made for the Fund can have the potential to adversely impact the Fund, depending on market conditions.

The Adviser, the institutional asset managers managing the Institutional Investment Funds, the Securities Sub-Advisers and/or their respective affiliates may have investments or other business relationships with the institutional asset managers of Institutional Investment Funds, the Institutional Investment Funds or the Securities Sub-Advisers, including acting as broker, prime broker, lender, counterparty, shareholder or financial adviser to an institutional asset manager managing the Institutional Investment Fund, an Institutional Investment Fund or a Securities Sub-Adviser, which could be more valuable than the Adviser's relationship to the Fund. Accordingly, the Adviser, institutional asset managers managing the Institutional Investment Funds, the Securities Sub-Advisers and/or their respective affiliates will face a conflict in evaluating such managers/advisers. Moreover, as a result of

certain relationships, the Adviser, the institutional asset managers managing the Institutional Investment Funds, the Securities Sub-Advisers and their respective affiliates may take actions with respect to an Institutional Investment Fund or other investment, such as making a margin call, that adversely affect such Institutional Investment Fund or other investment and, therefore, the Fund.

The officers or employees of the Adviser, the institutional asset managers managing the Institutional Investment Funds, the Securities Sub-Advisers and/or their respective affiliates will be engaged in substantial activities other than on behalf of the Fund and may have conflicts of interest in allocating their time and activity among the Fund and Other Clients. The Adviser, institutional asset managers managing the Institutional Investment Funds, the Securities Sub-Advisers and/or their respective affiliates, and their officers and employees, will devote so much of their time to the affairs of the Fund as in their judgment is necessary and appropriate.

The proprietary activities or portfolio strategies of the Adviser and its affiliates, and the activities or strategies used for accounts managed by the Adviser, the institutional asset managers managing the Institutional Investment Funds, the Securities Sub-Advisers and/or their respective affiliates for themselves or Other Clients, could conflict with the transactions and strategies employed by an institutional asset manager managing an Institutional Investment Funds or a Securities Sub-Adviser and affect the prices and availability of the securities and instruments in which such manager/adviser invests. Issuers of securities held by the Fund, an institutional asset manager managing the Institutional Investment Funds, an Institutional Investment Fund or a Securities Sub-Adviser may have publicly or privately traded securities in which the Adviser or such managers/advisers or their respective affiliates are investors or make a market. The trading activities of the Adviser, the institutional asset managers managing the Institutional Investment Funds, the Securities Sub-Advisers and their respective affiliates generally are carried out without reference to positions held directly or indirectly by the Fund, and may have an effect on the value of the positions so held, or may result in the Adviser or such managers/advisers and their respective affiliates having interests or positions adverse to that of the Fund, the Institutional Investment Funds or the Securities Sub-Advisers.

Conflicts of interest may arise from the fact that the institutional asset managers managing the Institutional Investment Funds, the Institutional Investment Funds, the Securities Sub-Advisers and their respective affiliates generally will be carrying on substantial investment activities for Other Clients, including other investment funds, in which the Fund will have no interest. The institutional asset managers managing the Institutional Investment Funds and the Securities Sub-Advisers may have financial incentives to favor certain of such accounts over the Fund. Any of their proprietary accounts and other customer accounts may compete with the Fund for specific trades or may hold positions opposite to positions maintained on behalf of the Fund. The institutional asset managers managing the Institutional Investment Funds and the Securities Sub-Advisers may give advice and recommend securities to, or buy or sell securities for the Fund, which advice or securities may differ from advice given to, or securities recommended or bought or sold for, other accounts and customers even though their investment objective(s) may be the same as, or similar to, those of the Fund. The institutional asset managers managing the Institutional Investment Funds and the Securities Sub-Advisers may have conflicts of interest with respect to the Institutional Investment Funds or investments that are similar to the conflicts of interest that the institutional asset managers managing the Institutional Investment Funds or the Securities Sub-Advisers have with the Fund, which indirectly impacts the Fund.

Foreside Funds Distributors LLC (the ''Distributor'') serves as the Fund's ''statutory underwriter,'' within the meaning of the Securities Act, and ''principal underwriter,'' within the meaning of the Investment Company Act, and facilitates the distribution of the Shares. The Fund, the Adviser and/or the Distributor may authorize one or more financial intermediaries (e.g., banks, investment advisers, trusts, financial industry professionals, etc., collectively referred to as ''Intermediaries'' and individually as ''Intermediary'') to receive orders on behalf of the Fund. Additionally, the Adviser has entered into servicing agreements to compensate certain financial industry professionals and the Intermediaries providing ongoing services in respect of clients to whom they have distributed Shares of the Fund. Such compensation to the Intermediaries is paid by the Adviser out of the Adviser's own resources and is not an expense of the Fund or Fund shareholders. These payments may create a conflict of interest for the Intermediaries by providing an incentive to recommend the Fund's shares over other potential investments that may also be appropriate for the clients of such Intermediaries. Such professionals and Intermediaries may provide varying investment products, programs, platforms and accounts through which investors may purchase or participate in a repurchase of Shares of the Fund. Platform fees, administration fees, shareholder services fees and sub-transfer agent fees are not paid by the Fund as compensation for any sales or distribution activities.

Any Intermediary or its affiliates may provide brokerage, placement, investment banking and other financial or advisory services from time to time to one or more accounts or entities managed by the institutional asset managers

or their affiliates, including the Institutional Investment Funds and the Securities Sub-Advisers, and receive compensation for providing these services. These relationships could preclude the Fund from engaging in certain transactions and could constrain the Fund's investment flexibility. (All Institutional Investment Funds and other accounts managed by the institutional asset managers or their affiliates, excluding the Fund, are referred to collectively as the ''Institutional Manager Accounts''). See ''Plan of Distribution'' in the Prospectus. Such payments may also be paid to Intermediaries that provide services to the Fund or its shareholders, including, but not limited to, shareholder servicing, sub-administration or sub-transfer agency services.

The Adviser, the institutional asset managers managing the Institutional Investment Funds, the Securities Sub-Advisers and/or their respective affiliates or Other Clients may have an interest in an account or investment vehicle managed by, or enter into relationships with, institutional asset managers managing Institutional Investment Funds, Securities Sub-Advisers or their respective affiliates on terms different, and potentially more favorable, than an interest in the Fund. In addition, the institutional asset managers managing the Institutional Investment Funds and the Securities Sub-Advisers may receive research products and services in connection with the brokerage services that the Adviser, the institutional asset managers managing the Institutional Investment Funds, the Securities Sub-Advisers and/or their respective affiliates may provide from time to time to one or more Institutional Asset Manager Accounts or to the Fund.

There may be a conflict of interest as a result of the fact that the Adviser will receive the Investment Management Fee irrespective of the allocations of the Fund's assets to Institutional Investment Funds and the Securities Sub-Advisers acting as sub-advisers. This conflict of interest arises because the amount of overall time, expense and other resources expended to select, compensate and monitor Securities Sub-Advisers may differ from what is expended to select and monitor Institutional Investment Funds. In this regard, because the Adviser compensates the Securities Sub-Advisers from its Investment Management Fee, the Adviser may have an economic incentive to allocate less capital to public securities. Nevertheless, the Board monitors these potential conflicts of interest and any effect they may have on the Fund.

Institutional Asset Manager Conflicts

Conflicts of interest may arise from the fact that the institutional asset managers and their affiliates generally will be carrying on substantial investment activities for institutional asset manager accounts, in which the Fund will have no interest. The institutional asset managers may have financial incentives to favor certain of such institutional asset manager accounts over the Fund. Any of these institutional asset manager accounts may compete with the Fund for specific trades or may hold positions opposite to positions maintained on behalf of the Fund. The institutional asset managers, on behalf of the Institutional Investment Funds, may give advice and recommend securities to, or buy or sell securities for, the Fund, which advice or securities may differ from advice given to, or securities recommended or bought or sold for, institutional asset manager accounts even though their investment objectives may be the same as, or similar to, those of the Fund. For additional information regarding conflicts of institutional asset managers, see ''Risk Factors – Conflicts of Interest'' in the Prospectus.

Each institutional asset manager, on behalf of the Institutional Investment Funds, and the Securities Sub-Advisers will evaluate a variety of factors that may be relevant in determining whether a particular investment opportunity or strategy is appropriate and feasible for the Fund and accounts under management at a particular time. Because these considerations may differ, the investment activities of the Fund, on the one hand, and other managed accounts, on the other hand, may differ considerably from time to time. In addition, the fees and expenses of the Fund may differ from those of the other managed accounts. Accordingly, prospective investors in the Fund should note that the future performance of the Fund and its institutional asset managers' other accounts will vary.

The institutional asset managers may trade for accounts other than the Fund and may have an incentive to favor certain of those accounts over the Fund as they may have proprietary investments in those accounts or receive greater compensation for managing them than they do for managing the Fund's trading.

TAX ASPECTS

The following is a summary of certain U.S. federal income tax considerations relevant to the acquisition, holding and disposition of Shares. This discussion offers only a brief outline of the federal income tax consequences of investing in the Fund and is based upon present provisions of the Internal Revenue Code of 1986, as amended (the ''Code''), the regulations promulgated thereunder, and judicial and administrative ruling authorities, all of which are subject to change, which change may be retroactive. The discussion is limited to persons who hold their Shares as capital assets for federal income tax purposes. This summary does not address all of the federal income tax consequences that may be relevant to a particular shareholder or to shareholders who may be subject to special treatment under federal income tax laws. No ruling has been or will be obtained from the Internal Revenue Service (''IRS'') regarding any matter relating to the Shares. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax aspects described below. The discussion set forth herein does not constitute tax advice. Shareholders must consult their own tax advisers as to the federal income tax consequences of the acquisition, holding and disposition of Shares of the Fund, as well as the effects of state, local and non-U.S. tax laws.

The Fund has elected to be treated as a regulated investment company (''RIC'') under the Code.

To qualify as a RIC, the Fund must, among other things: (a) derive in each taxable year at least 90% of its gross income from (i) dividends, interest, payments with respect to certain securities loans, and gains from the sale or other disposition of stocks, securities or foreign currencies, or other income (including but not limited to gains from options, futures or forward contracts) derived with respect to its business of investing in such stocks, securities or currencies, and (ii) net income from interests in ''qualified publicly-traded partnerships'' (as defined in the Code) (all such income items, ''qualifying income''); and (b) diversify its holdings so that, at the end of each quarter of the taxable year, (i) at least 50% of the value of the Fund's total assets is represented by cash and cash items (including receivables), U.S. Government securities, the securities of other RICs and other securities, with such other securities of any one issuer limited for the purposes of this calculation to an amount not greater than 5% of the value of the Fund's total assets and not greater than 10% of the outstanding voting securities of such issuer, and (ii) not more than 25% of the value of its total assets is invested in the securities (other than U.S. Government securities or the securities of other RICs) of a single issuer, two or more issuers that the Fund controls and that are engaged in the same, similar or related trades or businesses or one or more ''qualified publicly-traded partnerships'' (as defined in the Code).

For the purpose of determining whether the Fund satisfies the 90% qualifying income requirement, the character of the Fund's distributive share of items of income, gain and loss derived through Institutional Investment Funds that are properly treated as partnerships for U.S. federal income tax purposes (other than certain publicly-traded partnerships) generally will be determined as if the Fund realized such items directly in the same manner as realized by such Investment Funds. Similarly, for the purpose of the asset diversification requirement in order to qualify as a RIC, the Fund will ''look through'' to the assets held by such Investment Funds.

If before the end of any quarter of its taxable year, the Fund believes that it may fail the asset diversification requirement necessary to qualify as a RIC, the Fund may seek to take certain actions to avert such a failure. However, the action frequently taken by RICs to avert such a failure, the disposition of non-diversified assets, may be difficult for the Fund to pursue because the Fund may redeem its interest in an Institutional Investment Fund only at certain times specified by the governing documents of each respective Institutional Investment Fund. While relevant tax provisions afford the Fund a 30-day period after the end of the relevant quarter in which to cure a diversification failure by disposing of non-diversified assets, the constraints on the Fund's ability to affect a redemption from an Institutional Investment Fund referred to above may limit utilization of this cure period.

As a RIC, the Fund generally will not be subject to U.S. federal income tax on its investment company taxable income (which includes, among other items, dividends, interest and net short-term capital gains in excess of net long-term capital losses, but determined without regard to the deduction for dividends paid) and net capital gains (the excess of net long-term capital gains over net short-term capital losses), if any, that it distributes to shareholders, provided that it distributes at least 90% of the sum of its investment company taxable income and any net tax-exempt income for such taxable year. The Fund intends to distribute to its shareholders, at least annually, substantially all of its investment company taxable income, net tax-exempt income, and net capital gains. Amounts not distributed on a timely basis in accordance with a calendar year distribution requirement, described below, are subject to a nondeductible 4% excise tax. To prevent imposition of the excise tax, the Fund generally must distribute during each calendar year an amount at least equal to the sum of (1) 98% of its ordinary income (not taking into account any capital gains or losses), generally determined on a calendar year basis, (2) 98% of its capital gains in excess of its

capital losses (adjusted for certain ordinary losses), generally determined for the one-year period ending on October 31 of the calendar year (or for the Fund's taxable year, if the Fund so elects). In addition, the minimum amounts that must be distributed in any year to avoid the excise tax will be increased or decreased to reflect any under-distribution or over-distribution, as the case may be, from the previous year. To prevent the application of the excise tax, the Fund intends to make its distributions in accordance with the calendar year distribution requirement.

If the Fund does not qualify as a RIC, it will be treated for tax purposes as an ordinary corporation. In that case, all of its taxable income would be subject to U.S. federal income tax at regular corporate rates without any deduction for distributions to shareholders. In addition, all distributions (including distributions of net capital gain) would be taxed to their recipients as dividend income to the extent of the Fund's current and accumulated earnings and profits.

The Fund will ordinarily declare and pay dividends from its net investment income quarterly and distribute net realized capital gains, if any, once a year. The Fund, however, may make distributions on a more frequent basis to comply with the distribution requirements of the Code, in all events in a manner consistent with the provisions of the Investment Company Act.

Dividends from net investment income and net short-term capital gain generally will be taxable as ordinary income (which generally cannot be offset with capital losses from other sources). Due to the nature of the Fund's investments, dividends paid by the Fund generally will not be eligible for the dividends received deduction ordinarily available to corporate shareholders of U.S. corporations. Similarly, dividends paid by the Fund generally will not be eligible for treatment as ''qualified dividend income,'' which is subject to preferential tax at rates in the hands of the shareholders that are individuals. Distributions of net capital gain (which is the excess of net long-term capital gain over net short-term capital loss) that are properly designated by the Fund as ''capital gain dividends'' will be taxable as long-term capital gain, regardless of how long Shares have been held by the shareholder. The tax treatment of dividends and capital gain distributions will be the same whether you take them in cash or reinvest them to buy additional Shares. Distributions by the Fund in excess of the Fund's current and accumulated earnings and profits will be treated as a tax-free return of capital to the extent of (and in reduction of) the tax basis in your Shares and any such amount in excess of your tax basis will be treated as gain from the sale of Shares, as discussed below.

The tax treatment of dividends and capital gain distributions will be the same whether you take them in cash or reinvest them to buy additional Shares.

The Fund may elect to retain its net capital gain or a portion thereof for investment and be taxed at corporate rates on the amount retained. In such case, it may designate the retained amount as undistributed capital gains in a notice to its shareholders who will be treated as if each shareholder received a distribution of his or her pro rata share of such gain, with the result that each shareholder will (i) be required to report his or her pro rata share of such gain on his or her tax return as long-term capital gain, (ii) receive a refundable tax credit for his or her pro rata share of tax paid by the Fund on the gain, and (iii) increase the tax basis for his or her Shares by an amount equal to the deemed distribution less the tax credit.

As discussed in the Prospectus, a loss realized upon the sale or repurchase of Shares that have been held for six months or less will be treated as long-term capital loss to the extent it offsets any long-term capital gain distributions received or deemed received in respect of those Shares. See ''Taxes – Income from Repurchases and Transfer of Shares'' in the Prospectus.

For taxable years beginning after December 31, 2012, legislation will generally impose a tax on the net investment income of certain individuals and on the undistributed net investment income of certain estates and trusts. For these purposes, ''net investment income'' will generally include, among other things, dividends (including dividends paid with respect to the Fund's Shares to the extent paid out of the Fund's current or accumulated earnings and profits as determined under U.S. federal income tax principles) and net gain attributable to the disposition of property not held in a trade or business (which could include net gain from the sale, exchange or other taxable disposition of Shares), but will be reduced by any deductions properly allocable to such income or net gain. Shareholders are advised to consult their own tax advisors regarding the additional taxation of net investment income.

There is a possibility that the Fund may from time to time be considered under the Code to be a non-publicly offered regulated investment company. Under Temporary regulations, certain expenses of non-publicly offered regulated investment companies, including an investment management fee (as described in the Prospectus as the ''Investment Management Fee''), may not be deductible by certain shareholders, generally including individuals and entities that compute their taxable income in the same manner as individuals (thus, for example, a qualified pension

plan would not be subject to this rule). Such a shareholder's pro rata portion of the affected expenses will be treated as an additional dividend to the shareholder and will be deductible by the shareholder, subject to the 2% ''floor'' on miscellaneous itemized deductions and other limitations on itemized deductions set forth in the Code. A ''non-publicly offered regulated investment company'' is a RIC whose shares are neither (i) continuously offered pursuant to a public offering, (ii) regularly traded on an established securities market, nor (iii) held by at least 500 persons at all times during the taxable year.

The Fund intends to invest in Institutional Investment Funds that, as indicated previously, may be classified as partnerships for U.S. federal income tax purposes. An entity that is properly classified as a partnership (and not an association or publicly-traded partnership taxable as a corporation) is not itself subject to federal income tax. Instead, each partner of the partnership is required to take into account its distributive share of the partnership's net capital gain or loss, net short-term capital gain or loss, and its other items of ordinary income or loss (including all items of income, gain, loss and deduction allocable to that partnership from investments in other partnerships) for each taxable year of the partnership ending with or within the partner's taxable year. Each such item will have the same character to a partner, and will generally have the same source (either United States or foreign), as though the partner realized the item directly. Partners of a partnership must report these items regardless of the extent to which, or whether, the partnership or the partners receive cash distributions for such taxable year. Accordingly, the Fund may be required to recognize items of taxable income and gain prior to the time that any corresponding cash distributions are made to or by certain Institutional Investment Funds (including in circumstances where investments by the Institutional Investment Funds, such as investments in debt instruments with ''original issue discount,'' generate income prior to a corresponding receipt of cash). In such case, the Fund may have to dispose of assets, including interests in Institutional Investment Funds that it might otherwise have continued to hold in order to generate cash to satisfy the RIC distribution requirements. Similarly, the Fund may have to dispose of interests in Institutional Investment Funds that it would otherwise have continued to hold, or devise other methods of cure, to the extent certain Institutional Investment Funds earn income of a type that is not consistent with the RIC 90% qualified income requirement or holds assets that could cause the Fund not to satisfy the RIC asset diversification requirements.

UNLESS OTHERWISE INDICATED, REFERENCES IN THIS DISCUSSION TO THE TAX CONSEQUENCES OF FUND INVESTMENTS, ACTIVITIES, INCOME, GAIN AND LOSS, INCLUDE THE DIRECT INVESTMENTS, ACTIVITIES, INCOME, GAIN AND LOSS OF THE FUND, AND THOSE INDIRECTLY ATTRIBUTABLE TO THE FUND AS A RESULT OF ITS EQUITY INVESTMENT IN AN INSTITUTIONAL INVESTMENT FUND THAT IS PROPERLY CLASSIFIED AS A PARTNERSHIP (AND NOT AN ASSOCIATION OR PUBLICLY-TRADED PARTNERSHIP TAXABLE AS A CORPORATION).

Ordinarily, gains and losses realized from portfolio transactions will be treated as capital gains and losses. However, a portion of the gain or loss realized from the disposition of foreign currencies (including foreign currency denominated bank deposits) and non-U.S. dollar denominated securities (including debt instruments and certain futures or forward contracts and options) may be treated as ordinary income or loss. Similarly, gains or losses attributable to fluctuations in exchange rates that occur between the time the Fund accrues interest or other receivables or accrues expenses or other liabilities denominated in a foreign currency and the time such receivables are collected or the time that the liabilities are paid may be treated as ordinary income or loss. In addition, all or a portion of any gains realized from the sale or other disposition of certain market discount bonds will be treated as ordinary income. Finally, all or a portion of the gain realized from engaging in ''conversion transactions'' (generally including certain transactions designed to convert ordinary income into capital gain) may be treated as ordinary income.

The Fund intends to purchase shares in non-U.S. Investment Funds, which may be treated as passive foreign investment companies (''PFICs''). The Fund may be subject to U.S. federal income tax, at ordinary income rates, on a portion of any ''excess distribution'' or gain from the disposition of such shares even if such income is distributed as a taxable dividend by the Fund to its shareholders. Additional charges in the nature of interest may be imposed on the Fund in respect of deferred taxes arising from such distributions or gains. If the Fund were to invest in a PFIC and elect to treat the PFIC as a ''qualified electing fund'' under the Code (a ''QEF''), then the Fund would be required, in lieu of the foregoing requirements, to include in income each year a portion of the QEF's ordinary earnings and net capital gain (at ordinary income and capital gains rates, respectively), even if not distributed to the Fund. If the QEF incurs losses for a taxable year, these losses will not pass through to the Fund and, accordingly, cannot offset other income and/or gains of the Fund. The Fund may not be able to make the QEF election with respect to many PFICs because of certain requirements that the PFICs would have to satisfy. Alternatively, the Fund, in

certain cases, could elect to mark-to-market at the end of each taxable year its shares in a PFIC. In this case, the Fund would recognize as ordinary income any increase in the value of such shares, and as ordinary loss any decrease in such value, to the extent it did not exceed prior increases in income. Under either election, the Fund might be required to recognize income in excess of its distributions from PFICs and its proceeds from dispositions of PFIC stock during the applicable year and such income would nevertheless be subject to the distribution requirement and would be taken into account for purposes of the 4% excise tax (described above). Dividends paid by PFICs will not be treated as ''qualified dividend income.''

The Fund's investment in non-U.S. stocks or securities may be subject to withholding and other taxes imposed by countries outside the United States. In that case, the Fund's yield on those stocks or securities would be decreased. Tax conventions between certain countries and the United States may reduce or eliminate such taxes. If more than 50% of the Fund's assets at year-end consists of the stock or securities of foreign corporations, the Fund may elect to permit its shareholders to claim a credit or deduction on their income tax returns for their pro rata portion of qualified taxes paid by the Fund to foreign countries in respect of foreign stock or securities the Fund has held for at least the minimum period specified in the Code. In such a case, shareholders of the Fund will include in gross income from foreign sources their pro rata shares of such taxes. The Fund does not expect to meet the requirements to make the election described above in respect of the treatment of foreign taxes.

The Fund may be required to apply a U.S. ''backup withholding'' tax to taxable dividends and redemption proceeds payable to shareholders who fail to provide the Fund with their correct taxpayer identification numbers (''TINs'') or who otherwise fail to make required certifications, or if the Fund or a shareholder has been notified by the IRS that such shareholder is subject to backup withholding. Certain shareholders specified in the Code and the Treasury regulations promulgated thereunder are exempt from backup withholding, but may be required to demonstrate their exempt status. Backup withholding is not an additional tax. Any amounts withheld will be allowed as a refund or a credit against the shareholder's federal income tax liability if the appropriate information is provided to the IRS. Failure to furnish a certified TIN to the Fund could subject you to a $50 penalty imposed by the IRS.

Tax-Exempt Shareholders

A tax-exempt shareholder could realize Unrelated Business Taxable Income (''UBTI'') by virtue of its investment in Shares of the Fund if those Shares constitute debt-financed property in the hands of the tax-exempt shareholder within the meaning of Section 514(b) of the Code. A tax-exempt shareholder may also recognize UBTI if the Fund were to recognize ''excess inclusion income'' derived from direct or indirect investments in residual interests in real estate mortgage investment conduits or taxable mortgage pools. If a charitable remainder annuity trust or a charitable remainder unitrust (each as defined in Section 664 of the Code) has UBTI for a taxable year, a 100% excise tax on the UBTI is imposed on the trust.

Foreign Shareholders

U.S. taxation of a shareholder who, as to the United States, is a nonresident alien individual, a foreign trust or estate, or a foreign corporation (''foreign shareholder'') as defined in the Code, depends on whether the income of the Fund is ''effectively connected'' with a U.S. trade or business carried on by the shareholder.

Income Not Effectively Connected. If the income from the Fund is not ''effectively connected'' with a U.S. trade or business carried on by the foreign shareholder, distributions of investment company taxable income will generally be subject to a U.S. tax of 30% (or lower treaty rate, except in the case of any ''excess inclusion income'' allocated to the shareholders), which tax is generally withheld from such distributions. Capital gain dividends and any amounts retained by the Fund which are designated as undistributed capital gains will not be subject to U.S. tax at the rate of 30% (or lower treaty rate) unless the foreign shareholder is a nonresident alien individual and is physically present in the United States for more than 182 days during the taxable year and meets certain other requirements. However, this 30% tax on capital gains of nonresident alien individuals who are physically present in the United States for more than the 182 day period only applies in exceptional cases because any individual present in the United States for more than 182 days during the taxable year is generally treated as a resident for U.S. income tax purposes; in that case, he or she would be subject to U.S. income tax on his or her worldwide income at the graduated rates applicable to U.S. citizens, rather than the 30% tax. In the case of a foreign shareholder, the Fund may be required to withhold U.S. income tax on distributions of net capital gain unless the foreign shareholder certifies his or her non-U.S. status under penalties of perjury or otherwise establishes an exemption (generally by providing a U.S. Tax Form W-8BEN).

If the Fund is a ''U.S. real property holding corporation,'' or would be but for the operation of certain exclusions, distributions by the Fund that are both attributable to gains from ''U.S. real property interests'' and realized on

account of certain capital gain dividends from REITs, will generally cause the foreign shareholder to be treated as recognizing such gain as income effectively connected to a trade or business within the United States (subject to the rules described below for effectively connected income). Generally, the Fund is required to withhold at a 35% rate on a distribution to a foreign shareholder attributable to such gains, and such a distribution may subject a foreign shareholder to a U.S. tax filing obligation and may create a branch profits tax liability for foreign corporate shareholders. Under a *de minimis* exception to the rule described above, if a foreign shareholder has not held more than 5% of the Fund's Shares at any time during the one-year period ending on the date of the distribution, the foreign shareholder is not treated as receiving a distribution attributable to gains from U.S. real property interests derived through REITs, but is, instead, treated as receiving an ordinary distribution subject to U.S. tax at the rate of 30% (or lower treaty rate).

Any gain that a foreign shareholder realizes upon the sale or exchange of Shares will ordinarily be exempt from U.S. tax unless (i) in the case of a shareholder that is a nonresident alien individual, the gain is U.S. source income and such shareholder is physically present in the United States for more than 182 days during the taxable year and meets certain other requirements, or (ii) at any time during the shorter of the period during which the foreign shareholder held such Shares and the five-year period ending on the date of the disposition of those Shares, the Fund was a U.S. real property holding corporation and the foreign shareholder actually or constructively held more than 5% of the Fund's Shares. In the latter event the gain would be subject to withholding tax and otherwise taxed in the same manner as for a U.S. shareholder, as discussed herein and in the Prospectus. A corporation is a ''U.S. real property holding corporation'' if the fair market value of its U.S. real property interests equals or exceeds 50% of the fair market value of such interests plus its interests in real property located outside the United States plus any other assets used or held for use in a business. In the case of the Fund, U.S. real property interests include interests in stock in U.S. real property holding corporations (other than stock of a REIT controlled by U.S. persons and holdings of 5% or less in the stock of publicly-traded U.S. real property holding corporations) and certain participating debt securities.

Foreign shareholders that engage in certain ''wash sale'' and/or substitute dividend payment transactions the effect of which is to avoid the receipt of distributions from the Fund that would be treated as gain effectively connected with a United States trade or business may be treated as having received such distributions. All shareholders of the Fund should consult their tax advisors regarding the application of the foregoing rule.

Income Effectively Connected. If the income from the Fund is ''effectively connected'' with a U.S. trade or business carried on by a foreign shareholder, then distributions of investment company taxable income and capital gain dividends, any amounts retained by the Fund which are designated as undistributed capital gains, and any gains realized upon the sale or exchange of shares of the Fund will be subject to U.S. income tax at the graduated rates applicable to U.S. citizens, residents and domestic corporations. Foreign corporate shareholders may also be subject to the branch profits tax imposed by the Code.

The tax consequences to a foreign shareholder entitled to claim the benefits of an applicable tax treaty may differ from those described herein.

Foreign shareholders are advised to consult their own tax advisers with respect to the particular tax consequences to them of an investment in the Fund.

Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act (''FATCA'') was signed into law on March 18, 2010 and established an information reporting regime applicable to ''foreign financial institutions,'' which may encompass certain foreign shareholders in the Fund. For purposes of FATCA, foreign financial institutions include non-U.S. entities that (i) accept deposits in the ordinary course of a banking or similar business, (ii) hold financial assets for the accounts of others as a substantial portion of their business, or (iii) are engaged primarily in the business of investing, reinvesting, or trading in securities, partnership interests, commodities, or any interests (including futures, forwards, or options) therein. Pursuant to FATCA, a foreign financial institution, in order to avoid becoming subject to a 30% U.S. withholding tax on certain payments received by it, will be required to enter into an agreement with the IRS obliging the foreign financial institution to comply with certain procedures specified in the legislation or in guidance to be issued by the IRS, including an obligation to obtain and provide annually to the IRS certain information regarding the holders of its ''United States accounts,'' i.e., accounts held by persons that are specified U.S. persons or that are foreign entities whose owners include specified U.S. persons. Foreign financial institutions that do not comply with and are not exempted from the foregoing requirements generally will be subject to a 30% withholding

tax on (i) payments of U.S.-source interest, dividends, and other fixed or determinable annual or periodical income received on or after January 1, 2014, (ii) proceeds of a sale or disposition of property producing U.S.-source interest or dividends received on or after January 1, 2015, and (iii) payments received from other foreign financial institutions on or after January 1, 2015 that are allocable, under Treasury regulations to be issued, to payments described in clauses (i) and (ii) above that are received by such other foreign financial institutions. An exemption from the foregoing requirements will be provided for a foreign financial institution that complies with procedures to be specified by the IRS to ensure that the foreign financial institution has no United States accounts. The IRS has indicated that it intends to issue additional guidance on the FATCA information reporting regime by the end of 2011 and that it expects to begin entering into agreements with foreign financial institutions in 2013. Foreign shareholders that are foreign financial institutions and that fail to comply with the FATCA requirements or the terms of any available exemption therefrom will be subject to the withholding described above.

In addition, FATCA requires that certain foreign shareholders that are ''non-financial foreign entities'' provide the Fund with information identifying their substantial U.S. owners or a certification that they do not have any such owners (which information the Fund will be required to provide to the IRS) in order to avoid being subject to the 30% withholding tax described above. Prospective investors are urged to consult their own tax advisors regarding the possible implications of FATCA on an investment in the Fund.

FATCA also imposes information reporting requirements on individuals (and, to the extent provided in future regulations, certain domestic entities) that hold any interest in a ''specified foreign financial asset'' if the aggregate value of all such assets held by such individual exceeds $50,000. Significant penalties can apply upon a failure to make the required disclosure and in respect of understatements of tax attributable to undisclosed foreign financial assets. This information reporting requirement is generally applicable for taxable years which began after March 18, 2010. The scope of this reporting requirement is not entirely clear and all shareholders should consult their own tax advisers as to whether reporting may be required in respect of their indirect interests in certain investments of the Fund.

Possible Legislative Changes

The tax consequences described herein may be affected (possibly with retroactive effect) by various legislative bills and proposals that have been, and in the future may be, initiated in Congress. It is not possible to predict at this time the extent to which any bills and/or proposals before Congress will be enacted and signed into law, and, if enacted, what their final form and effective dates will be. In addition, other bills and proposals could be enacted that would change the tax consequences described herein of an investment in the Fund. Prospective investors should consult their own tax advisers regarding the status of proposed legislation and the effect, if any, on their investment in the Fund.

Other Taxation

Fund shareholders should consult their own tax advisers regarding the state, local and foreign tax consequences of an investment in Shares and the particular tax consequences to them of an investment in the Fund.

BROKERAGE

Each Securities Sub-Adviser is directly responsible for the execution of its portfolio investment transactions and the allocation of brokerage. Transactions on U.S. stock exchanges and on some foreign stock exchanges involve the payment of negotiated brokerage commissions. On the great majority of foreign stock exchanges, commissions are fixed. No stated commission is generally applicable to securities traded in over-the-counter markets, but the prices of those securities include undisclosed commissions or mark-ups. A Securities Sub-Adviser may not pay the lowest available commissions or mark-ups or mark-downs on securities transactions.

To the extent Securities Sub-Advisers are engaged to manage the Fund's assets, the following paragraphs will be relevant:

In executing transactions, each Securities Sub-Adviser will seek to obtain the best execution for the transactions, taking into account factors such as price, size of order, difficulty of execution and operational facilities of a brokerage firm, and in the case of transactions effected by the Securities Sub-Adviser with unaffiliated brokers, the firm's risk in positioning a block of securities. Although each Securities Sub-Adviser generally will seek reasonably competitive commission rates, a Securities Sub-Adviser will not necessarily pay the lowest commission available on each transaction. The Securities Sub-Advisers will have no obligation to deal with any broker or group of brokers in executing transactions in portfolio securities.

Following the principle of seeking best execution, a Securities Sub-Adviser may place brokerage business on behalf of the Fund with brokers that provide the Securities Sub-Adviser and its affiliates with supplemental research, market and statistical information, including advice as to the value of securities, the advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities, and furnishing analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy and the performance of accounts. The expenses of the Securities Sub-Adviser are not necessarily reduced as a result of the receipt of this supplemental information, which may be useful to the Securities Sub-Adviser or its affiliates in providing services to clients. In addition, not all of the supplemental information is used by the Securities Sub-Adviser. Conversely, the information provided to the Securities Sub-Adviser by brokers and dealers through which other clients of the Securities Sub-Adviser and its affiliates effect securities transactions may be useful to the Securities Sub-Adviser in providing services.

Each Securities Sub-Adviser may execute portfolio brokerage transactions through its affiliates and affiliates of the Fund or the Fund's advisers, in each case subject to compliance with the Investment Company Act.

The table below sets forth information concerning the payment of commissions (which do not include dealer ''spreads'' (markups or markdowns) on principal trades) by the Fund's sub-advisers, including the amount of such commissions paid to affiliates (if any) for the indicated fiscal years:

Total Brokerage Commissions Paid*	**2019**	**2018**	**2017**
Versus Sub Account with Brookfield	$408,280	$226,746	N/A
Versus Sub Account with Lazard	$ 29,969	N/A	N/A

* *Fiscal year ending 3/31*

Brokerage Commissions Paid to Any Broker Affiliated with the Sub-Adviser*	**2019**	**% of aggregate commission paid to affiliated broker in 2019**	**2018**	**2017**
Versus Sub Account with Brookfield	$0	0%	$0	$0
Versus Sub Account with Lazard	$0	0%	$0	$0

* *Fiscal year ending 3/31*

Brokerage Commissions

Brookfield

In evaluating the best execution of client transactions, Brookfield will consider the full range and quality of a broker's services, taking into account all relevant factors. Although it is not possible to create a definitive list of factors to guide this determination, Brookfield may consider some or all of the following:

- Price of security;
- Commission rate;
- Execution capability, including execution speed and reliability;
- Trading expertise and knowledge of the other side of the trade;
- Financial responsibility;

- Responsiveness;
- Reputation and integrity;
- Capital commitment;
- Value of research or brokerage services or products provided;
- Access to underwritten and secondary market offerings;
- Confidentiality;
- Reliability in keeping records;
- Fairness in resolving disputes;
- Market depth and available liquidity;
- Recent order flow;
- Timing and size of an order; and
- Current market conditions.

In selecting broker-dealers to execute client transactions, Brookfield will bear in mind that no factor is necessarily determinative and that seeking to obtain best execution for all client trades must take precedence over all other considerations.

Brookfield pays for some services with soft dollars however it generally limits its participation in these arrangements annually to an amount that, in its judgment, ensures best execution of client transactions. It is their policy to use all soft dollar credits generated by brokerage commissions attributable to client accounts in a manner consistent with the ''safe harbor'' established by Section 28(e) of the Securities Exchange Act. During the Fund's Fiscal year ending March 31, 2019, the Fund traded approximately $112,899,950 through brokers where it has a soft dollar relationship. The Fund paid approximately $100,453 in commissions to these brokers.

Lazard

Consistent with the requirements of best execution, brokerage commissions on the Fund's transactions may be paid to brokers in recognition of investment research and information furnished as well as for brokerage and execution services provided by such brokers. Lazard may in its discretion cause accounts to pay such broker-dealers a commission for effecting a portfolio transaction in excess of the amount of commission another broker or dealer adequately qualified to effect such transaction would have charged for effecting that transaction. This may be done where Lazard has determined in good faith that such commission is reasonable in relation to the value of the brokerage and/or research to that particular transaction or to Lazard's overall responsibilities with respect to the accounts as to which it exercises investment discretion.

Lazard receives a wide range of research (including proprietary research) and brokerage services from brokers. These services include information on the economy, industries, groups of securities, and individual companies; statistical information; technical market action, pricing and appraisal services; portfolio management computer services (including trading and settlement systems); risk management analysis; and performance analysis. Broker-dealers may also supply market quotations to the Fund's custodian for valuation purposes.

Any research received in respect of the Fund's brokerage commission may be useful to the Fund, but also may be useful in the management of the account of another client of Lazard. Similarly, the research received for the commissions of such other client may be useful for the Fund. During the Fund's Fiscal year ending March 31, 2019, the Fund traded approximately $9,448,271 through brokers where it has a soft dollar relationship. The Fund paid approximately $2,731 in commissions to these brokers.

FINANCIAL STATEMENTS

The Fund's audited financial statements appearing in the Fund's Annual Report on Form N-CSR for the fiscal year ended March 31, 2019 are incorporated by reference in this Statement of Additional Information and have been so incorporated in reliance upon the reports of Grant Thornton LLP, independent registered public accounting firm for the Fund, whose report is included in such Annual Report.

The Fund's unaudited financial statements appearing in the Fund's Semi-Annual Report on Form N-CSRS for the fiscal period ended September 30, 2019 are incorporated by reference in this Statement Additional Information.

APPENDIX A - PROXY VOTING POLICIES AND PROCEDURES

Lazard Asset Management LLC

Proxy Voting Policy

A. Introduction

Lazard Asset Management LLC and its investment advisory subsidiaries (''Lazard'') provide investment management services for client accounts, including proxy voting services. As a fiduciary, Lazard is obligated to vote proxies in the best interests of its clients. Lazard has developed a structure that is designed to ensure that proxy voting is conducted in an appropriate manner, consistent with clients' best interests, and within the framework of this Proxy Voting Policy (the ''Policy'').

Lazard manages assets for a variety of clients worldwide, including institutions, financial intermediaries, sovereign wealth funds, and private clients. To the extent that proxy voting authority is delegated to Lazard, Lazard's general policy is to vote proxies on a given issue in the same manner for all of its clients. This Policy is based on the view that Lazard, in its role as investment adviser, must vote proxies based on what it believes will maximize shareholder value as a long-term investor, and the votes that it casts on behalf of all its clients are intended to accomplish that objective. This Policy recognizes that there may be times when meeting agendas or proposals may create the appearance of a material conflict of interest for Lazard. Lazard will look to alleviate the potential conflict by voting according to pre-approved guidelines. In situations where a pre-approved guideline is to vote case-by-case, Lazard will vote according to the recommendation of an independent source. More information on how Lazard handles material conflicts of interest in proxy voting is provided in Section F of this Policy.

B. Responsibility to Vote Proxies

Generally, Lazard is willing to accept delegation from its clients to vote proxies. Lazard does not delegate that authority to any other person or entity, but retains complete authority for voting all proxies on behalf of its clients. Not all clients delegate proxy-voting authority to Lazard, however, and Lazard will not vote proxies, or provide advice to clients on how to vote proxies, in the absence of a specific delegation of authority or an obligation under applicable law. For example, securities that are held in an investment advisory account for which Lazard exercises no investment discretion are not voted by Lazard, nor are shares that a client has authorized their custodian bank to use in a stock loan program which passes voting rights to the party with possession of the shares.

C. General Administration

1. Overview and Governance

Lazard's proxy voting process is administered by members of its Operations Department (''the Proxy Administration Team''). Oversight of the process is provided by Lazard's Legal/Compliance Department and by a Proxy Committee comprised of senior investment professionals, members of the Legal/Compliance Department and other personnel. The Proxy Committee meets regularly, generally on a quarterly basis, to review this Policy and other matters relating to the firm's proxy voting functions. Meetings may be convened more frequently (for example, to discuss a specific proxy agenda or proposal) as needed. A representative of Lazard's Legal/Compliance Department will participate in all Proxy Committee meetings.

A quorum for the conduct of any meeting will be met if a majority of the Proxy Committee's members are in attendance by phone or in person. Decisions of the Proxy Committee will be made by consensus and minutes of each meeting will be taken and maintained by the Legal/Compliance Department. The Proxy Committee may, upon consultation with Lazard's Chief Compliance Officer and General Counsel, or his designee, take any action that it believes to be necessary or appropriate to carry out the purposes of the Policy. The Chief Compliance Officer and General Counsel, or his designee, is responsible for interpreting this Policy, and may act on behalf of the Proxy Committee in circumstances where a meeting of the members is not feasible.

2. Role of Third Parties

Lazard currently subscribes to advisory and other proxy voting services provided by Institutional Shareholder Services Inc. (''ISS'') and by Glass, Lewis & Co. (''Glass Lewis''). These proxy advisory services provide independent analysis and recommendations regarding various companies' proxy proposals. While this research

serves to help improve our understanding of the issues surrounding a company's proxy proposals, Lazard's Portfolio Manager/Analysts and Research Analysts (collectively, ''Portfolio Management'') are responsible for providing the vote recommendation for a given proposal.

ISS provides additional proxy-related administrative services to Lazard. ISS receives on Lazard's behalf all proxy information sent by custodians that hold securities on behalf of Lazard's clients and sponsored funds. ISS posts all relevant information regarding the proxy on its password-protected website for Lazard to review, including meeting dates, all agendas and ISS' analysis. The Proxy Administration Team reviews this information on a daily basis and regularly communicates with representatives of ISS to ensure that all agendas are considered and proxies are voted on a timely basis. ISS also provides Lazard with vote execution, recordkeeping and reporting support services. Members of the Proxy Committee, along with members of the Legal/Compliance Team, will conduct periodic due diligence of ISS and Glass Lewis consisting of an annual questionnaire and, as appropriate, on site visits.

3. Voting Process

The Proxy Committee has approved specific proxy voting guidelines regarding various common proxy proposals (the ''Approved Guidelines''). As discussed more fully below in Section D of this Policy, depending on the proposal, an Approved Guideline may provide that Lazard should vote for or against the proposal, or that the proposal should be considered on a case-by-case basis.

For each shareholder meeting the Proxy Administration Team provides Portfolio Management with the agenda and proposals, the Approved Guidelines, independent vote recommendations from Glass Lewis and ISS and supporting analyses for each proposal. Unless Portfolio Management disagrees with the Approved Guideline for a specific proposal, or where a potential material conflict of interest exists, the Proxy Administration Team will generally vote the proposal according to the Approved Guideline. In cases where Portfolio Management recommends a vote contrary to the Approved Guideline, a member of the Proxy Administration Team will contact a member of the Legal/Compliance Department advising the Proxy Committee. Such communication, which may be in the form of an e-mail, shall include: the name of the issuer, a description of the proposal, the Approved Guideline, any potential conflict of interest presented and the reason(s) Portfolio Management believes a proxy vote in this manner is in the best interest of clients a. In such cases, the Proxy Committee and the Legal/Compliance Department will review the proposal and make a determination.

Where the Approved Guideline for a particular type of proxy proposal is to vote on a case-by-case basis, Lazard believes that Portfolio Management is best able to evaluate the potential impact to shareholders resulting from a particular proposal. Similarly, with respect to certain Lazard strategies, as discussed more fully in Sections F and G below, the Proxy Administration Team will consult with Portfolio Management to determine when it would be appropriate to abstain from voting. The Proxy Administration Team seeks Portfolio Management's recommendation on how to vote all such proposals. The Proxy Administration Team may also consult with Lazard's Chief Compliance Officer and General Counsel (or his designee), and may seek the final approval of the Proxy Committee regarding a recommendation by Portfolio Management.

As a global firm, we recognize that there are differing governance models adopted in various countries and that local laws and practices vary widely. Although the Approved Guidelines are intended to be applied uniformly world-wide, where appropriate, Lazard will consider regional/local law and guidance in applying the Policy.

D. Specific Proxy Items

Shareholders receive proxies involving many different proposals. Many proposals are routine in nature, such as a non-controversial election of Directors or a change in a company's name. Others are more complicated, such as items regarding corporate governance and shareholder rights, changes to capital structure, stock option plans and other executive compensation issues, mergers and other significant transactions and social or political issues. Lazard's Approved Guidelines for certain common agenda items are outlined below. The Proxy Committee will also consider any other proposals presented and determine whether to implement a new Approved Guideline.

Certain strategy-specific considerations may result in Lazard voting proxies other than according to the Approved Guidelines, not voting shares at all, issuing standing instructions to ISS on how to vote certain proxy matters on behalf of Lazard, or other unique circumstances requiring special vote considerations. These considerations are discussed in more detail in Section G, below.

1. Routine Items

Lazard generally votes routine items as recommended by the issuer's management and board of directors, and against any shareholder proposals regarding those routine matters, based on the view that management is generally in a better position to assess these matters. Lazard considers routine items to be those that do not change the structure, charter, bylaws, or operations of an issuer in any way that is material to shareholder value. Routine items generally include:

- non-controversial election or re-election of directors;
- appointment or election of auditors, in the absence of any controversy or conflict regarding the auditors;
- issues relating to the timing or conduct of annual meetings; and
- name changes.

2. Corporate Governance and Shareholder Rights

Many proposals address issues related to corporate governance and shareholder rights. These items often relate to a board of directors and its committees, anti-takeover measures, and the conduct of the company's shareholder meetings.

a. Board of Directors and its Committees

Lazard votes in favor of provisions that it believes will increase the effectiveness of an issuer's board of directors.

Lazard has Approved Guidelines to vote FOR the following:

- the establishment of an independent nominating committee, audit committee or compensation committee of a board of directors;
- a requirement that a substantial majority (e.g., 2/3) of a company's directors be independent;
- a proposal that a board's committees be comprised solely or a majority of independent directors;
- proposals seeking to de-classify a board; and
- proposals to limit directors' liability; broaden indemnification of directors; and approve indemnification agreements for officers and directors, (unless doing so would affect shareholder interests in a specific pending or threatened litigation; or if indemnification is due to negligence then directors would be liable for intentional misconduct and actions taken without good faith intention - in these cases voting is on a case-by-case basis).

Lazard has Approved Guidelines to vote on a CASE by CASE Basis for the following:

- the election of directors where the board does not have independent ''key committees'' or sufficient board independence;
- non-independent directors who serve on key committees that are not sufficiently independent;
- proposals to require the separation of chairman and CEO:
- proposals relating to cumulative voting;
- proposals to establish directors' mandatory retirement age;
- establishment of shareholder advisory committees
- removal of age restrictions for directors; and
- director stock retention/holding periods.

Lazard has Approved Guidelines to vote AGAINST the following:

- shareholder proposals seeking to establish minimum stock-ownership requirements for directors;
- shareholder proposals to establish additional committees (absent demonstrable need)
- proposals seeking to classify a board
- shareholder proposals seeking to establish term limits for directors
- shareholder proposals seeking to change the size of a board or requiring two candidates for each board seat.

b. Anti-takeover Measures

Certain proposals are intended to deter outside parties from taking control of a company. Such proposals could entrench management and adversely affect shareholder rights and the value of the company's shares.

Consequently, Lazard has adopted Approved Guidelines to vote AGAINST:

- proposals to adopt supermajority vote requirements, or increase vote requirements;
- proposals seeking to adopt fair price provisions and on a case-by-case basis regarding proposals seeking to rescind them;
- ''blank check'' preferred stock; and

Lazard has adopted Approved Guidelines to vote on a CASE by CASE basis regarding other provisions seeking to amend a company's by-laws or charter regarding anti-takeover provisions or shareholder rights plans (also known as ''poison pill plans'').

Lazard has adopted an Approved Guideline vote FOR proposals that ask management to submit any new poison pill plan to shareholder vote.

c. Conduct of Shareholder Meetings

Lazard generally opposes any effort by management to restrict or limit shareholder participation in shareholder meetings, and is in favor of efforts to enhance shareholder participation. **Lazard has therefore adopted Approved Guidelines to vote AGAINST**:

- proposals to adjourn US meetings;
- proposals seeking to eliminate or restrict shareholders' right to call a special meeting;
- efforts to eliminate or restrict right of shareholders to act by written consent;
- proposals to adopt supermajority vote requirements, or increase vote requirements; and

Lazard has adopted Approved Guidelines to vote on a CASE by CASE basis on changes to quorum requirements and **FOR** proposals providing for confidential voting.

3. Changes to Capital Structure

Lazard receives many proxies that include proposals relating to a company's capital structure. These proposals vary greatly, as each one is unique to the circumstances of the company involved, as well as the general economic and market conditions existing at the time of the proposal. A board and management may have many legitimate business reasons in seeking to effect changes to the issuer's capital structure, including raising additional capital for appropriate business reasons, cash flow and market conditions. Lazard generally believes that these decisions are best left to management.

Lazard has adopted Approved Guidelines to vote FOR:

- management proposals to increase or decrease authorized common or preferred stock (unless it is believed that doing so is intended to serve as an anti-takeover measure);
- stock splits and reverse stock splits; and
- management proposals to adopt or amend dividend reinvestment plans;

Lazard has adopted Approved Guidelines to vote on a CASE by CASE basis for:

- matters affecting shareholder rights, such as amending votes-per-share;
- management proposals to issue a new class of common or preferred shares;
- proposals seeking to approve or amend stock ownership limitations or transfer restrictions.

Lazard has adopted Approved Guidelines to vote AGAINST changes in capital structure designed to be used in poison pill plans.

4. Stock Option Plans and Other Executive Compensation Issues

Lazard supports efforts by companies to adopt compensation and incentive programs to attract and retain the highest caliber management possible, and to align the interests of a board, management and employees with those of shareholders. Lazard generally favors programs intended to reward management and employees for positive, long-term performance but will take into account various considerations such as whether compensation appears to be appropriate.

Lazard has Approved Guidelines to vote FOR

- employee stock purchase plans and deferred compensation plans; and
- proposals to submit severance agreements to shareholders for approval.

Lazard has Approved Guidelines to vote on a CASE by CASE basis regarding:

- stock option plans;
- stock appreciation rights plans;
- restricted stock plans that do not define performance criteria;
- proposals to approve executive loans to exercise options; and
- shareholder proposals to eliminate or restrict severance agreements, and

Lazard has Approved Guidelines to vote AGAINST:

- proposals to re-price underwater options;
- proposals to limit executive compensation or to require individual executive compensation to be submitted for shareholder approval, unless, with respect to the latter submitting compensation plans for shareholder approval is required by local law or practice.

5. Mergers and Other Significant Transactions

Shareholders are asked to consider a number of different types of significant transactions, including mergers, acquisitions, sales of all or substantially all of a company's assets, reorganizations involving business combinations and liquidations. Each of these transactions is unique. Therefore, Lazard's Approved Guideline is to vote on a CASE by CASE basis for these proposals.

6. Environmental, Social, and Corporate Governance

Proposals involving environmental, social, and corporate governance issues take many forms and cover a wide array of issues. Some examples may include: proposals to have a company increase its environmental disclosure; adoption of principles to limit or eliminate certain business activities, or limit or eliminate business activities in certain countries; adoption of certain conservation efforts; or the adoption of certain principles regarding employment practices or discrimination policies. These items are often presented by shareholders and are often opposed by the company's management and its board of directors.

As set out in Lazard's Environmental, Social, and Corporate Governance (ESG) Policy, Lazard is committed to an investment approach that incorporates ESG considerations in a comprehensive manner in order to safeguard the interests of our clients. Lazard generally supports the notion that corporations should be expected to act as good citizens, but is obligated to vote on environmental, social and corporate governance proposals in a way that it believes will most increase shareholder value. Lazard's Approved Guidelines are structured to evaluate most

environmental, social and corporate governance proposals on a case-by-case basis. Lazard will evaluate proposals asking for a company to increase its environmental/social disclosures (e.g., to provide a corporate sustainability report) on a case-by-case basis, and will vote FOR the approval of anti-discrimination policies and socially responsible agenda items.

E. Voting Securities in Different Countries

Laws and regulations regarding shareholder rights and voting procedures differ dramatically across the world. In certain countries, the requirements or restrictions imposed before proxies may be voted may outweigh any benefit that could be realized by voting the proxies involved. For example, certain countries restrict a shareholder's ability to sell shares for a certain period of time if the shareholder votes proxies at a meeting (a practice known as ''share blocking''). In other instances, the costs of voting a proxy (i.e., by being required to send a representative to the meeting) may simply outweigh any benefit to the client if the proxy is voted. Generally, the Proxy Administration Team will consult with Portfolio Management in determining whether to vote these proxies.

There may be other instances where Portfolio Management may wish to refrain from voting proxies (See Section G.1. below).

F. Conflicts of Interest

1. Overview

This Policy and related procedures implemented by Lazard are designed to address potential conflicts of interest posed by Lazard's business and organizational structure. Examples of such potential conflicts of interest are:

- Lazard Frères & Co. LLC (''LF&Co.''), Lazard's parent company and a registered broker- dealer, or a financial advisory affiliate, has a relationship with a company the shares of which are held in accounts of Lazard clients, and has provided financial advisory or related services to the company with respect to an upcoming significant proxy proposal (i.e., a merger or other significant transaction);
- Lazard serves as an investment adviser for a company the management of which supports a particular proposal;
- Lazard serves as an investment adviser for the pension plan of an organization that sponsors a proposal; or
- A Lazard employee who would otherwise be involved in the decision-making process regarding a particular proposal has a material relationship with the issuer or owns shares of the issuer.

2. General Policy

All proxies must be voted in the best interest of each Lazard client, without consideration of the interests of Lazard, LF&Co. or any of their employees or affiliates. the Proxy Administration Team is responsible for all proxy voting in accordance with this Policy after consulting with the appropriate member or members of Portfolio Management, the Proxy Committee and/or the Legal/Compliance Department. No other employees of Lazard, LF&Co. or their affiliates may influence or attempt to influence the vote on any proposal. Violations of this Policy could result in disciplinary action, including letter of censure, fine or suspension, or termination of employment. Any such conduct may also violate state and Federal securities and other laws, as well as Lazard's client agreements, which could result in severe civil and criminal penalties being imposed, including the violator being prohibited from ever working for any organization engaged in a securities business. Every officer and employee of Lazard who participates in any way in the decision-making process regarding proxy voting is responsible for considering whether they have a conflicting interest or the appearance of a conflicting interest on any proposal. A conflict could arise, for example, if an officer or employee has a family member who is an officer of the issuer or owns securities of the issuer. If an officer or employee believes such a conflict exists or may appear to exist, he or she should notify the Chief Compliance Officer immediately and, unless determined otherwise, should not continue to participate in the decision-making process.

3. Monitoring for Conflicts and Voting When a Material Conflict Exists

The Proxy Administration Team monitors for potential conflicts of interest that could be viewed as influencing the outcome of Lazard's voting decision. Consequently, the steps that Lazard takes to monitor conflicts, and

voting proposals when the appearance of a material conflict exists, differ depending on whether the Approved Guideline for the specific item is clearly defined to vote for or against, or is to vote on a case-by-case basis. Any questions regarding application of these conflict procedures, including whether a conflict exists, should be addressed to Lazard's Chief Compliance Officer and General Counsel.

a. Where Approved Guideline Is For or Against

Lazard has an Approved Guideline to vote for or against regarding most proxy agenda/proposals. Generally, unless Portfolio Management disagrees with the Approved Guideline for a specific proposal, The Proxy Administration Team votes according to the Approved Guideline. It is therefore necessary to consider whether an apparent conflict of interest exists when Portfolio Management disagrees with the Approved Guideline. The Proxy Administration Team will use its best efforts to determine whether a conflict of interest or potential conflict of interest exists. If conflict appears to exist, then the proposal will be voted according to the Approved Guideline.

In addition, in the event of a conflict that arises in connection with a proposal for Lazard to vote shares held by Lazard clients in a Lazard mutual fund, Lazard will typically vote each proposal for or against proportion to the shares voted by other shareholders.

b. Where Approved Guideline Is Case-by-Case

In situations where the Approved Guideline is to vote case-by-case and a material conflict of interest appears to exist, Lazard's policy is to vote the proxy item according to the majority recommendation of the independent proxy services to which we subscribe.

G. Other Matters

1. Issues Relating to Management of Specific Lazard Strategies

Due to the nature of certain strategies managed by Lazard, there may be times when Lazard believes that it may not be in the best interests of its clients to vote in accordance with the Approved Guidelines, or to vote proxies at all. In certain markets, the fact that Lazard is voting proxies may become public information, and, given the nature of those markets, may impact the price of the securities involved. Lazard may simply require more time to fully understand and address a situation prior to determining what would be in the best interests of shareholders. In these cases the Proxy Administration Team will look to Portfolio Management to provide guidance on proxy voting rather than vote in accordance with the Approved Guidelines, and will obtain the Proxy Committee's confirmation accordingly.

Additionally, Lazard may not receive notice of a shareholder meeting in time to vote proxies for, or may simply be prevented from voting proxies in connection with, a particular meeting. Due to the compressed time frame for notification of shareholder meetings and Lazard's obligation to vote proxies on behalf of its clients, Lazard may issue standing instructions to ISS on how to vote on certain matters.

Different strategies managed by Lazard may hold the same securities. However, due to the differences between the strategies and their related investment objectives, one Portfolio Management team may desire to vote differently than the other, or one team may desire to abstain from voting proxies while the other may desire to vote proxies. In this event, Lazard would generally defer to the recommendation of the portfolio management teams to determine what action would be in the best interests of its clients. A meeting of the Proxy Committee will be held to determine whether to split votes among one or more Portfolio Management teams.

2. Stock Lending

As noted in Section B above, Lazard does not generally vote proxies for securities that a client has authorized their custodian bank to use in a stock loan program, which passes voting rights to the party with possession of the shares. Under certain circumstances, Lazard may determine to recall loaned stocks in order to vote the proxies associated with those securities. For example, if Lazard determines that the entity in possession of the stock has borrowed the stock solely to be able to obtain control over the issuer of the stock by voting proxies, or if the client should specifically request Lazard to vote the shares on loan, Lazard may determine to recall the stock and vote the proxies itself. However, it is expected that this will be done only in exceptional circumstances. In such event, Portfolio Management will make this determination and the Proxy Administration Team will vote the proxies in accordance with the Approved Guidelines.

H. Reporting

Separately managed account clients of Lazard who have authorized Lazard to vote proxies on their behalf will receive information on proxy voting with respect to that account. Additionally, the US mutual funds managed by Lazard will disclose proxy voting information on an annual basis on Form N-PX which is filed with the SEC.

I. Recordkeeping

Lazard will maintain records relating to the implementation of the Approved Guidelines and this Policy, including a copy of the Approved Guidelines and this Policy, proxy statements received regarding client securities, a record of votes cast and any other document created by Lazard that was material to a determination regarding the voting of proxies on behalf of clients or that memorializes the basis for that decision. Such proxy voting books and records shall be maintained in the manner and for the length of time required in accordance with applicable regulations.

J. Review of Policy and Approved Guidelines

The Proxy Committee will review this Policy at least annually to consider whether any changes should be made to it or to any of the Approved Guidelines. The Proxy Committee will make revisions to its Approved Guidelines when it determines it is appropriate or when it sees an opportunity to materially improve outcomes for clients. Questions or concerns regarding the Policy should be raised with Lazard's General Counsel and Chief Compliance Officer.

Revised January 9, 2019

BROOKFIELD INVESTMENT MANAGEMENT INC. ("BROOKFIELD" OR "PSG")
PROXY VOTING POLICY AND PROCEDURES

Effective and Approved as of AUGUST 23, 2018

Brookfield Public Securities Group and its subsidiaries (collectively referred to as ''PSG'') have adopted this policy and procedures to guide PSG's voting of proxies related to securities for the client accounts over which PSG has been delegated and/or granted proxy voting authority (''PSG Proxy Voting Policy and Procedures'').

Below is a summary of the PSG Proxy Voting Policy and Procedures, including additional information regarding how environmental, social and governance (''ESG'') factors are considered with respect to relevant proxy voting proposals as detailed in **Exhibit A**.

Policy

It is the policy of PSG to vote proxies consistent with its fiduciary duty, the PSG Proxy Voting Policy and Procedures, the best interests of its clients (with the economic interests of its clients as the primary consideration), and the PSG Proxy Voting Guidelines (as detailed below).

POLICY	CONSIDERATIONS	PUBLIC SECURITIES GROUP CONTROLS	COMPLIANCE TESTS
Proxy Voting Committee			
• PSG's proxy voting committee (''PSG Proxy Voting Committee'') is responsible for overseeing the proxy voting process and ensuring that PSG meets its regulatory and corporate governance obligations in voting of proxies relating to securities held in client accounts. • The PSG Proxy Voting Committee meets regularly with representatives of the Legal, Compliance, Operations, and Investment Teams. Attached as **Appendix A** is a list of PSG Proxy Voting Committee members.		• PSG has engaged a third-party proxy voting agent, Institutional Shareholder Services Inc. (''ISS'')to act as agent for PSG to vote proxies. • The PSG Proxy Voting Committee oversees the third-party proxy voting agent's compliance with the PSG Proxy Voting Policy and Procedures, including any deviations by the proxy voting agent from the third-party proxy voting guidelines (''PSG Proxy Voting Guidelines''). • In connection with PSG's due diligence of ISS, and the review of ISS' proxy voting guidelines, PSG has determined it is appropriate to adopt the ISS proxy voting guidelines as the basis for how proxy proposals are evaluated and voted upon. PSG believes that by having an independent third party's framework and analysis to support PSG's assessments of proxy proposals ensures that all proxy voting decisions are made in the best interests of PSG's investment clients, including pooled investment funds. The ISS proxy voting guidelines are published annually and permit PSG to review and incorporate current views and thinking with respect to ESG and other matters and enables PSG to follow industry best practices.	• Representatives of the PSG Proxy Voting Committee monitor the actions taken by the third-party proxy voting agent through its online data portal. • PSG will, on an annual basis, perform due diligence of ISS to: ○ Address any material deficiencies in the execution of ISS' duties on behalf of PSG and its client accounts ○ Discuss or propose any changes or additions to the services provided ○ Discuss any material business issues of ISS which may impact the services it provides to PSG.

POLICY	CONSIDERATIONS	PUBLIC SECURITIES GROUP CONTROLS	COMPLIANCE TESTS
Administration and Voting of Proxies			
Fiduciary duty, objective, and appointment of Agent			
• As an investment adviser that has been granted the authority to vote on portfolio proxies, PSG owes a fiduciary duty to its clients to monitor corporate events and to vote proxies consistent with the best interests of its Clients. In this regard, PSG seeks to ensure that all votes are free from unwarranted and inappropriate influences. Accordingly, PSG generally votes proxies in a uniform manner for its Clients and in accordance with this Policy and Procedures and the PSG Proxy Voting Guidelines. • In meeting its fiduciary duty, PSG generally views proxy voting as enhancing the value of the company's stock held by the Clients. Similarly, when voting on matters for which the PSG Proxy Voting Guidelines dictate a vote be decided on a case-by-case basis, PSG's primary consideration is the economic interests its Clients.			
Material conflicts of interest			
• PSG votes proxies without regard to any other business relationship between PSG and the company to which the proxy relates. • PSG will seek to identify material conflicts of interest that may arise between a portfolio company for which it votes proxies (''Company'') and PSG, such as the following relationships: ○ PSG provides or is seeking to provide material investment advisory or other services to a portfolio company or its affiliates	• In each of these situations, voting against the Company management's recommendation may cause PSG a loss of revenue or other benefit. • If ISS provides ESG services to a Company, a conflict of interest may exist which could influence ISS to recommend voting in accordance with management recommendation.	• PSG generally seeks to avoid such material conflicts of interest by maintaining separate investment decision-making and proxy voting decision-making processes. To further minimize possible conflicts of interest, PSG and the PSG Proxy Voting Committee employ the following procedures, as long as PSG determines that the course of action is consistent with the best interests of the Clients: ○ If the proposal that gives rise to a material conflict is specifically addressed in the PSG Proxy Voting Guidelines, PSG will vote the proxy in accordance with the PSG Proxy Voting Guidelines, provided that the Guidelines do not provide discretion to PSG on how to	• Periodically, the Compliance Department will review for conflicts of interest that may exist between its Clients and Companies in its investment universe. If such conflicts are identified, voting records will be reviewed to determine that votes were cast independently, as outlined in the PSG Proxy Voting Policy and Procedures.

POLICY	CONSIDERATIONS	PUBLIC SECURITIES GROUP CONTROLS	COMPLIANCE TESTS
whose management is soliciting proxies; ○ PSG serves as an investment advisor to the pension or other investment account of the Company or PSG is seeking to serve in that capacity; or ○ PSG and the Company have a lending or other financial relationship. • PSG must identify and assess material conflicts of interest which may arise between ISS and any portfolio company to which ISS provides ESG services. This includes both initial and ongoing assessments (as ISS's business and/or policies and procedures regarding conflicts of interest may change over time). For the ongoing assessment, PSG will establish and implement measures reasonably designed to identify and address conflicts that may arise, such a by requiring ISS to update PSG of changes to ISS conflict policies and procedures or business changes PSG considers relevant.		vote on the matter (i.e., case-by-case); or ○ If the previous procedure does not provide an appropriate voting recommendation, PSG may retain an independent fiduciary for advice on how to vote the proposal or the PSG Proxy Voting Committee may direct PSG to abstain from voting because voting on the proposal is impracticable and/or is outweighed by the cost of voting.	
Certain foreign securities			
• Proxies relating to foreign securities held by Clients are also subject to the PSG Proxy Voting Policy and Procedures. In certain foreign jurisdictions, however, the voting of proxies can result in additional restrictions that have an economic impact to the security, such as ''share-blocking.'' If PSG votes on the proxy, share-blocking may prevent PSG from selling the shares of the foreign security for a period.		• In determining whether to vote proxies subject to such restrictions, PSG, in consultation with the PSG Proxy Voting Committee, considers whether the vote, either or together with the votes of other shareholders, is expected to affect the value of the security that outweighs the cost of voting. If PSG votes a proxy, and during the ''share-blocking period'' PSG would like to sell the affected foreign security, PSG, in consultation with the PSG Proxy Voting Committee, will attempt to recall the shares (as allowable within the market time-frame and practices).	• At least one member of the PSG Compliance Department will serve as a member of the Proxy Voting Committee.

POLICY	CONSIDERATIONS	PUBLIC SECURITIES GROUP CONTROLS	COMPLIANCE TESTS
Fund Board Reporting and Recordkeeping			
PSG will maintain and preserve all books and records in accordance with the policies set forth in the PSG and Funds' Compliance Manual			
• PSG will prepare periodic reports for submission to the Boards of Directors of its affiliated funds (the ''Funds'') describing: ○ any issues arising under the PSG Proxy Voting Policy and Procedures since the last report to the Funds' Boards of Directors/ Trustees and the resolution of such issues, including but not limited to, information about conflicts of interest not addressed in the PSG Proxy Voting Policy and Procedures; and ○ any proxy votes made by PSG on behalf of the Funds since the last report to such Funds' Boards of Directors/Trustees that deviated from the PSG Proxy Voting Policy and Procedures, with reasons for any such deviations. ○ In addition, no less frequently than annually, PSG will provide the Boards of Directors/Trustees of the Funds with a written report of any recommended changes based upon PSG's experience under the PSG Proxy Voting Policy and Procedures, evolving industry practices and developments in the applicable laws or regulations.	• PSG Books and Records Policy and Procedures • Investment Company Act of 1940 • Investment Advisers Act of 1940	• PSG will maintain all records that are required under, and in accordance with, all applicable regulations, including the Investment Company Act of 1940, as amended, and the Investment Advisers Act of 1940, which include, but not limited to: ○ The PSG Proxy Voting Policy and Procedures, as amended from time to time; ○ records of votes cast with respect to proxies, reflecting the information required to be included in Form N-PX, as applicable; ○ records of written client requests for proxy voting information and any written responses of PSG to such requests; and ○ any written materials prepared by PSG that were material to making a decision in how to vote, or that memorialized the basis for the decision	• See PSG Books and Records Policy and Procedures.
Amendments to these procedures			
The PSG Proxy Voting Committee shall periodically review and update the PSG Proxy Voting Policies and Procedures as necessary. Any amendments to the PSG Proxy Voting Policy and Procedures (including the PSG Proxy Voting Guidelines) shall be provided to the Boards of Directors of the Brookfield Funds for review and approval.			
PSG Proxy Voting Guidelines			
PSG's Proxy Voting Guidelines are available upon request			

Exhibit A

Proxy Voting on Environmental, Social and Governance ("ESG") Issues

PSG believes that well-governed companies with a demonstrated commitment, not only to their shareholders and creditors, but also to other stakeholders are better positioned to realize long-term value and generate sustainable returns for investors. As such, PSG considers ESG issues to be an important consideration for both investment decision-making and evaluating proxy proposals as prominently reflected in PSG's Proxy Voting Guidelines.

ESG can cover a broad range of issues under PSG's Proxy Voting Guidelines. PSG's approach is to focus on what is in the best interest of PSG's clients and client accounts, assessing how the proxy voting proposal may enhance or protect shareholder value in both the short and/or long term, within the context of the regulatory environment, the history of the company in addressing the issue, and the company's approach when compared to its peers. PSG will also consider if additional disclosure is required, and whether doing so would place the company at a competitive disadvantage by revealing proprietary or confidential information.

Due to the nature and complexity of each issue under ESG, PSG generally votes on a case-by-case basis following an analysis of the proxy proposal provided by ISS to the PSG operations team who in turn seek the opinion of the appropriate PSG portfolio management team. Based on a review of ISS's recommendations, and PSG's internal analysis, a decision will be made by PSG's portfolio management team to either vote based on ISS's voting recommendations or cast a different vote if PSG has identified it would be in the best interest of its clients or client accounts to do so.

PSG's Proxy Voting Guidelines include the following ESG proxy categories:

- Animal welfare
- Charitable contributions
- Climate change including GHC emissions
- Consumer Issues including potentially controversial business practices
- Data security, privacy and internet issues
- Diversity on Board of Directors
- Energy efficiency reporting and use of renewable energy
- Equality of opportunity
- ESG compensation related proposals
- Facility and workplace safety
- Gender identity, sexual orientation and domestic partner benefits
- General environmental proposals and community impact assessments
- Genetically modified ingredients
- Human rights proposals
- Hydraulic fracturing
- Lobbying
- Operations in high-risk markets/areas
- Operations on environmentally protected areas
- Outsourcing and offshoring
- Pharmaceutical pricing and access
- Political contributions
- Political ties
- Product safety, toxic/hazardous materials

- Recycling
- Sustainability reporting
- Tobacco related proposals
- Water issues
- Weapons and military sales

Appendix A

PSG Proxy Voting Committee

- Brian Hourihan - Compliance: PSG CCO
- Adam Sachs - Compliance: Funds' CCO
- Tim McNamara - Compliance
- Tim Gudex - Operations
- PJ Runge - Operations
- Pete Pages - Operations