

Table of Contents

| | |
|--|----|
| STATEMENT OF ADDITIONAL INFORMATION | 2 |
| TABLE OF CONTENTS | 3 |
| TRUST HISTORY | 4 |
| INVESTMENTS AND RISKS | 4 |
| Classification | 4 |
| Investment Strategies and Risks | 4 |
| Policies of the Funds | 11 |
| Defensive Investments | 12 |
| MANAGEMENT OF THE FUNDS | 12 |
| Board Interest In the Funds | 15 |
| Beneficial Ownership of Affiliates by Independent Trustees | 15 |
| Other Disclosures Related to Independent Trustees | 15 |
| Compensation | 15 |
| INVESTMENT ADVISORY AND OTHER SERVICES | 17 |
| Investment Advisor | 17 |
| Other Service Providers | 19 |
| PORTFOLIO MANAGERS | 19 |
| Compensation | 20 |
| Ownership of Shares | 21 |
| PORTFOLIO HOLDINGS DISCLOSURE POLICY | 21 |
| BROKERAGE ALLOCATION | 21 |
| CAPITAL STOCK AND OTHER SECURITIES | 22 |
| PURCHASE, REDEMPTION AND PRICING OF SHARES | 22 |
| TAXATION | 23 |
| DISTRIBUTOR | 23 |
| PERFORMANCE | 23 |
| FINANCIAL STATEMENTS | 23 |
| APPENDIX A | 24 |

STATEMENT OF ADDITIONAL INFORMATION

April 30, 2023

| | <u>CLASS I</u> | <u>CLASS S</u> |
|-----------------------------------|----------------|----------------|
| Ancora Income Fund | AAIIX | ANISX |
| Ancora/Thelen Small-Mid Cap Fund | AATIX | AATSX |
| Ancora MicroCap Fund | ANCIX | ANCSX |
| Ancora Dividend Value Equity Fund | ADEIX | ADESX |

This Statement of Additional Information (this "Statement of Information" or the "SAI") relates to the Prospectus of the above-referenced funds (the "Funds") of Ancora Trust (the "Trust") dated April 30, 2023.

This SAI is not a prospectus. This Statement of Additional Information is incorporated in its entirety into the Prospectus of the Funds. This SAI should be read with the Prospectus of the Funds.

To receive a copy of the Prospectus, you may write to the Trust or call toll free 1.866.626.2672.

Ancora Trust
6060 Parkland Blvd., Suite 200
Cleveland, Ohio 44124

TABLE OF CONTENTS

| <u>CAPTION</u> | <u>PAGE</u> | <u>LOCATION IN PROSPECTUS</u> |
|--|--------------------|--|
| TRUST HISTORY | 3 | Not Applicable |
| INVESTMENTS AND RISKS | 3 | Fund Summaries |
| Classification | 3 | Fund Summaries |
| Investment Strategies and Risks | 3 | Fund Summaries |
| Policies of the Funds | 10 | Fund Summaries |
| Defensive Investments | 11 | Fund Summaries |
| Portfolio Turnover | 11 | Fund Summaries |
| MANAGEMENT OF THE FUNDS | 11 | Not Applicable |
| Management Information | 11 | Not Applicable |
| Board Composition and Leadership Structure | 13 | Not Applicable |
| Audit Committee | 13 | Not Applicable |
| Board's Role in Risk Oversight | 13 | Not Applicable |
| Mandatory Retirement Age | 14 | Not Applicable |
| Board Interest In the Funds | 14 | Not Applicable |
| Beneficial Ownership of Affiliates by Independent Trustees | 14 | Not Applicable |
| Other Disclosures Related to Independent Trustees | 14 | Not Applicable |
| Compensation | 14 | Not Applicable |
| Code of Ethics | 15 | Not Applicable |
| Proxy Voting Policy | 15 | Not Applicable |
| Principal Holders of Securities | 15 | Not Applicable |
| INVESTMENT ADVISORY AND OTHER SERVICES | 16 | Investment Advisor |
| Investment Advisor | 16 | Investment Advisor |
| Other Service Providers | 18 | General Information |
| PORTFOLIO MANAGERS | 18 | Portfolio Manager |
| Other Accounts Managed | 18 | Portfolio Manager |
| Compensation | 20 | Not Applicable |
| Ownership of Shares | 20 | Not Applicable |
| PORTFOLIO HOLDINGS DISCLOSURE POLICY | 20 | Disclosure of Portfolio Holdings Information |
| BROKERAGE ALLOCATION | 20 | Not Applicable |
| CAPITAL STOCK AND OTHER SECURITIES | 21 | Not Applicable |
| PURCHASE, REDEMPTION AND PRICING OF SHARES | 21 | Purchasing Your Shares and Selling (Redeeming) Your Shares |
| TAXATION | 22 | Dividends, Distributions and Taxes |
| DISTRIBUTOR | 22 | Distribution Arrangements |
| PERFORMANCE | 22 | Fund Performance |
| FINANCIAL STATEMENTS | 22 | Financial Highlights |
| Proxy Voting Policy | Appendix A | |

TRUST HISTORY

Each of Ancora Income Fund, Ancora/Thelen Small-Mid Cap Fund, Ancora MicroCap Fund, and Ancora Dividend Value Equity Fund (each, a “Fund” and collectively, the “Funds”) is a separate series of Ancora Trust (the “Trust”), an Ohio business trust under a Declaration of Trust dated August 20, 2003. The Trust’s Declaration of Trust permits the Trust to issue an unlimited number of shares of beneficial interest representing interests in separate funds of securities, and it permits the Trust to offer separate classes of each such series.

Currently, the Trust offers shares of the following Funds and shares of the following classes of each Fund:

| FUND | I | S |
|-----------------------------------|---|---|
| Ancora Income Fund | X | X |
| Ancora/Thelen Small-Mid Cap Fund | X | X |
| Ancora MicroCap Fund | X | X |
| Ancora Dividend Value Equity Fund | X | X |

INVESTMENTS AND RISKS

Classification

Each Fund is an “open-end” management investment company as defined in the Investment Company Act of 1940, as amended (the “1940 Act”). Each Fund is a “diversified” company as defined in the 1940 Act. Among other things, a diversified Fund must, with respect to 75% of its total assets, not invest more than 5% of its total assets in any one issuer.

Investment Strategies and Risks

Ancora Income Fund has an investment objective of obtaining a high level of income, with a secondary objective of capital appreciation in the value of its shares. Each of Ancora/Thelen Small-Mid Cap Fund and Ancora MicroCap Fund has an investment objective of obtaining capital appreciation. The investment objective of Ancora Dividend Value Equity Fund is to provide growth of income and long-term capital appreciation. The principal investment strategies used by each of the Funds to pursue this objective, together with the principal risks of investing in the Fund, are described in the Fund Summaries at the beginning of the Prospectus. Each Fund’s investment objective is fundamental and may not be changed without shareholder approval.

Each Fund from its inception until the date of this prospectus has retained as its investment advisor Ancora Advisors LLC (the “Advisor”), located at 6060 Parkland Blvd., Suite 200, Cleveland, Ohio 44124, an investment advisor established in 2003.

In addition to its principal strategies, each Fund may engage in any of the following investment strategies which are not principal strategies of such Fund. Those investment strategies and the risks of such strategies are described below.

Equity Securities. A Fund may invest in equity securities, including common stock, preferred stock, convertible preferred stock and convertible bonds.

In selecting equity securities for the Fund, the Advisors will utilize both fundamental research and technical analysis.

Ancora Income Fund anticipates that the majority of its equity investments will be made in convertible bonds and convertible preferred stock, since these securities generally have a higher yield and a lesser risk of capital depreciation than the common stocks into which they are convertible. While these securities will generally be chosen for their ability to pay dividends, there can be no assurance that the dividends will be continued.

Individual market values of equity securities will fluctuate based on individual corporate developments as well as general economic conditions. As a result of these factors, the share price of a Fund could decline to the extent that the Fund is invested in such equity securities.

Debt Securities. A Fund may invest in debt securities. A Fund’s portfolio will be exposed to the following additional risks in connection with each of its investments in debt securities:

- Prices of debt securities rise and fall in response to interest rate changes for similar securities. Generally, when interest rates rise, prices of debt securities fall. To the extent that a Fund invests in debt securities, the net asset value of the Fund may decrease during periods of rising interest rates.
- An issuer of debt securities may default (fail to repay interest and principal when due). If an issuer defaults or the risk of such default is perceived to have increased, the Fund will lose all or part of its investment. To the extent that a Fund invests in debt securities, the net asset value of the Fund may fall during periods of economic downturn when such defaults or risk of defaults increases.
- Securities rated below investment grade, also known as junk bonds, generally entail greater risks than investment grade securities. For example, their prices are more volatile, their values are more negatively impacted by economic downturns, and their trading market may be more limited.

Restricted Securities. A fund may invest in restricted securities, including securities issued pursuant to SEC Rule 144A. Restricted Securities are subject to legal restrictions on their sale. Difficulty in selling securities may result in a loss or be costly to a fund. Restricted securities generally can be sold in privately negotiated transactions, pursuant to an exemption from registration under the Securities Act of 1933 (1933 Act), or in a registered public offering. Where registration is required, the holder of a registered security may be obligated to pay all or part of the registration expense and a considerable period may elapse between the time it decides to seek registration and the time it may be permitted to sell a security under an effective registration statement. If, during such a period,

adverse market conditions were to develop, the holder might obtain a less favorable price than prevailed when it decided to seek registration of the security.

Derivatives. The Funds may invest in various instruments that are commonly known as derivatives. Generally, a derivative is a financial arrangement, the value of which is based on, or “derived” from, a traditional security, asset, or market index. Some “derivatives” such as certain mortgage-related and other asset-backed securities are in many respects like any other investment, although they may be more volatile or less liquid than more traditional debt securities. There are, in fact, many different types of derivatives and many different ways to use them. There is a range of risks associated with those uses. Futures and options are commonly used for traditional hedging purposes to attempt to protect a Fund from exposure to changing interest rates, securities prices, or currency exchange rates and as a low cost method of gaining exposure to a particular securities market without investing directly in those securities. However, some derivatives are used for leverage, which tends to magnify the effects of an instrument’s price changes as market conditions change. Leverage involves the use of a small amount of money to control a large amount of financial assets, and can in some circumstances, lead to significant losses. A Fund may, but is not required to, use derivative instruments for any of the following purposes:

- To hedge against adverse changes - caused by changing interest rates, stock market prices or currency exchange rates - in the market value of securities held by or to be bought for the Fund;
- As a substitute for purchasing or selling securities;
- To shorten or lengthen the effective portfolio maturity or duration;
- To enhance the Fund’s potential gain in non-hedging or speculative situations; or
- To lock in a substantial portion of the unrealized appreciation in a stock without selling it.

The use of derivatives for non-hedging purposes may be considered speculative. Additional information regarding derivatives that the Funds may use and some of their associated risks is found above below.

Forward Foreign Currency Contracts. The Funds may enter into forward foreign currency contracts to manage foreign currency exposure and as a hedge against possible variations in foreign exchange rates. A Fund may enter into forward foreign currency contracts to hedge a specific security transaction or to hedge a portfolio position. These contracts may be bought or sold to protect the Funds, to some degree, against possible losses resulting from an adverse change in the relationship between foreign currencies and the U.S. dollar. A Fund also may invest in foreign currency futures and in options on currencies.

A forward contract involves an obligation to purchase or sell a specific currency amount at a future date, agreed upon by the parties, at a price set at the time of the contract. A Fund may enter into a contract to sell, for a fixed amount of U.S. dollars or other appropriate currency, the amount of foreign currency approximating the value of some or all of a Fund’s securities denominated in such foreign currency. These contracts are transferable in the interbank market conducted directly between currency traders (usually large commercial banks) and their customers. A forward currency contract generally has no deposit requirement and is traded at a net price without commission. A Fund will place assets in a segregated account, otherwise earmark assets or otherwise “cover” its position in a manner consistent with the 1940 Act or the rules and SEC interpretations thereunder to assure that its obligations under forward foreign currency contracts are covered. Neither spot transactions nor forward currency contracts eliminate fluctuations in the prices of the Fund’s securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline.

By entering into forward foreign currency contracts, a Fund will seek to protect the value of its investment securities against a decline in the value of a currency. However, these forward foreign currency contracts will not eliminate fluctuations in the underlying prices of the securities. Rather, they simply establish a rate of exchange which one can obtain at some future point in time. Although such contracts tend to minimize the risk of loss due to a decline in the value of the hedged currency, they also tend to limit any potential gain which might result should the value of such currency increase. At the maturity of a forward contract, a Fund may either sell a portfolio security and make delivery of the foreign currency, or it may retain the security and terminate its contractual obligation to deliver the foreign currency by purchasing an “offsetting” contract with the same currency trader, obligating it to purchase, on the same maturity date, the same amount of the foreign currency. A Fund may realize a gain or loss from currency transactions.

With respect to any such forward foreign currency contract, it will not generally be possible to match precisely the amount covered by that contract and the value of the securities involved due to changes in the values of such securities resulting from market movements between the date the forward contract is entered into and the date it matures. A Fund will also incur costs in connection with forward foreign currency contracts and conversions of foreign currencies into U.S. dollars. The projection of currency market movements is extremely difficult, and the successful execution of a hedging strategy is highly uncertain.

When entering into a contract for the purchase or sale of a security in a foreign currency, a Fund may enter into a forward foreign currency contract for the amount of the purchase or sale price to protect against variations, between the date the security is purchased or sold and the date on which payment is made or received, in the value of the foreign currency relative to the U.S. dollar or other foreign currency.

Also, when a Fund’s portfolio manager anticipates that a particular foreign currency may decline substantially relative to the U.S. dollar or other leading currencies, in order to reduce risk, a Fund may enter into a forward contract to sell, for a fixed amount, the amount of foreign currency approximating the value of its securities denominated in such foreign currency. its obligations under forward foreign currency contracts are covered.

Since consideration of the prospect for currency parities will be incorporated into a sub-advisor’s long-term investment decisions, each Fund will not routinely enter into foreign currency hedging transactions with respect to security transactions; however, the sub-advisors believe that it is important to have the flexibility to enter into foreign currency hedging transactions when they determine that the transactions would be in a Fund’s best interest.

In addition, a Fund may engage in cross-hedging. Cross-hedging involves the use of forward contracts to shift currency exposure from one non-U.S. dollar currency to another non-U.S. dollar currency. Also, with regard to a Fund’s use of cross-hedges, there can be no assurance that historical correlations between the movements of certain foreign currencies relative to the U.S. dollar will continue. Thus, at any time poor correlation may exist between movements in the exchange rates of the foreign currencies

underlying a Fund's cross-hedges and the movements in the exchange rates of the foreign currencies in which the Fund's assets that are the subject of such cross-hedges are denominated.

Futures Contracts and Options on Futures Contracts. Futures contracts provide for the future sale by one party and purchase by another party of a specified amount of a specific security at a specified future time and at a specified price. An option on a futures contract gives the purchaser the right, in exchange for a premium, to assume a position in a futures contract at a specified exercise price during the term of the option. A Fund may use futures contracts and related options for *bona fide* hedging purposes, to offset changes in the value of securities held or expected to be acquired or be disposed of, to minimize fluctuations in foreign currencies, or to gain exposure to a particular market or instrument. A Fund will minimize the risk that it will be unable to close out a futures contract by only entering into futures contracts which are traded on national futures exchanges. In addition, a Fund will only sell covered futures contracts and options on futures contracts.

Stock and bond index futures are futures contracts for various stock and bond indices that are traded on registered securities exchanges. Stock and bond index futures contracts obligate the seller to deliver (and the purchaser to take) an amount of cash equal to a specific dollar amount times the difference between the value of a specific stock or bond index at the close of the last trading day of the contract and the price at which the agreement is made.

Stock and bond index futures contracts are bilateral agreements pursuant to which two parties agree to take or make delivery of an amount of cash equal to a specified dollar amount times the difference between the stock or bond index value at the close of trading of the contract and the price at which the futures contract is originally struck. No physical delivery of the stocks or bonds comprising the index is made; generally contracts are closed out prior to the expiration date of the contracts.

No price is paid upon entering into futures contracts. Instead, a Fund would be required to deposit an amount of cash or U.S. Treasury securities known as "initial margin." Subsequent payments, called "variation margin," to and from the broker, would be made on a daily basis as the value of the futures position varies (a process known as "marking to market"). The margin is in the nature of a performance bond or good-faith deposit on a futures contract.

There are risks associated with these activities, including the following: (1) the success of a hedging strategy may depend on an ability to predict movements in the prices of individual securities, fluctuations in markets and movements in interest rates; (2) there may be an imperfect or no correlation between the changes in market value of the securities held by a Fund and the prices of futures and options on futures; (3) there may not be a liquid secondary market for a futures contract or option; (4) trading restrictions or limitations may be imposed by an exchange; and (5) government regulations may restrict trading in futures contracts and futures options.

A Fund may buy and sell futures contracts and related options to manage its exposure to changing interest rates and securities prices. Some strategies reduce a Fund's exposure to price fluctuations, while others tend to increase its market exposure. Futures and options on futures can be volatile instruments and involve certain risks that could negatively impact a Fund's return. In order to avoid leveraging and related risks, when a Fund purchases futures contracts, it will collateralize its position by depositing an amount of cash or liquid securities, equal to the market value of the futures positions held, less margin deposits, in a segregated account with its custodian, otherwise earmark assets as cover or otherwise "cover" its position in a manner consistent with the 1940 Act or the rules and SEC interpretations thereunder. Collateral equal to the current market value of the futures position will be marked to market on a daily basis. See "Derivatives" above.

Options. A put option gives the purchaser of the option the right to sell, and the writer of the option the obligation to buy, the underlying security at any time during the option period. A call option gives the purchaser of the option the right to buy, and the writer of the option the obligation to sell, the underlying security at any time during the option period. The initial purchase (sale) of an option contract is an "opening transaction." In order to close out an option position, a Fund may enter into a "closing transaction," which is simply the sale (purchase) of an option contract on the same security with the same exercise price and expiration date as the option contract originally opened. If a Fund is unable to effect a closing purchase transaction with respect to an option it has written, it will not be able to sell the underlying security until the option expires or the Fund delivers the security upon exercise.

A Fund will pay a premium when purchasing put and call options. A Fund may purchase call and put options on any securities in which it may invest. If price movements in the underlying securities are such that exercise of the options would not be profitable for a Fund, loss of the premium paid may be offset by an increase in the value of the Fund's securities or by a decrease in the cost of acquisition of securities by the Fund.

A Fund would normally purchase a call option in anticipation of an increase in the market value of such securities. A Fund would normally purchase put options in anticipation of a decline in the market value of securities in its portfolio ("protective puts") or securities of the type in which it is permitted to invest. The purchase of a put option would entitle the Fund, in exchange for the premium paid, to sell a security, which may or may not be held in the Fund's portfolio, at a specified price during the option period. The purchase of protective puts is designed merely to offset or hedge against a decline in the market value of the Fund's portfolio securities. Put options also may be purchased by a Fund for the purpose of affirmatively benefiting from a decline in the price of securities which the Fund does not own. The Fund would ordinarily recognize a gain if the value of the securities decreased below the exercise price sufficiently to cover the premium and would recognize a loss if the value of the securities remained at or above the exercise price. Gains and losses on the purchase of protective put options would tend to be offset by countervailing changes in the value of underlying portfolio securities.

Each Fund may write (sell) covered call and put options ("covered options"). A Fund may write (sell), to a limited extent, only covered options in an attempt to increase income. However, a Fund may forego the benefits of appreciation on securities sold or may pay more than the market price on securities acquired pursuant to call and put options written by the Fund. A Fund may write (sell) covered call options as a means of increasing the yield on its portfolio and as a means of providing limited protection against decreases in its market value.

When a Fund writes a covered call option, it gives the purchaser of the option the right to buy the underlying security at the price specified in the option (the "exercise price") by exercising the option at any time during the option period. If the option expires unexercised, the Fund will realize income in an amount equal to the premium received for writing the option. If the option is exercised, a decision over which the Fund has no control, the Fund must sell the underlying security to the option holder at the

exercise price. By writing a covered call option, the Fund foregoes, in exchange for the premium less the commission ("net premium"), the opportunity to profit during the option period from an increase in the market value of the underlying security above the exercise price.

When a Fund writes a covered put option, it gives the purchaser of the option the right to sell the underlying security to the Fund at the specified exercise price at any time during the option period. If the option expires unexercised, the Fund will realize income in the amount of the premium received for writing the option. If the put option is exercised, a decision over which the Fund has no control, the Fund must purchase the underlying security from the option holder at the exercise price. By writing a covered put option, the Fund, in exchange for the net premium received, accepts the risk of a decline in the market value of the underlying security below the exercise price.

The hours of trading for options on securities may not conform to the hours during which the underlying securities are traded. To the extent that the option markets close before the markets for the underlying securities, significant price and rate movements can take place in the underlying securities markets that cannot be reflected in the option markets. It is impossible to predict the volume of trading that may exist in such options, and there can be no assurance that viable exchange markets will develop or continue.

A Fund may purchase and write options on an exchange or over-the-counter. Over-the-counter options ("OTC options") differ from exchange-traded options in several respects. They are transacted directly with dealers and not with a clearing corporation, and therefore entail the risk of non-performance by the dealer. OTC options are available for a greater variety of securities and for a wider range of expiration dates and exercise prices than are available for exchange-traded options. Because OTC options are not traded on an exchange, pricing is done normally by reference to information from a market maker. It is the position of the SEC that OTC options are generally illiquid.

A Fund's activities in options may also be restricted by the requirements of the IRC, for qualification as a regulated investment company.

Options on Stocks

A Fund may write or purchase options on stocks. A call option gives the purchaser of the option the right to buy, and obligates the writer to sell, the underlying stock at the exercise price at any time during the option period. Similarly, a put option gives the purchaser of the option the right to sell, and obligates the writer to buy the underlying stock at the exercise price at any time during the option period.

A covered call option with respect to which a Fund owns the underlying stock sold by the Fund exposes the Fund during the term of the option to possible loss of opportunity to realize appreciation in the market price of the underlying stock or to possible continued holding of a stock which might otherwise have been sold to protect against depreciation in the market price of the stock. A covered put option sold by a Fund exposes the Fund during the term of the option to a decline in price of the underlying stock.

To close out a position when writing covered options, a Fund may make a "closing purchase transaction" which involves purchasing an option on the same stock with the same exercise price and expiration date as the option which it has previously written on the stock. The Fund will realize a profit or loss for a closing purchase transaction if the amount paid to purchase an option is less or more, as the case may be, than the amount received from the sale thereof. To close out a position as a purchaser of an option, the Fund may make a "closing sale transaction" which involves liquidating the Fund's position by selling the option previously purchased.

Options on Foreign Currencies

Options on foreign currencies are used for hedging purposes in a manner similar to that in which futures contracts on foreign currencies, or forward contracts, are utilized. For example, a decline in the dollar value of a foreign currency in which portfolio securities are denominated will reduce the dollar value of such securities, even if their value in the foreign currency remains constant. In order to protect against such diminutions in the value of portfolio securities, a Fund may purchase put options on the foreign currency. If the value of the currency does decline, a Fund will have the right to sell such currency for a fixed amount in dollars and will thereby offset, in whole or in part, the adverse effect on its portfolio which otherwise would have resulted.

Conversely, where a rise in the dollar value of a currency in which securities to be acquired are denominated is projected, thereby increasing the cost of such securities, a Fund may purchase call options thereon. The purchase of such options could offset, at least partially, the effects of the adverse movements in exchange rates. As in the case of other types of options, however, the benefit to the Fund derived from purchases of foreign currency options will be reduced by the amount of the premium and related transaction costs. In addition, where currency exchange rates do not move in the direction or to the extent anticipated, the Fund could sustain losses on transactions in foreign currency options that would require it to forego a portion or all of the benefits of advantageous changes in such rates.

Options on foreign currencies may be written for the same types of hedging purposes. For example, if a Fund anticipates a decline in the dollar value of foreign currency denominated securities due to adverse fluctuations in exchange rates, it could, instead of purchasing a put option, write a call option on the relevant currency. If the expected decline occurs, the options will most likely not be exercised, and the diminution in value of portfolio securities will be offset by the amount of the premium received.

Similarly, instead of purchasing a call option to hedge against an anticipated increase in the dollar cost of securities to be acquired, a Fund could write a put option on the relevant currency, which, if rates move in the manner projected, will expire unexercised and allow the Fund to hedge such increased cost up to the amount of the premium. As in the case of other types of options, however, the writing of a foreign currency option will constitute only a partial hedge up to the amount of the premium, and only if rates move in the expected direction. If this does not occur, the option may be exercised and the Fund would be required to purchase or sell the underlying currency at a loss that may not be offset by the amount of the premium. Through the writing of options on foreign currencies, the Fund also may be required to forego all or a portion of the benefits that might otherwise have been obtained from favorable movements in exchange rates.

The Funds may write covered call options on foreign currencies. A call option written on a foreign currency by a Fund is "covered" if the Fund owns the underlying foreign currency covered by the call or has an absolute and immediate right to acquire that foreign currency without additional cash consideration (or, if additional cash consideration is required, the Fund will segregate or otherwise earmark cash or other liquid securities) upon conversion or exchange of other foreign currency held in its portfolio. A call option is also covered if the Fund has a call on the same foreign currency and in the same principal amount as the call written where the exercise price of the call held (a) is equal to or less than the exercise price of the call written, or (b) is greater than the exercise price of the call written, provided the difference is maintained by the Fund in a segregated account in cash and liquid securities or the Fund otherwise earmarks cash and other liquid securities. A call option is also covered if a Fund "covers" its position in a manner consistent with the 1940 Act or the rules and SEC interpretations thereunder.

A Fund may also write call options on foreign currencies that are not covered for cross-hedging purposes. A call option on a foreign currency is for cross-hedging purposes if it is not covered, but is designed to provide a hedge against a decline in the U.S. dollar value of a security which the Fund owns or has the right to acquire and which is denominated in the currency underlying the option due to an adverse change in the exchange rate. In such circumstances, the Fund collateralizes the option by maintaining in a segregated account with its custodian, cash or liquid securities in an amount not less than the value of the underlying foreign currency in U.S. dollars marked to market daily, the Fund otherwise earmarks assets as cover or otherwise "cover" its position in a manner consistent with the 1940 Act or the rules and SEC interpretations thereunder.

A Fund may purchase and write put and call options on foreign currencies (traded on U.S. and foreign exchanges or over-the-counter markets) to manage its exposure to exchange rates. Call options on foreign currencies written by a Fund will be "covered," which means that the Fund will own an equal amount of the underlying foreign currency. With respect to put options on foreign currency written by a Fund will establish a segregated account with its custodian consisting of cash or liquid, high grade debt securities in an amount equal to the amount the Fund would be required to pay upon exercise of the put, otherwise earmark assets as cover or otherwise "cover" its position in a manner consistent with the 1940 Act or the rules and SEC interpretations thereunder.

A Fund may write covered put and call options and purchase put and call options on foreign currencies for the purpose of protecting against declines in the dollar value of portfolio securities and against increases in the dollar cost of securities to be acquired. A Fund may use options on currency to cross-hedge, which involves writing or purchasing options on one currency to hedge against changes in exchange rates for a different, but related currency.

As with other types of options, however, the writing of an option on foreign currency will constitute only a partial hedge up to the amount of the premium received, and a Fund could be required to purchase or sell foreign currencies at disadvantageous exchange rates, thereby incurring losses. The purchase of an option on foreign currency may be used to hedge against fluctuations in exchange rates although, in the event of exchange rate movements adverse to a Fund's position, it may not forfeit the entire amount of the premium plus related transaction costs. In addition, a Fund may purchase call options on currency when the sub-advisor anticipates that the currency will appreciate in value. There is no assurance that a liquid secondary market on an options exchange will exist for any particular option, or at any particular time. If a Fund is unable to effect a closing purchase transaction with respect to covered options it has written, the Fund will not be able to sell the underlying currency or dispose of assets held in a segregated account until the options expire. Similarly, if a Fund is unable to effect a closing sale transaction with respect to options it has purchased, it would have to exercise the options in order to realize any profit and will incur transaction costs upon the purchase or sale of underlying currency. Each Fund pays brokerage commissions or spreads in connection with its options transactions.

As in the case of forward contracts, certain options on foreign currencies are traded over-the-counter and involve liquidity and credit risks that may not be present in the case of exchange-traded currency options. A Fund's ability to terminate OTC Options will be more limited than the exchange-traded options. It is also possible that broker-dealers participating in OTC Options transactions will not fulfill their obligations. Until such time as the staff of the SEC changes its position, the Fund will treat purchased OTC Options and assets used to cover written OTC Options as illiquid securities. With respect to options written with primary dealers in U.S. Government securities pursuant to an agreement requiring a closing purchase transaction at a formula price, the amount of illiquid securities may be calculated with reference to the repurchase formula.

Options on Securities Indices

A Fund may purchase and write put and call options on indices and enter into related closing transactions. A Fund may purchase and write put and call options on securities indices listed on domestic and, in the case of those Funds which may invest in foreign securities, on foreign exchanges. A securities index fluctuates with changes in the market values of the securities included in the index.

Put and call options on indices are similar to options on securities except that options on an index give the holder the right to receive, upon exercise of the option, an amount of cash if the closing level of the underlying index is greater than (or less than, in the case of puts) the exercise price of the option. This amount of cash is equal to the difference between the closing price of the index and the exercise price of the option, expressed in dollars multiplied by a specified number. Thus, unlike options on individual securities, all settlements are in cash, and gain or loss depends on price movements in the particular market represented by the index generally, rather than the price movements in individual securities. A Fund may choose to terminate an option position by entering into a closing transaction. Options on securities indices entail risks in addition to the risks of options on securities. The absence of a liquid secondary market to close out options positions on securities indices is more likely to occur, although a Fund generally will only purchase or write such an option if the sub-advisor believes the option can be closed out. Use of options on securities indices also entails the risk that trading in such options may be interrupted if trading in certain securities included in the index is interrupted. The Funds will not purchase such options unless the respective sub-advisor believes the market is sufficiently developed such that the risk of trading in such options is no greater than the risk of trading in options on securities. Such options will be used for the purposes described above under "Options" or, to the extent allowed by law, as a substitute for investment in individual securities.

Price movements in a Fund's portfolio may not correlate precisely with movements in the level of an index and, therefore, the use of options on indices cannot serve as a complete hedge. Because options on securities indices require settlement in cash, the sub-advisor may be forced to liquidate portfolio securities to meet settlement obligations. Successful use by a Fund of options on security indices will be subject to the sub-advisor's ability to predict correctly movement in the direction of that securities market

generally or of a particular industry. This requires different skills and techniques than predicting changes in the price of individual securities.

All options written on indices must be covered. When a Fund writes an option on an index, it will establish a segregated account containing cash or liquid securities with its custodian in an amount at least equal to the market value of the option and will maintain the account while the option is open or will otherwise "cover" its position in a manner consistent with the 1940 Act or the rules and SEC interpretations thereunder.

Interest Rate Futures

A Fund will not engage in transactions involving interest rate futures contracts for speculation but only as a hedge against changes in the market values of debt securities held or intended to be purchased by the Fund and where the transactions are appropriate to reduce the Fund's interest rate risks. There can be no assurance that hedging transactions will be successful. A Fund also could be exposed to risks if it cannot close out its futures or options positions because of any illiquid secondary market.

Futures and options have effective durations that, in general, are closely related to the effective duration of the securities that underlie them. Holding purchased futures or call option positions (backed by segregated cash or other liquid securities) will lengthen the duration of a Fund's portfolio.

Additional Information Regarding Investments in Options and Futures

A Fund may purchase and write options in combination with each other, or in combination with futures or forward contracts, to adjust the risk and return characteristics of the overall position. For example, a Fund could construct a combined position whose risk and return characteristics are similar to selling a futures contract by purchasing a put option and writing a call option on the same underlying instrument. Alternatively, a Fund could write a call option at one strike price and buy a call option at a lower price to reduce the risk of the written call option in the event of a substantial price increase. Because combined options positions involve multiple trades, they result in higher transaction costs and may be more difficult to open and close out.

Risks associated with options transactions include: (1) the success of a hedging strategy may depend on an ability to predict movements in the prices of individual securities, fluctuations in markets and movements in interest rates; (2) there may be an imperfect correlation between the movement in prices of options and the securities underlying them; (3) there may not be a liquid secondary market for options; and (4) while a Fund will receive a premium when it writes covered call options, it may not participate fully in a rise in the market value of the underlying security.

Caps, Collars and Floors. Caps and floors have an effect similar to buying or writing options. In a typical cap or floor agreement, one party agrees to make payments only under specified circumstances, usually in return for payment of a fee by the other party. For example, the buyer of an interest rate cap obtains the right to receive payments to the extent that a specified interest rate exceeds an agreed-upon level. The seller of an interest rate floor is obligated to make payments to the extent that a specified interest rate falls below an agreed-upon level. An interest rate collar combines elements of buying a cap and selling a floor.

Inverse Floaters. Inverse floaters are derivative securities whose interest rates vary inversely to changes in short-term interest rates and whose values fluctuate inversely to changes in long-term interest rates. The value of certain inverse floaters will fluctuate substantially more in response to a given change in long-term rates than would a traditional debt security. These securities have investment characteristics similar to leverage, in that interest rate changes have a magnified effect on the value of inverse floaters.

Warrants. A Fund may invest in warrants, which are options to purchase a specified security, usually an equity security such as common stock, at a specified price (usually representing a premium over the applicable market value of the underlying equity security at the time of the warrant's issuance) and usually during a specified period of time. Moreover, they are usually issued by the issuer of the security to which they relate. While warrants may be traded, there is often no secondary market for them. The prices of the warrants do not necessarily move parallel to the prices of the underlying securities. Holders of warrants have no voting rights, receive no dividends and have no rights with respect to the assets of the issuer. To the extent that the market value of the security that may be purchased upon exercise of the warrant rises above the exercise price, the value of the warrant will tend to rise. To the extent that the exercise price equals or exceeds the market value of such security, the warrant is not exercised within the specified time period, it will become worthless and the fund will lose the purchase price paid for the warrant and the right to purchase the underlying security.

Closed-End Funds. A Fund may invest in closed-end investment companies (also known as "closed-end funds"). Typically, the common shares of closed-end funds are offered to the public in a one-time initial public offering by a group of underwriters who retain a spread or underwriting commission. Such securities are then listed for trading on a national securities exchange or in the over-the-counter markets. Because the common shares of closed-end funds cannot be redeemed upon demand to the issuer like the shares of open-end investment companies (such as the Funds), investors seek to buy and sell common shares of closed-end funds in the secondary market. The common shares of many closed-end funds, after their initial public offering, frequently trade at a price per share which is less than the net asset value per share, the difference representing the "market discount" of such common shares. The Funds purchase common shares of closed-end funds which trade at a market discount and which the Advisor believes presents the opportunity for capital appreciation or increased income due in part to such market discount.

However, there can be no assurance that the market discount on common shares of any closed-end fund will ever decrease. In fact, it is possible that this market discount may increase and the Funds holding such shares may suffer realized or unrealized capital losses due to further decline in the market price of the securities of such closed-end funds, thereby adversely affecting the net asset value of the Funds' shares. Similarly, there can be no assurance that the common shares of closed-end funds which trade at a premium will continue to trade at a premium or that the premium will not decrease subsequent to a purchase of such shares by the Funds. The Funds may also invest in preferred shares of closed-end funds.

A Fund will structure its investments in the securities of closed-end funds to comply with applicable provisions of the 1940 Act. The presently applicable provisions require that (i) a Fund and affiliated person of such Fund not own together more than 3% of the total outstanding stock of any one investment company, (ii) such Fund not offer its shares at a public offering price that includes a sales load of more than 1 ½%, and (iii) such Fund either seek instructions from its shareholders with regard to the voting of all proxies with

respect to its investment in the securities of closed-end funds and vote such instructions, or vote the shares held by it in the same proportion as the vote of all other holders of such securities.

A Fund will not invest directly in the securities of open-end investment companies, other than exchange traded funds. However, a Fund may retain the securities of a closed-end investment company that has converted to an open-end fund status subsequent to the Fund's investment in the securities of such closed-end fund. Generally, shares of an open-end investment company can be redeemed, at their net asset value, upon demand to the issuer. However, pursuant to applicable provisions of the 1940 Act, a Fund holding securities of an open-end investment company may not obligate such investment company to redeem more than 1% of the investment company's outstanding redeemable securities during any period of less than 30 days. Consequently, if a Fund should own more than 1% of the outstanding redeemable securities of an open-end investment company after such fund's conversion from closed-end fund status, the amount in excess of 1% may be treated as an investment in illiquid securities. Because a Fund may not hold at any time more than 10% of the value of its net assets in illiquid securities (e.g. securities that are not readily marketable within seven days), such Fund may seek to divest itself, prior to any such conversion, of securities in excess of 1% of the outstanding redeemable securities of a converting fund. A Fund may, however, retain such securities and any amount in excess of 1% of the open-end fund and thereby subject to the limits on redemption would be treated as an investment in illiquid securities subject to the aggregate limit of 10% of such Fund's total assets.

A Fund may invest in the securities of closed-end funds which (i) concentrate their portfolios in issuers in specific industries or in specific geographic areas and (ii) are non-diversified for purposes of the 1940 Act. However, because none of the Funds intends to concentrate its investments in any single industry and because the closed-end funds in which the Funds invest generally satisfy the diversification requirements applicable to a regulated investment company under the Internal Revenue Code, none of the Funds believes that its investments in closed-end funds which concentrate in specific industries or geographic areas or which are non-diversified for purposes of the 1940 Act will represent special risks to the shareholders of such Fund. Each of the Funds will treat its entire investment in the securities of a closed-end fund that concentrates in a specific industry as an investment in securities of an issuer in such industry.

Some of the closed-end funds in which the Funds invest may incur more risks than others. For example, some of these closed-end funds may have policies that permit them to invest up to 100% of their assets in securities of foreign issuers and to engage in foreign currency transactions with respect to their investments; invest up to 100% of their assets in corporate bonds which are not considered investment grade bonds by Standard & Poor's Corporation or Moody's Investor Services, Inc., or which are unrated; invest some portion of their net assets in illiquid securities; invest some portion of their net assets in warrants; lend their portfolio securities; sell securities short; borrow money in amounts up to some designated percentage of their assets for investment purposes; write (sell) or purchase call or put options on securities or on stock indexes; concentrate 25% or more of their total assets in one industry; enter into future contracts; and write (sell) or purchase options on futures contracts.

Like the Funds, closed-end funds frequently pay an advisory fee for the management of their portfolios, as well as other expenses. Therefore, investment by the Funds in such funds often results in a "duplication" of advisory fees and other expenses, thereby increasing the overall charge to the net asset value of each of the Funds' shares.

Exchange Traded Funds. A Fund may invest in exchange traded funds (also known as "ETFs") and leveraged exchanged traded funds (also known as "leveraged ETFs"). ETFs are registered investment companies whose shares represent an interest in a portfolio of securities that typically track an underlying benchmark or index. Leveraged ETFs seek to deliver multiples of the performance of the index or benchmark that they track. To accomplish their objective, leveraged ETFs pursue a range of investment strategies through the use of swaps, futures contracts, and other derivative instruments. Particularly when used to create leverage, the use of derivatives may expose leveraged ETFs to potentially dramatic losses or gains. Unlike traditional mutual funds, shares of ETFs typically trade throughout the day on a securities exchange, such as the American Stock Exchange or New York Stock Exchange, at prices established by the market.

Investing in ETFs may involve the duplication of advisory fees and certain other expenses. Fund shareholders indirectly bear the Fund's proportionate share of the fees and expenses paid by the shareholders of the ETF, in addition to the fees and expenses the Fund Shareholders directly bear in connection with the Fund's own operations. If an ETF (or leveraged ETF) fails to achieve its investment objective, the value of the Fund's investment will decline, adversely affecting the Fund's performance. Because the value of ETF shares depends on the demand in the market, the Advisor may not be able to liquidate a Fund's holdings in an ETF at the most optimal time.

A Fund will structure its investments in the securities of ETFs to comply with applicable provisions of the 1940 Act. The presently applicable provisions require that (i) a Fund and affiliated person of such Fund not own together more than 3% of the total outstanding stock of any one investment company, (ii) such Fund not offer its shares at a public offering price that includes a sales load of more than 1 1/2%, and (iii) such Fund either seek instructions from its shareholders with regard to the voting of all proxies with respect to its investment in the securities of closed-end funds and vote such instructions, or vote the shares held by it in the same proportion as the vote of all other holders of such securities.

Real Estate Investment Trusts. Equity real estate investment trusts own real estate properties, while mortgage real estate investment trusts make construction, development, and long-term mortgage loans. Their value may be affected by changes in the value of the underlying property of the trusts, the creditworthiness of the issuer, property taxes, interest rates, and tax and regulatory requirements, such as those relating to the environment. Both types of trusts are dependent upon management skill, are not diversified, and are subject to heavy cash flow dependency, defaults by borrowers, self-liquidation, and the possibility of failing to qualify for tax-free status of income under the Internal Revenue Code and failing to maintain exemption from the 1940 Act.

Foreign Securities. The Funds may invest their assets in securities of foreign issuers directly or through American Depositary Receipts ("ADRs"). Foreign investments may be affected favorably or unfavorably by changes in currency rates and exchange control regulations. There may be less information available about a foreign company than about a U.S. company and foreign companies may not be subject to reporting standards and requirements comparable to those applicable to U.S. companies. Foreign securities may not be as liquid as U.S. securities. Securities of foreign companies may involve greater market risk than securities of U.S. companies, and foreign brokerage commissions and custody fees are generally higher than in the United States. Investments

in foreign securities may also be subject to local economic or political risks, political instability and possible nationalization of issuers.

The risks of foreign investing may be magnified for investments in emerging markets. Security prices in emerging markets can be significantly more volatile than those in more developed markets, reflecting the greater uncertainties of investing in less established markets and economies. In particular, countries with emerging markets may have relatively unstable governments, may present the risks of nationalization of businesses, restrictions on foreign ownership and prohibitions on the repatriation of assets, and may have less protection of property rights than more developed countries. The economies of countries with emerging markets may be based on only a few industries, may be highly vulnerable to change in local or global trade conditions, and may suffer from extreme and volatile debt burdens or inflation rates. Local securities markets may trade a small number of securities and may be unable to respond effectively to increases in trading volume, potentially making prompt liquidation of holdings difficult or impossible at times.

Lending of Portfolio Securities. Consistent with applicable regulatory requirements, a Fund may lend its respective portfolio securities (principally to broker-dealers) in amounts up to one-third of the Fund's total asset value where such loans are callable at any time and are continuously secured by collateral (cash or government securities) equal to no less than the market value, determined daily, of the securities loaned. As an operating policy which may be changed without shareholders vote, the Advisor will limit such lending to not more than one-third of the value of a Fund's total assets. The Fund will receive amounts equal to dividends or interest on the securities loaned. It will also earn income for having made the loan. Any cash collateral pursuant to these loans will be invested in money market instruments. Where voting or consent right with respect to loaned securities pass to the borrower, management will follow the policy of calling the loan, in whole or in part as may be appropriate, to permit the exercise of such voting or consent rights if the issues involved have a material effect on the Fund's investment in the securities loaned.

As with any extensions of credit, there are risks of delay in recovery and in some cases even loss of rights in the collateral should the borrower of the securities fail financially. Also, any securities purchased with cash collateral are subject to market fluctuations while the loan is outstanding. Cash collateral received from loaning portfolio securities creates the effect of leverage which magnifies the potential for gain or loss on monies invested and, therefore, results in an increase in the speculative nature of a Fund's outstanding securities and an increase in the volatility of the Fund's net asset value.

Repurchase Agreements. None of the Funds will invest more than 5% of its assets in repurchase agreements. A repurchase agreement is an instrument under which a Fund acquires ownership of an obligation but the seller agrees, at the time of sale, to repurchase the obligation at a mutually agreed-upon time and price. The resale price is in excess of the purchase price and reflects an agreed-upon market rate unrelated to the interest rate on the purchased security. The Fund will make payments for repurchase agreements only upon physical delivery or evidence of book entry transfer to the account of the custodian or bank acting as agent. In the event of bankruptcy or other default of a seller of a repurchase agreement, a Fund holding such repurchase agreement could experience both delays in liquidating the underlying securities and losses including: (a) possible decline in the value of the underlying securities during the period while the Fund seeks to enforce its rights thereto; (b) possible subnormal levels of income and lack of access to income during this period; and (c) expenses of enforcing its rights.

Policies of the Funds

Each of the Funds has adopted fundamental investment policies and restrictions. These policies cannot be changed without approval by the holders of a majority of the outstanding voting securities of such Fund. As defined in the 1940 Act, the "vote of a majority of the outstanding voting securities" of a Fund means the lesser of the vote of (a) 67% of the shares of the Fund at a meeting where more than 50% of the outstanding shares are present in person or by proxy or (b) more than 50% of the outstanding shares of the Fund.

The following are each Fund's fundamental investment policies set forth in their entirety. A Fund may not:

1. purchase the securities of any issuer (other than securities issued or guaranteed by the U.S. government or any of its agencies or instrumentalities) if, as a result, more than 25% of the Fund's total assets would be invested in the securities of companies whose principal business activities are in the same industry;
2. purchase the securities of any issuer if such purchase, at the time thereof, would cause the Fund to fail to satisfy the requirements of the Internal Revenue Code Section 851(b)(3) (or any successor provision), as amended;
3. issue senior securities, except as permitted under the 1940 Act, the rules and regulations promulgated thereunder or interpretations of the Securities and Exchange Commission or its staff;
4. borrow money, except that the Fund may borrow money for temporary or emergency purposes (not for leveraging or investment) provided that immediately after such borrowing, the Fund has asset coverage (as defined in the 1940 Act) of at least 300%;
5. act as an underwriter or securities issued by others, except to the extent the Fund may be deemed to be an underwriter in connection with the disposition of portfolio securities;
6. invest in securities or other assets that the Board of Trustees determines to be illiquid if more than 15% of the Fund's net assets would be invested in such securities;
7. (a) purchase or sell physical commodities unless acquired as a result of ownership of securities or other instruments, (b) invest in oil, gas, or mineral exploration or development programs or leases, or (c) purchase securities on margin;
8. purchase or sell real estate or make real estate mortgage loans or invest in real estate limited partnerships, except that the Fund may purchase and sell securities issued by entities engaged in the real estate industry or instruments backed by real estate; or
9. make loans, except as described above in "Investment Strategies, Risks – Lending of Portfolio Securities."

In addition, it is a fundamental investment policy of each of the Funds to satisfy the requirements for classification of the Funds as “diversified” management companies within the meaning of the 1940 Act.

In addition, it is a fundamental policy of Ancora Income Fund to invest, under normal circumstances, at least 80% of the assets of the Fund in income-producing securities. It is a fundamental policy of Ancora MicroCap Fund to invest, under normal circumstances, at least 80% of its assets in equity securities of companies whose equity securities have a total market value under \$700,000,000. It is a fundamental policy of Ancora/Thelen Small-Mid Cap Fund to invest at least 80% of its assets in equity securities of companies whose market capitalization is either within the capitalization range of the Russell 2500 Index or is \$10 billion or less at the time of investment. It is a fundamental policy of Ancora Dividend Value Equity Fund to invest, under normal circumstances, at least 80% of the assets of the Fund in dividend paying equity securities. For purposes of these tests, the term “assets” means net assets plus any borrowings for investment purposes.

If a percentage restriction is adhered to at the time of investment, a later increase or decrease in percentage beyond the specified limit resulting from a change in values or net assets will not be considered a violation; provided, that a change in value that causes a Fund to exceed its 300% asset coverage requirements for borrowing will require a Fund to increase its asset coverage to 300% within three days (excluding Sundays and holidays).

Defensive Investments

In attempting to respond to adverse market, economic, political or other conditions, or in anticipation of the liquidation of a Fund, each of the Funds, at the discretion of the Advisor, may take temporary defensive positions for up to 100% of the Fund’s assets that are inconsistent with such Fund’s principal investment strategies, such as investing in cash or cash equivalents, high-quality short-term debt securities, money market instruments and money market mutual funds. The taking of such a defensive position may adversely impact the ability of such Fund to achieve its investment objective.

Portfolio Turnover

The Funds are not restricted with regard to portfolio turnover and each Fund will make changes in its investment portfolios from time to time as business and economic conditions and market prices may dictate and its investment policies may require. A high rate of portfolio turnover in any year will increase transaction charges and could result in high amounts of realized investment gain subject to the payment of taxes by shareholders.

MANAGEMENT OF THE FUNDS

Management Information

The Board of Trustees is responsible for managing the Funds’ business affairs and for exercising each Fund’s powers except those reserved for the shareholders. The day-to-day operations of the Funds are conducted by its officers. The following table provides biographical information with respect to each person that is a Trustee and officer of the Trust as of April 30, 2023.

| Name, Address and Age | Position(s) Held with the Fund | Term of Office ⁽¹⁾ and Length of Time Served | Principal Occupation(s) During the Past 5 Years | Number of Portfolios in Fund Complex Overseen by Trustee | Other Directorships ⁽²⁾ |
|---|---|---|---|---|--|
| Independent Trustees: | | | | | |
| Frank J. Roddy 2904B Palm Blvd. Isle of Palms, SC 29451 Age: 62 | Trustee | Since April 2019 | Retired Executive Vice President of Finance and Administration at Swagelok Company from 2012 until 2018. | 4 | Member of: Board of Cleveland Central Catholic High School. Former member of: Northeast Ohio Alumni Advisory Board for Ernst & Young; former Member of Cleveland Advisory Board of FM Global; former Conrad Companies Board of Advisors; former VEC Inc. Advisory Board; and former Swagelok Company Advisory Board. |
| Jennifer A. Rasmussen 18400 Pearl Road Strongsville, OH 44136 Age: 49 | Trustee | Since April 2019 | Tax Director at Thornhill Financial LLC since November 2022; previously, Chief Operating Officer of FSM Capital Management, LLC, since July 2007. | 4 | None. |
| Frank DeFino 2181 Enterprise Parkway Twinsburg, OH 44087 Age: 69 | Trustee | Since 2014 | President and owner of AJD Holding Co. (private equity firm) from 1976 to the present. | 4 | None. |
| Interested Trustee | | | | | |
| Cindy Flynn 9 Shoreby Drive Bratenahl, OH 44108 Age: 59 | Trustee | Since April 2019 | President of Arrowhead Consulting since 2023; previously, Chief Marketing and Communications Officer of Union Home Mortgage Corp., and Executive Vice President and Chief Administrative Officer of New York Community Bancorp, Inc. | 4 | Board Member of Greater Cleveland Sports Commission; University Hospitals Cleveland Medical Center; Rainbow Babies & Children's Foundation; Western Reserve Historical Society; and the Recreation League of Cleveland |
| Officers: | | | | | |
| Joseph M. Spidaleri 6060 Parkland Blvd., Mayfield Heights, OH 44124 Age: 45 | Chief Compliance Officer | Since 2011 | Chief Operating Officer of Terza Partners LLC, Ancora Holdings Group, LLC and The Ancora Group LLC since 2021; Chief Operating Officer of Ancora Holdings Inc. 2017 to 2021; Chief Operating Officer of Ancora Advisors LLC since 2017; Chief Compliance Officer of Ancora Advisors LLC until 2017; Chief Compliance Officer of The Ancora Group Inc. 2011 to 2017; Chief Compliance Officer of Ancora Holdings Inc. 2015 to 2017; Director of Compliance of Ancora Securities Inc. and Ancora Capital Inc. from 2011 to 2012. | 4 | None. |
| Bradley A. Zucker 6060 Parkland Blvd., Mayfield Heights, OH 44124 Age: 50 | President, Treasurer and Secretary | Secretary Since 2003; President and Treasurer Since 2017 | Chief Administrative Officer of Ancora Holdings Group, LLC and The Ancora Group LLC since 2021; Chief Administrative Officer of Ancora Holdings, Inc. 2020 to 2021; Chief Financial Officer of Ancora Advisors LLC from 2003 to 2020; Chief Financial Officer of The Ancora Group Inc. from 2010 to 2020; Chief Financial Officer of Ancora Holdings Inc. from 2015 to 2020; Chief Financial Officer and Director of Ancora Securities, Inc. from 2001 to 2012; Chief Financial Officer of Ancora Capital Inc. from 2002 to 2012; member of the Executive Committee for the Ancora entities until 2016. | 4 | None. |

- (1) Each trustee holds office for an indefinite term until the earlier of (i) the election of his or her successor or (ii) the date the trustee dies, resigns or is removed.
- (2) Table specifies current directorships. No other directorships have been held in the past five years.
- (3) Cindy Flynn may be considered an "interested person" as defined in Section 2(a)(19) of the 1940 Act by virtue of an arrangement whereby she receives fees for providing consulting services to Ancora Advisors LLC.
- (4)

The Board determined that each of the Trustees is qualified to serve as a Trustee of the Trust based on a review of the experience, qualifications, attributes and skills of each Trustee. Information indicating the specific experience, skills, attributes and qualifications of each Trustee which led to the Board's determination that the Trustee should serve in this capacity is provided below.

Frank DeFino. Mr. DeFino has been a Trustee since 2014. Mr. DeFino has significant business leadership experience, having served as President and owner of AJD Holding Co. (private equity firm) since 1976. He also has considerable experience in investing through the management of the company's funds for the last 25 years.

Frank J. Roddy. Mr. Roddy served as the Executive Vice President of Finance and Administration at Swagelok Company from 2012 until the end of 2018. In such capacity Mr. Roddy oversaw the financial, customer service, supply chain, legal, global sourcing and logistics, risk management and information services operations of the organization. Before taking on such role, Mr. Roddy was the Vice President and Chief Financial Officer of Swagelok from 2000 until 2012.

Jennifer Rasmussen, Esq. Ms. Rasmussen has been the Tax Director of Thornhill Financial LLC, an accounting firm, since November 2022. In such capacity, she advises clients on succession planning, serves as a senior member of the firm's high net worth family practice and provides financial, tax, estate and retirement planning. Prior to joining Thornhill Financial LLC, Ms. Rasmussen was the Chief Operating Officer of FSM Capital Management LLC from 2007 until 2022.

Cindy Flynn. Since 2023, Ms. Flynn has been President of Arrowhead Consulting. In such capacity, she partners with senior executives and their leadership teams to provide strategic and tactical consulting services to achieve revenue and profit growth objectives, focusing on strategic planning, branding, media mix optimization, market execution and corporate alignment. From 2019 to 2023, Ms. Flynn was Chief Marketing and Communications Officer of Union Home Mortgage Corp., a full service mortgage company with annual lending over \$13 billion. Previously, Ms. Flynn was the Executive Vice President and Chief Administrative Officer of New York Community Bancorp., Inc., one of the largest 25 largest bank holding companies in the nation and a leading producer of multi-family loans in New York City. As the Executive Vice President of New York Community Bancorp, Ms. Flynn was responsible for overseeing the day-to-day operations of the bank's consumer banking business. Ms. Flynn joined New York Community Bancorp., Inc. in December, 2009. Prior to that, she was Chief Marketing Officer for AmTrust/Ohio Savings Bank from 2007 until 2009.

Specific details regarding each Trustee's principal occupations during the past five years are included in the table above.

Board Composition and Leadership Structure

Effective as of the effective date of the prospectus accompanying this Statement of Additional Information, the Board consists of four individuals, only one of whom, Cindy Flynn, is an interested Trustee. The Chairperson of the Board, Frank DeFino, is an independent Trustee.

The Board believes that its structure facilitates the orderly and efficient flow of information to the Trustees from the Advisor and other service providers with respect to services provided to the Trust, potential conflicts of interest that could arise from these relationships and other risks that the Trust may face. The Board further believes that its structure allows all of the Trustees to participate in the full range of the Board's oversight responsibilities. The Board believes that the orderly and efficient flow of information and the ability to bring each Trustee's talents to bear in overseeing the Trust's operations is important, in light of the size and complexity of the Fund and the risks that the Fund faces.

Currently, the Board has only one committee, an Audit Committee. The responsibilities of the Audit Committee and its members are described below.

Audit Committee

The Board of Trustees has appointed a standing Audit Committee comprised solely of the non-interested Trustees. The members of the Audit Committee are Frank DeFino, Jennifer Rasmussen, Cindy Flynn, and Frank J. Roddy. The Audit Committee has the responsibility, among other things (i) to select, oversee and set the compensation of the Trust's independent auditors; (ii) to oversee the Trust's accounting and financial reporting policies and practices, its internal controls and, as appropriate, the internal controls of certain service providers; (iii) to oversee the quality and objectivity of the Funds' financial statements and the independent audit(s) thereof; and (iv) to act as a liaison between the Trust's independent registered public accountants and the full Board. The Audit Committee meets at least once per year. During 2022, the Audit Committee met twice.

Board's Role in Risk Oversight

The Board oversees risk management for the Trust directly and, as to certain matters, through its Audit Committee. The Board exercises its oversight in this regard primarily through requesting and receiving reports from and otherwise working with the Trust's senior officers (including the Trust's Chief Compliance Officer), portfolio management and other personnel of the Advisor, the Trust's independent, auditor, legal counsel and personnel from the Trust's other service providers. The Board also relies on regular discussions with the Advisor at Board meetings regarding the sources of risk applicable to the Fund and an understanding of the appropriate level of risk acceptable on behalf of the Fund. The Board has adopted, on behalf of the Trust, and periodically reviews with the assistance of the Trust's Chief Compliance Officer, policies and procedures designed to address certain risks associated with the Trust's activities. In addition, the independent trustees meet quarterly to discuss matters of interest, which may include risk oversight.

Mandatory Retirement Age

The Board has adopted a mandatory retirement age of Seventy Five (75) for all Trustees.

Board Interest In the Funds

As of December 31, 2022, the Trustees owned the following amounts of shares of the Funds:

| Name of Trustee | Dollar Range of Equity Securities in Each Fund | | Aggregate Dollar Range of Equity Securities in All Registered Investment Companies Overseen by Trustee in Family of Investment Companies |
|-----------------------|--|----------------|--|
| Frank DeFino | Ancora Income Fund | None | Over \$100,000 |
| | Ancora/Thelen Small-Mid Cap Fund | Over \$100,000 | |
| | Ancora MicroCap Fund | Over \$100,000 | |
| | Ancora Dividend Value Equity Fund | None | |
| Frank J. Roddy | Ancora Income Fund | None | Over \$100,000 |
| | Ancora/Thelen Small-Mid Cap Fund | Over \$100,000 | |
| | Ancora Microcap Fund | Over \$100,000 | |
| | Ancora Dividend Value Equity Fund | None | |
| Jennifer A. Rasmussen | Ancora Income Fund | None | None |
| | Ancora/Thelen Small-Mid Cap Fund | None | |
| | Ancora Microcap Fund | None | |
| | Ancora Dividend Value Equity Fund | None | |
| Cindy Flynn | Ancora Income Fund | None | None |
| | Ancora/Thelen Small-Mid Cap Fund | None | |
| | Ancora Microcap Fund | None | |
| | Ancora Dividend Value Equity Fund | None | |

Except as otherwise disclosed above as it relates to the Funds, none of the independent trustees or their immediately family members own (beneficially or of record) any other securities in the Funds or the Trust. Although certain Trustees have an ownership interest in the Funds as indicated above, they do not receive any extra or special benefits from such interests that is not shared on a pro rata basis by all holders of the class of securities.

Beneficial Ownership of Affiliates by Independent Trustees

None of the independent trustees or their immediately family members own (beneficially or of record) any securities in Ancora Advisors, the principal underwriter of the Funds, or any other person directly or indirectly controlling, controlled by or under common control with Ancora Advisors or the principal underwriter.

Other Disclosures Related to Independent Trustees

Until 2022, Jennifer A Rasmussen was the Chief Operating Officer of FSM Capital Management, LLC ("FSM"). FSM has a Solicitor's Agreement with Ancora under which FSM may earn a portion of the fee collected by Ancora for referral of its accounting clients. In 2022 and 2021 Ancora paid fees under such agreement in the amounts of \$313,231 and \$254,583, respectively. Ms. Rasmussen was not an owner of FSM and did not derive any direct personal benefit from such relationship.

Compensation

No officer, director or employee of the Advisor or of any parent or subsidiary receives any compensation from the Funds for serving as an officer or Trustee of the Funds. Each Trustee who is not an interested person of the Advisors receives an annual payment of \$20,000 as compensation from the Funds for serving as a Trustee of the Funds. Such fee shall be paid every quarter in \$5,000 installments.

The fees paid to the Trustees for the 2022 fiscal year, which are the only compensation or benefits payable to Trustees, are summarized in the following table:

| Name of Person, Position | Aggregate Compensation from the Funds | Pension or Retirement Benefits Accrued as Part of Fund Expenses | Estimated Annual Benefits Upon Retirement | Total Compensation from the Funds Paid to Directors |
|--------------------------------|---------------------------------------|---|---|---|
| Frank DeFino, Trustee | \$20,000 | \$0 | \$0 | \$20,000 |
| Frank J. Roddy, Trustee | \$20,000 | \$0 | \$0 | \$20,000 |
| Jennifer A. Rasmussen, Trustee | \$20,000 | \$0 | \$0 | \$20,000 |
| Cindy Flynn, Trustee | \$20,000 | \$0 | \$0 | \$20,000 |

Code of Ethics

Each of the Trust and Ancora Advisors has adopted a code of ethics pursuant to Rule 17j-1 under the 1940 Act. Each code permits personnel subject to the code to invest in securities that may be purchased or held by the Funds.

Proxy Voting Policy

The Board of Trustees of the Funds has adopted a proxy voting policy (the "Proxy Voting Policy"). The Proxy Voting Policy is attached as Appendix A to this SAI. Information regarding how the Funds voted proxies relating to portfolio securities during the most recent 12-month period ending June 30 is available (1) without charge, upon request, by calling the Ancora Funds at 1-866-626-2672 or on the Ancora Funds' internet site at www.ancora.net, and (2) on the SEC's internet site at www.sec.gov.

Principal Holders of Securities

Ancora Income Fund

As of April 1, 2023, the following persons were known to be the beneficial owners of more than 5% of the outstanding shares of the following classes of shares of Ancora Income Fund:

Class I Shares

| <u>Name and Address</u> | <u>Percentage of Ownership</u> |
|---|--------------------------------|
| CHARLES SCHWAB & CO. INC. SPECIAL CUSTODY A/C FBO CUSTOMERS SAN FRANCISCO, CA 94105 | 13.77% |

As of April 1, 2023, officers and Trustees as a group beneficially owned 8,845 Class I shares of Ancora Income Fund, constituting less than 1% of the outstanding Class I shares of the Fund.

Ancora/Thelen Small-Mid Cap Fund

As of April 1, 2023, the following persons were known to be the beneficial owners of more than 5% of the outstanding shares of the following classes of shares of Ancora/Thelen Small-Mid Cap Fund:

Class I Shares

| <u>Name and Address</u> | <u>Percentage of Ownership</u> |
|---|--------------------------------|
| DANIEL G THELEN 7930 DIXIE HWY CLARKSTON MI 48346-1151 | 6.35% |
| CHARLES SCHWAB & CO. INC. SPECIAL CUSTODY A/C FBO CUSTOMERS SAN FRANCISCO, CA 94105 | 5.19% |

Class S Shares

| <u>Name and Address</u> | <u>Percentage of Ownership</u> |
|---|--------------------------------|
| DANIEL G THELEN 7930 DIXIE HWY CLARKSTON MI 48346-1151 | 26.34% |
| RELIANCE TRUST COMPANY 3300 N.E. EXPRESSWAY ATLANTA, GA 30341 | 23.31% |
| MORGAN STANLEY SMITH BARNEY LLC 1 NEW YORK PLAZA 12TH FL NEW YORK, NY 10004 | 15.38% |
| KEY BANK NA 127 PUBLIC SQUARE CLEVELAND, OH 44101-4871 | 12.28% |
| FIFTH THIRD BANK 5001 KINGSLEY DRIVE CINCINNATI, OH 45263 | 11.98% |
| JOHN HANCOCK TRUST COMPANY, LLC 690 CANTON STREET WESTWOOD, MA 02090 | 6.00% |

As of April 1, 2023, all officers and Trustees as a group beneficially owned 2,540,641 Class I shares of Ancora/Thelen Small-Mid Cap Fund, constituting 2.7% of the outstanding Class I shares of the Fund.

Ancora MicroCap Fund

As of April 1, 2023, the following persons were known to be the beneficial owners of more than 5% of the outstanding shares of the following classes of shares of Ancora MicroCap Fund:

Class I Shares

| <u>Name and Address</u> | <u>Percentage of Ownership</u> |
|--|--------------------------------|
| CHARLES SCHWAB & CO. INC. SPECIAL CUSTODY A/C FBO CUSTOMERS SAN FRANCISCO , CA 94105 | 21.22% |
| MATRIX CAPITAL 717 17TH STREET, STE 1300 DENVER, CO 80202 | 8.17% |
| PATRICIA RODDY 2904B PALM BLVD ISLE OF PALMS, SC 29451 | 5.45% |

As of April 1, 2023, all officers and Trustees as a group beneficially owned 1,534,059 Class I shares of Ancora MicroCap Fund, constituting 10.4% of the outstanding Class I shares of the Fund.

Ancora Dividend Value Equity Fund

As of April 1, 2023, the following persons were known to be the beneficial owners of more than 5% of the outstanding shares of the following classes of shares of Ancora Dividend Value Equity Fund:

Class I Shares

| <u>Name and Address</u> | <u>Percentage of Ownership</u> |
|--|--------------------------------|
| CHARLES SCHWAB & CO. INC. SPECIAL CUSTODY A/C FBO CUSTOMERS SAN FRANCISCO , CA 94105 | 29.58% |
| MATRIX CAPITAL 717 17TH STREET, STE 1300 DENVER, CO 80202 | 5.20% |

As of April 1, 2023, all officers and Trustees as a group beneficially owned 117,103 Class I shares of Ancora Dividend Value Equity Fund, constituting less than 1% of the outstanding Class I shares of the Fund.

INVESTMENT ADVISORY AND OTHER SERVICES

Investment Advisor

The advisor for each of the Funds is Ancora Advisors LLC (the "Advisor"). Ancora Advisors LLC is a wholly owned subsidiary of Focus Operating, LLC, which is a wholly owned subsidiary of Focus LLC. Focus Financial Partners Inc. ("Focus Inc.") is the sole managing member of Focus LLC and is a public company traded on the NASDAQ Global Select Market. Focus Inc. owns approximately three-quarters of the economic interests in Focus LLC.

The Advisor is managed by certain principals ("Ancora Advisors, LLC Principals"), pursuant to a management agreement between Terza Partners, LLC and the Advisor. Ancora Advisors, LLC Principals serve as officers and leaders of the Advisor and, in that capacity, are responsible for the management supervision and oversight of the Advisor.

Bradley Zucker is both a director and officer of the Advisor and an officer of the Funds. Joseph M. Spidalieri is both an officer of the Advisor and an officer of the Funds.

Each Fund since its inception has retained as its investment advisor the Advisor, located at 6060 Parkland Blvd., Suite 200, Cleveland, Ohio 44124, an investment advisor established in 2003. The Ancora Income Fund, the Ancora Microcap Fund, the Ancora/Thelen Small-Mid Cap Fund and the Ancora Dividend Value Equity Fund are referred to collectively as the "Funds" and individually as the "Fund."

As compensation for the Advisor's services rendered to the Funds, each of the Funds pays a fee, computed and paid monthly, at an annual rate of 1.00% of such Fund's average daily net assets, except that the Ancora Dividend Value Equity Fund pays a fee, computed and paid monthly, at an annual rate of 0.75% of such Fund's average daily net assets and Ancora Income Fund pays a fee, computed and paid monthly, at an annual rate of 0.50% of such Fund's daily net assets.

Each Advisor has contractually agreed to waive fees to the extent necessary to limit the Fund's total annual fund operating expenses (excluding dividend expenses relating to short sales, interest, taxes, brokerage commissions, and the cost of "Acquired Fund Fees and Expenses," if any) to the amounts set forth below. Fee waivers are calculated and applied at least monthly, based on each Fund's average net assets during such month. These fee waivers are expected to continue indefinitely but shall remain in effect until at least October 1, 2024 (subject to termination prior to such date only by a vote of the Trustees of the Fund if they deem

the termination to be beneficial to the Fund shareholders). The terms of each Advisor's waiver agreement provide that the Advisor is entitled to recover such waived amounts within the same fiscal year in which the Advisor reduced its fee. No recoupment will occur except to the extent that the Fund's operating expenses, together with the amount recovered, do not exceed the applicable expense limitation amount. The Advisors are not obligated to reimburse the Fund for amounts in excess of the fee waiver.

| <u>Fund</u> | <u>Limit on Total Operating Expenses</u> |
|-----------------------------------|--|
| Ancora Income Fund | |
| Class I | 1.285% |
| Class S | 1.00% |
| Ancora/Thelen Small-Mid Cap Fund | |
| Class I | 1.39% |
| Class S | 1.00% |
| Ancora MicroCap Fund | |
| Class I | 1.60% |
| Class S | 1.00% |
| Ancora Dividend Value Equity Fund | |
| Class I | 1.00% |
| Class S | 0.75% |

For 2022, 2021 and 2020, respectively, the Advisor waived management fees of \$0, \$0 and \$60,509 for Ancora Income Fund. For 2022, 2021 and 2020, respectively, the Advisor waived management fees of \$35,840, \$36,266 and \$43,981 for the Ancora MicroCap Fund. For 2022, 2021 and 2020, respectively, the Advisor waived management fees of \$108,686, \$127,484 and \$100,935 for the Ancora/Thelen Small-Mid Cap Fund. For 2022, 2021 and 2020, respectively, the Advisor waived management fees of \$60,349, \$68,234 and \$76,529 for the Ancora Dividend Value Equity Fund. For 2022, 2021 and 2020, the following amounts of management fees were paid by the Funds to Ancora Advisors: Ancora Income Fund, \$185,672, \$136,379 and \$211,156; Ancora/Thelen Small-Mid Cap Fund, \$1,425,765, \$1,719,037 and \$1,185,411; Ancora MicroCap Fund, \$142,738, \$144,743, and \$119,173. For 2022, 2021 and 2020, the following amount of management fees was paid by Ancora Dividend Value Equity Fund: \$268,646, \$245,286 and \$172,849.

Subject to the supervision and direction of the Funds' Board of Trustees, the Advisor, as an investment adviser, manages each Fund's assets in accordance with the stated policies of such Fund. The Advisor makes investment decisions for the Funds and places the purchase and sale orders for portfolio transactions.

Other expenses are borne by the Funds and include administration fees, brokerage fees and commissions, fees of Trustees not affiliated with the Advisor, expenses of registration of the Funds and of the shares of the Funds with the Securities and Exchange Commission (the "SEC") and the various states, charges of the custodian, dividend and transfer agent, outside auditing and legal expenses, liability insurance premiums on property or personnel (including officers and trustees), maintenance of business trust existence, any taxes payable by the Funds, interest payments relating to Fund borrowings, costs of preparing, printing and mailing registration statements, prospectuses, periodic reports and other documents furnished to shareholders and regulatory authorities, costs of printing share certificates, portfolio pricing services and meetings of the Funds and costs incurred pursuant to each Fund's Distribution and Shareholder Servicing Plan described below.

Clayton, Dubilier & Rice Acquisition of Focus Financial Partners Inc.

As announced on February 27, 2023, Focus Financial Partners Inc. ("Focus"), the ultimate parent company of the investment adviser to the Funds, agreed to be acquired by Clayton, Dubilier & Rice ("CD&R"). Stone Point Capital, Focus' largest current shareholder, will retain a portion of their investment in Focus as part of the deal with CD&R and is providing new equity financing in connection with the transaction. The purchase of Focus by CD&R is anticipated to close in the third quarter of 2023 (the "Transaction"). Following the Transaction, Focus will be privately owned, and its shares will not be publicly traded. The Transaction is not expected to result in any material change in the day-to-day management of the Funds or the investment adviser.

Change of Control

The closing of the Transaction is anticipated to result in a change of control of the investment adviser to the Funds (the "Change of Control"). Consistent with the requirements of the Investment Company Act of 1940, as amended (the "1940 Act"), the investment advisory agreement between the investment adviser and each of the Funds (the "Advisory Agreement") contains a provision that the Advisory Agreement will terminate automatically in the event of its "assignment" (as defined in the 1940 Act). The Change of Control will cause an assignment of the Advisory Agreement and result in the automatic termination of the Advisory Agreement.

Investment Advisory Agreements

The Board of Trustees of the Funds (the "Board") is anticipated to approve an interim advisory agreement (the "Interim Advisory Agreement"), which will be in effect for no longer than 150 days following the closing of the Transaction, without prior approval of the Funds' shareholders. The Interim Advisory Agreement has identical advisory fees for each of the Funds and has substantially similar terms and conditions to the current Advisory Agreement, and otherwise meets the requirements of Rule 15a-4 under the 1940 Act, including the escrowing of advisory fees, pending shareholder approval of a new investment advisory agreement.

The Board will be asked to approve a new investment advisory agreement with the investment adviser with respect to each of the Funds (the "New Advisory Agreement"). The New Advisory Agreement also must be approved by shareholders of each Fund. There will be a special meeting of shareholders, expected to be held after Board approval of the New Advisory Agreement (the "Special Shareholder Meeting"), at which the Funds' shareholders will be asked to consider the approval of the New Advisory Agreement. The New Advisory Agreement will have identical advisory fees for each of the Funds and substantially similar terms and conditions to the current Advisory Agreement. Under the Interim Advisory Agreement and the New Advisory Agreement, there

will not be any changes to the Funds' respective portfolio management teams, investment objectives, policies, or principal investment strategies.

In the event the Board approves operating pursuant to an Interim Advisory Agreement, but a Fund's shareholders do not ultimately approve the New Advisory Agreement, the Adviser will receive the lesser of any costs incurred in performing the interim investment advisory agreement (plus interest earned on that amount while in escrow); or the total amount in the escrow account (plus interest earned). Furthermore, if a Fund's shareholders do not ultimately approve the New Advisory Agreement, the Adviser may no longer be able to serve as the investment adviser for the Fund upon the expiration of an Interim Advisory Agreement, and the Board will consider what actions may be appropriate for the Fund.

More detailed information about the Change of Control and the proposal to be voted on at the Special Shareholder Meeting will be provided in a forthcoming proxy statement. When you receive your proxy statement, please review it carefully and cast your vote.

Other Service Providers

The Funds have entered into an Administration Agreement with Ancora Group, LLC, an affiliate of Ancora Advisors in replacement of The Ancora Group, Inc., also an affiliate of Ancora Advisors. Pursuant to this Agreement, each of the Funds pays an administration fee equal to 0.10% of average net assets of such Fund monthly. Under the Administration Agreement, Ancora Group, LLC assists in maintaining office facilities, furnishing clerical services, preparing and filing documents with the Securities Exchange Commission, coordinates the filing of tax returns, assists with the preparation of the Funds' Annual and Semi-Annual Reports to shareholders, monitors the Funds' expense accruals and pays all expenses, monitors the Funds' Subchapter M status, maintains the Funds' fidelity bond, monitors each Fund's compliance with such Fund's policies and limitations as set forth in the Prospectus and Statement of Additional Information and generally assists in the Funds' operations. For 2022, 2021 and 2020, respectively, the Funds paid the following amounts to The Ancora Group, Inc. and/or Ancora Group, LLC: Ancora Income Fund, \$37,134, \$27,276 and \$23,492; Ancora/Thelen Small-Mid Cap Fund, \$142,576 and \$171,904 and \$118,541; Ancora MicroCap Fund, \$14,274, \$14,474 and \$11,917. For 2022, 2021 and 2020, respectively, Ancora Dividend Value Equity Fund paid \$35,820, \$32,705 and \$23,047.

The Funds have entered into an Agreement with Mutual Shareholder Services, LLC (the "Transfer Agent"), located at 8000 Town Centre Drive, Suite 400, Broadview Heights, Ohio 44147. The Transfer Agent has agreed to act as the Funds' transfer, redemption and dividend disbursing agent. For its transfer agency services, the Transfer Agent is paid fees based upon the number of transactions, with a minimum monthly fee of \$775 per month. The Funds also retain the Transfer Agent to act as the Funds' fund accountant. An affiliate of the Transfer Agent also receives \$540 per month, per Fund, in accounting software fees. For its services as fund accountant, Mutual Shareholder Services, LLC receives the following annual fees in respect of each Fund: \$21,000 if the value of the Fund is under \$25,000,000 (subject to discount if the value of the Fund is under \$10,000,000); \$30,500 if the value of the Fund is between \$25,000,000 and \$50,000,000; \$36,250 if the value of the Fund is between \$50,000,000 and \$75,000,000; \$42,000 if the value of the Fund is between \$75,000,000 and \$100,000,000; \$47,750 if the value of the Fund is between \$100,000,000 and \$125,000,000; \$53,500 if the value of the Fund is between \$125,000,000 and \$150,000,000; and \$59,250 if the value of the Fund is in excess of \$150,000,000.

The Funds have entered into a Shareholder Services Agreement with Ancora Group, LLC under which the Funds pay Ancora Group, LLC a fee equal to 0.01% of average net assets of the Class I Shares of each fund.

U.S. Bank N.A., 425 Walnut Street, M.L. CN-WN-06TC, Cincinnati, Ohio 45202, serves as each Fund's custodian. As custodian, U.S. Bank maintains custody of each of the Funds' cash and portfolio securities.

Cohen & Company, Ltd., independent registered public accounting firm, located at 1350 Euclid Avenue, Suite 800, Cleveland, Ohio 44115, has been selected as the Independent Registered Public Accounting Firm for the Funds. In such capacity, Cohen & Company, Ltd. periodically reviews the accounting and financial records of each of the Funds and audits each of the Funds' financial statements.

PORTFOLIO MANAGERS

Other Accounts Managed

Kevin Gale is portfolio manager of the Ancora Income Fund and is responsible for the day-to-day management of such Fund. As of December 31, 2022, Mr. Gale was primarily responsible for the day-to-day management of the following accounts other than such Fund:

| | Number of Accounts | Total Assets Managed |
|----------------------------------|--------------------|----------------------|
| Registered investment companies | 0 | \$0 |
| Other pooled investment vehicles | 0 | \$0 |
| Other accounts | 46* | \$1,967,263,324 |

*None of these accounts has fees based on performance. Fees on all accounts are based on a percentage of assets under management.

Michael Santelli is, and has been since 2017, portfolio manager of Ancora MicroCap Fund and is responsible for the day-to-day management of such Fund. As of December 31, 2022, Mr. Santelli was primarily responsible for the day-to-day management of the portfolios of the following accounts other than the Funds:

| | Number of Accounts | Total Assets Managed |
|----------------------------------|--------------------|----------------------|
| Registered investment companies | 0 | \$0 |
| Other pooled investment vehicles | 2* | \$10,725,861 |
| Other accounts | 542 | \$354,064,594 |

*These two accounts have fees based on performance. Fees on all other accounts are based on a percentage of assets under management.

Matt Scullen, CFA, is a portfolio manager of the Ancora Microcap Fund and is responsible for the day-to-day management of such Fund together with Michael Santelli. As of December 31, 2022, Mr. Scullen was primarily responsible for the day-to-day management of the following accounts other than such Fund:

| | Number of Accounts | Total Assets Managed |
|----------------------------------|--------------------|----------------------|
| Registered investment companies | 0 | \$0 |
| Other pooled investment vehicles | 0 | \$0 |
| Other accounts | 395* | \$47,945,201 |

*None of these accounts has fees based on performance. Fees on all accounts are based on a percentage of assets under management.

Dan Thelen is, and has been since 2013, the portfolio manager of Ancora/Thelen Small-Mid Cap Fund and is responsible for the day-to-day management of such Fund. As of December 31, 2021, Mr. Thelen was primarily responsible for the day-to-day management of the following accounts other than such Fund:

| | Number of Accounts | Total Assets Managed |
|----------------------------------|--------------------|----------------------|
| Registered investment companies | 2* | \$130,463,360 |
| Other pooled investment vehicles | 2* | \$81,501,843 |
| Other accounts | 53* | \$488,782,974 |

*None of these accounts has fees based on performance. Fees on all accounts are based on a percentage of assets under management.

Sonia Mintun, a portfolio manager with the Advisor since 2008, is lead portfolio manager of the Ancora Dividend Value Equity Fund. Ms. Mintun is responsible for the day-to-day management of such Fund together with Mr. Sowerby. As of December 31, 2022, Ms. Mintun was primarily responsible for the day-to-day management of the following accounts other than such Fund:

| | Number of Accounts | Total Assets Managed |
|----------------------------------|--------------------|----------------------|
| Registered investment companies | 0 | \$0 |
| Other pooled investment vehicles | 0 | \$0 |
| Other accounts | 352* | \$695,194,717 |

*None of these accounts has fees based on performance. Fees on all accounts are based on a percentage of assets under management.

David Sowerby, a portfolio manager with the Advisor since 2017, is a portfolio manager of the Ancora Dividend Value Equity Fund. Mr. Sowerby is responsible for the day-to-day management of such Fund together with Ms. Mintun. As of December 31, 2022, Mr. Sowerby was primarily responsible for the day-to-day management of the following accounts other than such Fund:

| | Number of Accounts | Total Assets Managed |
|----------------------------------|--------------------|----------------------|
| Registered investment companies | 0 | \$0 |
| Other pooled investment vehicles | 0 | \$0 |
| Other accounts | 139* | \$323,002,010 |

*None of these accounts has fees based on performance. Fees on all accounts are based on a percentage of assets under management.

Conflicts of interest may arise in connection with the Portfolio Manager's management of investments of the Fund and of other accounts managed by the Portfolio Manager. Specifically, conflicts of interest may arise in connection with the allocation of investment opportunities between the Fund and other accounts managed by the Portfolio Manager. If such conflict of interest occurs, each Advisor's policy is that the Fund has priority over such other accounts.

Compensation

Kevin Gale, Matt Scullen, Michael Santelli, Dan Thelen, Sonia Mintun and David Sowerby are paid an overall compensation amount for all services they perform for the Advisor. None of the portfolio managers receives any specific compensation for acting as a portfolio manager for the Funds.

Ownership of Shares

As of December 31, 2022, Kevin Gale owned shares of (i) Ancora Income Fund having a dollar value between \$10,000 and \$50,000, (ii) Ancora MicroCap Fund having a dollar value between \$1.00 and \$10,000, and (iii) Ancora Dividend Value Fund having a dollar value between \$100,001 and \$500,000, and (iv) Ancora/Thelen Small-Mid Cap Fund having a dollar value between \$100,001 and \$500,000. As of December 31, 2022, Michael Santelli beneficially owned shares of Ancora MicroCap Fund having a dollar value between \$500,001 and \$1,000,000. As of December 31, 2022, Matt Scullen beneficially owned shares of Ancora Microcap Fund having a dollar value between \$50,000 and \$100,000. As of December 31, 2022, Daniel Thelen beneficially owned shares of Ancora/Thelen Small-Mid Cap Fund having a dollar value of over \$1,000,000. As of December 31, 2022, Sonia Mintun beneficially owned shares of (i) Ancora/Thelen Small-Mid Cap Fund having a dollar value between \$100,001 and \$500,000, and (ii) Ancora Dividend Value Equity Fund having a dollar value between \$500,001 and \$1,000,000. As of December 31, 2022, David Sowerby beneficially owned shares of (i) Ancora/Thelen Small-Mid Cap Fund having a dollar value over \$1,000,000, and (ii) Ancora Dividend Value Equity Fund having a dollar value over \$1,000,000.

PORTFOLIO HOLDINGS DISCLOSURE POLICY

Generally, the Funds disclose their portfolio holdings only (i) in annual and semi-annual reports to shareholders, (ii) in Form N-Q filings made within 60 days after the end of the first and third fiscal quarters with the Securities and Exchange Commission and (iii) on the Funds' internet site www.ancora.net approximately 10 days after the end of each fiscal quarter, which information is current as of the end of such fiscal quarter. Such portfolio holdings information may then be disclosed to any person no earlier than one day after the day on which the information is posted on Ancora Funds' internet site.

In addition to portfolio holdings disclosure made to the public, designated executive officers of the Funds authorize the disclosure of portfolio holdings information prior to the date of public disclosure to affiliates of the fund and to third party service providers who require the portfolio holdings information for legitimate business and fund oversight purposes. The Funds have ongoing relationships with the following service providers to provide portfolio holdings information as frequent as on a daily basis: the Funds' distributor, accounting and transfer agent, custodian, legal counsel, EDGAR filing service, independent public accounting firm, and printer. Also, on occasion the Funds disclose one or more individual holdings to pricing or valuation services for assistance in considering the valuation of the relevant holdings.

The Funds do not believe that disclosure of portfolio holdings information as described in the preceding paragraph creates any conflict between the interests of Fund shareholders and the interests of the Advisor (or its affiliates). Any potential conflicts of interest which do arise will be resolved by the Board of Trustees in the best interests of Fund shareholders. The entities to whom each Fund provides portfolio holdings information, either by explicit agreement or by virtue of their respective duties to each Fund, are required to maintain the confidentiality of the information disclosed and refrain from trading on such information. Neither the Funds nor the Advisor (or its affiliates) receives any compensation in connection with any disclosure of portfolio holdings information.

These policies and procedures will be reviewed by the Board of Trustees on an annual basis, for adequacy and effectiveness, in connection with the Funds' compliance program under Rule 38a-1 under the Investment Company Act. In addition, the Chairman will make a quarterly report to the Board of Trustees regarding compliance with these policies and procedures.

BROKERAGE ALLOCATION

Decisions to buy and sell securities for the Funds are made by the Advisor subject to the overall supervision and review by the Funds' Trustees. Portfolio security transactions for the Funds are effected by or under the supervision of the Advisors.

Transactions on stock exchanges involve the payment of negotiated brokerage commissions. There is generally no stated commission in the case of securities traded in the over-the-counter markets, but the price of those securities includes an undisclosed commission or markup. The cost of securities purchased from underwriters includes an underwriting commission or concession, and the prices at which securities are purchased from and sold to dealers include a dealer's markup or markdown. In executing portfolio transactions and selecting brokers and dealers, it is the Funds' policy to seek the best overall terms available.

The Funds' Board of Trustees periodically reviews the commissions paid by the Funds to determine if the commissions paid over representative periods of time were reasonable in relation to the benefits inuring to the Funds. It is possible that certain of the services received will primarily benefit one or more other accounts for which investment discretion is exercised. Conversely, the Funds may be the primary beneficiaries of services received as a result of portfolio transactions effected for other accounts. The Advisor's fee under the Management Agreement is not reduced by reason of the Advisor's receiving such brokerage and research services.

Under the Act, with respect to transactions effected on a securities exchange, a mutual fund may not pay brokerage commissions to an affiliate which exceed the usual and customary broker's commissions. A commission is deemed as not exceeding the usual and customary broker's commission if (i) the commission is reasonable and fair compared to the commission received by other brokers in connection with comparable transactions involving similar securities being purchased or sold during a comparable period of time and (ii) the Board of Trustees, including a majority of the Trustees who are not interested persons of the mutual fund, have adopted procedures reasonably designed to provide that such commission is consistent with the above-described standard, review these procedures annually for their continuing appropriateness and determine quarterly that all commissions paid during the preceding quarter were in compliance with these procedures.

During 2022, 2021 and 2020, respectively, the aggregate amounts of brokerage commissions paid by each Fund were: Ancora Income Fund, \$8,115, \$10,046 and \$31,343; Ancora/Thelen Small-Mid Cap Fund, \$215,646, \$247,201 and \$165,095; Ancora MicroCap Fund, \$31,163, \$20,530 and \$20,650. During 2022, 2021 and 2020, respectively, Ancora Dividend Value Equity Fund paid brokerage commissions of \$3,134, \$1,893 and \$4,529.

Even though investment decisions for the Funds are made independently from those of the other accounts managed by the Advisor, investments of the kind made by the Funds may also be made by those other accounts. When the Funds and one or more accounts managed by the Advisor are prepared to invest in, or desire to dispose of, the same security, available investments or opportunities for sales will be allocated in a manner believed by the applicable Advisor to be equitable. In some cases, this procedure may adversely affect the price paid or received by the Funds or the size of the position obtained for or disposed of by the Funds.

CAPITAL STOCK AND OTHER SECURITIES

The Declaration of Trust provides for an unlimited number of authorized shares of beneficial interest representing interests in separate series of securities, and it permits the Trust to offer classes of each such series. Shares of each of the Funds are divided into Class I shares and Class S shares. Each share of a Fund represents an equal proportionate interest in such Fund with other shares of the same class, and is entitled to such dividends and distributions out of the income earned on the assets belonging to such Fund as are declared at the discretion of the Trustees.

Shareholders are entitled to one vote per share (with proportional voting for fractional shares) on such matters as shareholders are entitled to vote. Shareholders vote in the aggregate and not by class on all matters except that (i) shares shall be voted by individual class when required by the 1940 Act or when the Trustees have determined that the matter affects only the interests of a particular class, and (ii) only the holders of Investor Shares will be entitled to vote on matters submitted to shareholder vote with regard to the Distribution Plan applicable to such class. Whenever the approval of a majority of the outstanding shares of a Fund is required in connection with shareholder approval of an investment advisory contract, changes in the investment objective and policies or the investment restrictions, or approval of a distribution expense plan, a "majority" shall mean the vote of (i) 67% or more of the shares of such Fund present at a meeting, if the holders of more than 50% of the outstanding shares of such Fund are present in person or by proxy, or (ii) more than 50% of the outstanding shares of such Fund, whichever is less.

Upon issuance and sale in accordance with the terms of the Prospectus, each share will be fully paid and non-assessable. Shares of the Fund have no preemptive or subscription rights. The Declaration of Trust also provides that shareholders shall not be subject to any personal liability for the acts or obligations of the Fund and that every agreement, obligation or instrument entered into or executed by the Fund shall contain a provision to the effect that the shareholders are not personally liable thereunder.

Shareholders of each Fund may convert their shares into another class of shares of the same Fund upon the satisfaction of any then-applicable eligibility requirements.

PURCHASE, REDEMPTION AND PRICING OF SHARES

The information pertaining to the purchase and redemption of the Fund's shares appearing in the Prospectus under the captions "Purchasing Your Shares" and "Selling (Redeeming) Your Shares" is hereby incorporated by reference.

The price paid for shares of a certain class of a Fund is the net asset value per share of such class next determined after receipt by the Transfer Agent of properly identified purchase funds, except that the price for shares purchased by telephone is the net asset value per share next determined after receipt of telephone instructions. Net asset value per share is computed for each class of a Fund as of the close of business (currently 4:00 P.M., New York time) each day the New York Stock Exchange is open for trading.

For purposes of pricing sales and redemptions, net asset value per share of a class of a Fund is calculated by determining the value of the class's proportional interest in the assets of such Fund, less (i) such class's proportional share of general liabilities and (ii) the liabilities allocable only to such class; and dividing such amount by the number of shares of such class outstanding.

Each of the Funds offers Class I shares and Class S shares. No class has a front-end sales charge.

Class I Shares

Class I shares are available for purchase by clients of financial intermediaries who charge such clients an ongoing fee for advisory, investment, consulting or related services. Such clients may include individuals, corporations, endowments and foundations.

Class I shares are also available for purchase by family offices and their clients. A family office is a company that provides certain financial and other services to a high net worth family or families.

Class I shares also are available for purchase by the following categories of investors:

- employer-sponsored retirement plans, except SEPs, SAR-SEPs, SIMPLE IRAs and KEOGH plans;
- bank or broker-affiliated trust departments investing funds over which they exercise exclusive discretionary investment authority and that are held in a fiduciary, agency, advisory, custodial or similar capacity;
- advisory accounts of the Advisor and its affiliates, including other Ancora Funds whose investment policies permit investments in other investment companies;
- current and former trustees of any Ancora Fund, and their immediate family members ("immediate family member" are defined as spouses or domestic partners, parents, children, grandparents, grandchildren, parents-in-law, sons-in-law and daughters-in-law, siblings, a sibling's spouse and spouse's siblings);
- officers, directors and former directors of Ancora Group, LLC and its affiliates, and their immediate family members;
- full-time and retired employees of Ancora Group, LLC and its affiliates, and their immediate family members; and
- any person who, for at least the last 90 days, has been an officer, director or employee of any financial intermediary, and their immediate family members.

Any shares purchased by investors falling within any of the last four categories listed above must be acquired for investment purposes and on the condition that they will not be transferred or resold except through redemption by a Fund.

Holders of Class I shares may purchase additional Class I shares using dividends and capital gains distributions on their shares.

Class I shares are subject to an annual service fee of .01% of the average daily net assets of the applicable Fund to compensate financial intermediaries for providing you with ongoing account services.

Class S Shares

The ordinary minimum investment amount for Class S shares is \$1,500,000. However, Class S shares of each Fund may be purchased by investors who do not meet the \$1,500,000 minimum investment amount if such investors participate in certain financial intermediary platforms, including but not limited to mutual fund wrap fee programs, bank trust platforms, retirement platforms, asset allocation platforms, managed account programs, and other discretionary or nondiscretionary fee-based investment advisory programs, each of which has committed to aggregate investments in such Fund in excess of \$250,000,000 (or such lesser amount permitted by the Trust with respect to such platform).

Class I shares are subject to an annual service fee of .01% of the average daily net assets of the applicable Fund to compensate financial intermediaries for providing you with ongoing account services. Class S shares are not subject to a distribution or service fee and, consequently, holders of Class S shares may not receive the same types or levels of services from financial intermediaries. In choosing between Class I shares and Class S shares, you should weigh the benefits of the services to be provided by financial intermediaries against the annual service fee imposed upon the Class I shares.

TAXATION

The Trust intends to qualify each year as a “regulated investment company” under the requirements of Subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”). Qualification as a regulated investment company will result in the Trust paying no taxes on net income and net realized capital gains distributed to shareholders. If these requirements are not met, the Trust will not receive special tax treatment and will pay federal income tax, thus reducing the total return of each of the Funds.

Statements as to the tax status of each shareholder’s dividends and distributions will be mailed annually by the Funds’ transfer agent. Shareholders are urged to consult their own tax advisers regarding specific questions as to Federal, state or local taxes.

DISTRIBUTOR

Shares of the Funds are offered continuously on a best-efforts basis by the Distributor, Arbor Court Capital, LLC, 8000 Town Centre Drive, Broadview Heights, Ohio 44147. Pursuant to the Distribution Agreement between the Funds and the Distributor, the Distributor has agreed to hold itself available to receive orders, satisfactory to the Distributor, for the purchase of shares of the Funds, to accept such orders on behalf of the Funds as of the time of receipt of such orders and to transmit such orders to the Funds’ Transfer Agent as promptly as practicable.

The Distribution Agreement provides that the Distributor shall arrange to sell the Funds’ Shares as agent for the Funds and may enter into agreements with registered broker-dealers as it may select to arrange for the sale of such shares. The Distributor is not obligated to sell any certain number of shares.

PERFORMANCE

From time to time, the Funds may advertise performance data represented by a cumulative total return or an average annual total return. Total returns are based on the overall or percentage change in value of a hypothetical investment in a Fund and assume all of such Fund’s dividends and capital gain distributions are reinvested. A cumulative total return reflects a Fund’s performance over a stated period of time. An average annual total return reflects the hypothetical annually compounded return that would have produced the same cumulative total return if a Fund’s performance had been constant over the entire period. Because average annual returns tend to smooth out variations in a Fund’s returns, it should be recognized that they are not the same as actual year-by-year results.

Performance may be compared to well-known indices such as the Dow Jones Industrial Average or alternative investments such as Treasury Bills. Also, the Funds may include published editorial comments compiled by independent organizations such as Lipper Analytical Services or Morningstar, Inc. All performance information is historical in nature and is not intended to represent or guarantee future results. The value of Fund shares when redeemed may be more or less than their original cost.

FINANCIAL STATEMENTS

The financial statements in the December 31, 2022 Annual Report of the Funds are incorporated in this Statement of Additional Information by reference. The financial statements in the Annual Report have been audited by Cohen & Company, Ltd., Independent Registered Public Accounting Firm, whose report thereon appears in the Annual Report. You can obtain additional copies of the Annual Report at no charge by writing or telephoning the Fund at the address or number on the front page of this Statement of Additional Information or by visiting the Ancora Funds’ internet site at www.ancora.net.

APPENDIX A

PROXY VOTING POLICY

Ancora Funds

PROXY VOTING

Background

Proxy voting is an important right of shareholders and reasonable care and diligence must be undertaken to ensure that such rights are properly and timely exercised. Rule 30b1-4 under the Company Act requires mutual funds to file with the SEC an annual record of proxies voted by a fund on Form N-PX. Form N-PX must be filed each year no later than August 31 and must contain a fund's proxy voting record for the most recent twelve-month period ending June 30.

The Trust considers proxies assets of shareholders that must be voted with diligence, care, and loyalty. The Trust has retained ISS Governance Services ("ISS") to provide a proxy voting system for casting votes, reporting (i.e., Form N-PX filings), and for the retention of proxy statements and votes cast. The Trust will generally utilize ISS's voting guidelines and recommendations when casting votes. However, the Trust may also override such guidelines and recommendations on a case by case basis if it believes the change to be in its shareholders' best interests.

Conflicts of Interests

If the Trust detects a material conflict of interest in connection with a proxy solicitation, the Trust will abide by the following procedures:

- A Portfolio Manager will describe the proxy vote under consideration and identify the perceived conflict of interest. The Portfolio Manager will also propose the course of action that the Portfolio Manager believes is in the shareholders' best interests.
- The Portfolio Manager will inform the CCO why the Portfolio Manager believes that this course of action is most appropriate.
- The CCO will review any documentation associated with the proxy vote and evaluate the Portfolio Manager's proposal. The CCO may wish to consider, among other things:
 - A vote's likely short-term and long-term impact on the Issuer;
 - Whether the Issuer has responded to the subject of the proxy vote in some other manner;
 - Whether the issues raised by the proxy vote would be better handled by some other action by the government or the Issuer;
 - Whether implementation of the proxy proposal appears likely to achieve the proposal's stated objectives; and
 - Whether the Portfolio Manager's proposal appears consistent with shareholders' best interests.
- After taking a reasonable amount of time to consider the Portfolio Manager's proposal, the CCO will make a recommendation regarding the proxy vote. Operations will record each individual's recommendation, and will then vote the proxy accordingly. If the CCO and Portfolio Manager are unable to reach a unanimous decision regarding the proxy vote, the Trust will defer to the recommendation of ISS. Operations will retain documentation of ISS's recommendation and will vote shareholders' proxies in accordance with that recommendation.
- The Trust will not neglect its proxy voting responsibilities, but the Trust may abstain from voting if it deems that abstaining is in its shareholders' best interests. For example, the Trust may be unable to vote securities that have been lent by the custodian. Also, proxy voting in certain countries involves "share blocking," which limits the Trust's ability to sell the affected security during a blocking period that can last for several weeks. The Trust believes that the potential consequences of being unable to sell a security usually outweigh the benefits of participating in a proxy vote, so the Trust generally abstains from voting when share blocking is required. Operations will prepare and maintain memoranda describing the rationale for any instance in which the Trust does not vote a proxy.

Any attempt to influence the proxy voting process by issuers or others not identified in these policies and procedures should be promptly reported to the CCO. Similarly, any shareholder's attempt to influence proxy voting with respect to other securities should be promptly reported to the CCO.

The Trust has adopted this voting policy which we believe is reasonably designed to ensure that we vote proxies in the best interests of each Fund and its shareholders, consistently with stated investment objectives.

The Trust uses what it believes are reasonable efforts to identify circumstances in which there is a conflict of interest in voting proxies between the interests of Fund shareholders, on the one hand, and those of the Advisor or any affiliated person of the Advisor, on the other hand.

Where there is no relevant, consistent stated investment objective, The Trust votes proxies relating to the following substantive matters as described with respect to each matter listed in the ISS Voting Guidelines. Where a proxy proposal is presented which is not listed in the ISS Voting Guidelines, the Trust will vote in accordance with the most similar applicable policy which is stated below, or on a case-by-case basis.

Form N-PX

The Advisor is responsible for ensuring that appropriate documentation and controls for voting and reporting of proxy votes is maintained in order to file Form N-PX. The Advisor shall work with the Administrator in filing the Form N-PX with the SEC.

In addition to the Form N-PX filing, the Funds must also state in its disclosure documents (in its SAI and shareholder reports) that information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available (1) without charge, upon request, by calling a specified toll-free (or collect) telephone number; or through the Trust's website at a specified Internet address; or both; and (2) on the SEC's website at <http://www.sec.gov>. Such disclosure must also include procedures used when a vote presents a conflict between the interests of Fund shareholders, on the one hand, and those of the Advisor or any affiliated person of the Fund or the Advisor, on the other; and a description of the proxy voting guidelines used by the Advisor to vote proxies relating to portfolio securities.

If a Fund discloses that the Fund's proxy voting record is available by calling a toll-free (or collect) telephone number, and the Fund (or financial intermediary through which shares of the Fund may be purchased or sold) receives a request for this information, the Fund (or financial intermediary) must send the information disclosed in the Fund's most recently filed report on Form N-PX, within three business days of receipt of the request, by first-class mail or other means designed to ensure equally prompt delivery.

If a Fund discloses that the Fund's proxy voting record is available on or through its website, the Fund must make available free of charge the information disclosed in the Fund's most recently filed report on Form N-PX on or through its website as soon as reasonably practicable after filing the report with the SEC. The information disclosed in the Fund's most recently filed report on Form N-PX must remain available on or through the Fund's website for as long as the Fund remains subject to the requirements of Rule 30b1-4 and discloses that the Fund's proxy voting record is available on or through its website.

Reports to the Board

The Advisors shall annually review the Fund's registration statement to ensure that disclosures in the registration statement adequately and accurately describe the Advisor's proxy voting policy and procedures. Updated policies and procedures for the voting of proxies shall be provided to the Board upon any material change and in any event, no less frequently than annually.

Recordkeeping

The Funds rely upon the Advisors and respective Fund Administrator to prepare and make filings on Form N-PX. The Advisor shall assist the Administrator by providing information regarding any proxy votes made for the Funds within the most recent 12-month period ending June 30. The Advisor shall retain records of any such votes with sufficient information to make annual Form N-PX filings.