# Lazard Capital Allocator
# Managed Global Diversified CIT
# Annual Report
# With Report of Independent Auditors
# December 31, 2023

# Lazard Capital Allocator Managed Global Diversified CIT

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December 31, 2023

## Report of Independent Auditors

To the Trustee of Lazard Capital Allocator Managed Global Diversified CIT

### Opinion

We have audited the accompanying financial statements of Lazard Capital Allocator Managed Global Diversified CIT (the "Fund"), which comprise the statement of assets and liabilities, including the portfolio of investments, as of December 31, 2023 and the related statements of operations and of changes in net assets, including the related notes, and the financial highlights for the year then ended (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2023, and the results of its operations, changes in its net assets, and the financial highlights for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

**San Francisco, California**
**March 28, 2024**

*Lazard Capital Allocator Managed Global Diversified CIT*

# Portfolio of Investments

**December 31, 2023**

| Description | Shares | Fair Value |
|---|---|---|
| **Exchange-Traded Funds \| 97.1%** | | |
| **Equity Funds \| 63.5%** | | |
| Franklin FTSE Japan ETF | 5,363 | $ 150,110 |
| Invesco QQQ Trust Series 1 | 219 | 89,685 |
| iShares Core Dividend Growth ETF | 1,698 | 91,386 |
| iShares Core MSCI Emerging Markets ETF | 10,062 | 508,936 |
| iShares Core MSCI Pacific ETF | 10,404 | 619,142 |
| iShares Core S&P 500 ETF | 2,979 | 1,422,860 |
| iShares Core S&P Mid-Cap ETF | 1,535 | 425,425 |
| iShares Core S&P Small-Cap ETF | 4,041 | 437,438 |
| iShares Expanded Tech-Software Sector ETF | 283 | 114,796 |
| iShares MSCI Eurozone ETF | 2,968 | 140,802 |
| iShares MSCI Pacific ex Japan ETF | 1,998 | 86,733 |
| iShares Russell 2000 ETF | 460 | 92,327 |
| United States Copper Index Fund | 696 | 16,802 |
| Vanguard FTSE Europe ETF | 11,845 | 763,766 |
| Vanguard Mega Cap ETF | 426 | 72,113 |
| Vanguard S&P 500 ETF | 369 | 161,179 |
| Vanguard S&P 500 Growth ETF | 381 | 103,171 |
| Vanguard S&P 500 Value ETF | 810 | 136,048 |
| WisdomTree Aluminium | 6,672 | 21,070 |
| | | 5,453,789 |
| **Fixed-Income Funds \| 33.6%** | | |
| iShares 1-3 Year Treasury Bond ETF | 703 | $ 57,674 |
| iShares 20+ Year Treasury Bond ETF | 1,264 | 124,984 |
| iShares Core U.S. Aggregate Bond ETF | 25,733 | 2,554,000 |
| iShares iBoxx $ Investment Grade Corporate Bond ETF | 675 | 74,696 |
| iShares U.S. Treasury Bond ETF | 3,200 | 73,728 |
| | | 2,885,082 |
| **Total Exchange-Traded Funds** (Cost $7,815,854) | | 8,338,871 |
| **Money Market Trusts \| 4.9%** | | |
| NT Collective Government Short Term Investment Fund (Cost $419,671) | 419,671 | 419,671 |
| **Total Investments \| 102.0%** (Cost $8,235,525) | | **$ 8,758,542** |
| **Liabilities in Excess of Cash and Other Assets \| (2.0)%** | | **(167,983)** |
| **Net Assets \| 100.0%** | | **$ 8,590,559** |

**Security Abbreviations:**

ETF —Exchange-Traded Funds

*Lazard Capital Allocator Managed Global Diversified CIT*

# Statement of Assets and Liabilities

**December 31, 2023**

| | | |
|---|---|---|
| **Assets** | | |
| Investments in securities, at fair value (cost $8,235,525) | $ | 8,758,542 |
| Cash and cash equivalents | | 1,831 |
| Receivables for: | | |
| Investments sold | | 1,515,722 |
| Dividends | | 1,328 |
| Units sold | | 4,396 |
| Prepaid expenses | | 671 |
| **Total Assets** | | 10,282,490 |
| | | |
| **Liabilities** | | |
| Payables for: | | |
| Units redeemed | | 1,635,374 |
| Professional services | | 38,934 |
| Investment advisory fees (Note 4) | | 15,030 |
| Servicing fees - Class 2 (Note 5) | | 987 |
| Trustee fees (Note 4) | | 854 |
| Custodian fees | | 752 |
| **Total Liabilities** | | 1,691,931 |
| **Net Assets** | $ | 8,590,559 |
| | | |
| **Class 1** | | |
| Net Assets | $ | 2,409,149 |
| Units Outstanding | | 84,580 |
| Net Asset Value per Unit | $ | 28.48 |
| | | |
| **Class 2** | | |
| Net Assets | $ | 1,634,630 |
| Units Outstanding | | 58,016 |
| Net Asset Value per Unit | $ | 28.18 |
| | | |
| **Class 6** | | |
| Net Assets | $ | 4,546,780 |
| Units Outstanding | | 159,082 |
| Net Asset Value per Unit | $ | 28.58 |

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

*Lazard Capital Allocator Managed Global Diversified CIT*

# Statement of Operations

**For the Year Ended December 31, 2023**

| | |
|---|---|
| **Investment Income (Loss)** | |
| **Income** | |
| Dividends | $ 382,099 |
| **Total investment income** | 382,099 |
| **Expenses** | |
| Investment advisory fees (Note 4): | |
| Class 1 | 35,282 |
| Class 2 | 8,638 |
| Class 6 | 39,373 |
| Professional services | 24,237 |
| Trustee fees (Note 4) | 6,388 |
| Servicing fees - Class 2 (Note 5) | 3,927 |
| **Total gross expenses** | 117,845 |
| Investment advisory fees waived and expenses reimbursed (Note 4) | (6,551) |
| **Total net expenses** | 111,294 |
| **Net investment income (loss)** | 270,805 |
| **Net Realized and Unrealized Gain (Loss)** | |
| Net realized gain (loss) on investments | 681,831 |
| Net change in unrealized appreciation (depreciation) on investments | 594,237 |
| **Net realized and unrealized gain (loss)** | 1,276,068 |
| **Net increase (decrease) in net assets resulting from operations** | $ 1,546,873 |

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

*Lazard Capital Allocator Managed Global Diversified CIT*

# Statement of Changes in Net Assets

**For the Year Ended December 31, 2023**

| | |
|---|---|
| **Increase (Decrease) in Net Assets** | |
| **Operations:** | |
| Net investment income (loss) | $ 270,805 |
| Net realized gain (loss) | 681,831 |
| Net change in unrealized appreciation (depreciation) | 594,237 |
| **Net increase (decrease) in net assets resulting from operations** | 1,546,873 |
| **Unitholder Transactions (Note 6):** | |
| Proceeds from units sold | 983,964 |
| Cost of units redeemed | (11,081,832) |
| **Net increase (decrease) in net assets from unitholder transactions** | (10,097,868) |
| Total increase (decrease) in net assets | (8,550,995) |
| Net assets at beginning of year | 17,141,554 |
| **Net assets at end of year** | $ 8,590,559 |
| **Changes in Units (Note 6):** | |
| Units outstanding at beginning of year | 672,266 |
| Units sold | 36,762 |
| Units redeemed | (407,350) |
| Net increase (decrease) in units | (370,588) |
| Units outstanding at end of year | 301,678 |

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

## Financial Highlights – Class 1

**Selected data per unit outstanding throughout the year ended December 31, 2023**

| | |
|---|---|
| Net asset value, beginning of year | $ 25.49 |
| **Income (Loss) from investment operations:** | |
| Net investment income (loss) (a) | 0.42 |
| Net realized and unrealized gain (loss) | 2.57 |
| Total from investment operations | 2.99 |
| Net asset value, end of year | $ 28.48 |
| **Total Return** (b) | 11.73% |
| **Ratios and Supplemental Data:** | |
| Net assets, end of year (in thousands) | $ 2,409 |
| Ratio to average net assets (c): | |
| Net expenses | 0.75% |
| Gross expenses | 0.80% |
| Net investment income (loss) | 1.59% |

(a) Net investment income (loss) has been computed based on the average daily units outstanding.

(b) Certain expenses of the CIT have been waived or reimbursed by the Sub-Advisor; without such waiver/reimbursement of expenses, the CIT's return would have been lower. Total return calculation is based on the value of a single unit of participation outstanding throughout the year. It represents the percentage change in the net asset value per unit between the beginning of the year and end of the year and assumes reinvestment of all distributions, if any. The calculation includes only those expenses charged directly to the CIT. Individual unitholders may incur administration or other fees related to the management or maintenance of their individual unitholder accounts, which would have the effect of reducing a unitholder's net return on their investments in the CIT. An individual unitholder's return may also vary based on the timing of capital transactions and fees.

(c) Ratios to average net assets do not reflect expenses charged directly to the unitholders. An individual unitholder's ratios to average net assets may vary based on the timing of unitholder transactions and fees.

# Financial Highlights – Class 2

**Selected data per unit outstanding throughout the year ended December 31, 2023**

| | |
|---|---|
| Net asset value, beginning of year | $ 25.22 |
| **Income (Loss) from investment operations:** | |
| Net investment income (loss) (a) | 0.51 |
| Net realized and unrealized gain (loss) | 2.45 |
| Total from investment operations | 2.96 |
| Net asset value, end of year | $ 28.18 |
| **Total Return** (b) | 11.74% |
| **Ratios and Supplemental Data:** | |
| Net assets, end of year (in thousands) | $ 1,635 |
| Ratio to average net assets (c): | |
| Net expenses | 0.80% |
| Gross expenses | 1.04% |
| Net investment income (loss) | 1.95% |

(a) Net investment income (loss) has been computed based on the average daily units outstanding.

(b) Certain expenses of the CIT have been waived or reimbursed by the Sub-Advisor; without such waiver/reimbursement of expenses, the CIT's return would have been lower. Total return calculation is based on the value of a single unit of participation outstanding throughout the year. It represents the percentage change in the net asset value per unit between the beginning of the year and end of the year and assumes reinvestment of all distributions, if any. The calculation includes only those expenses charged directly to the CIT. Individual unitholders may incur administration or other fees related to the management or maintenance of their individual unitholder accounts, which would have the effect of reducing a unitholder's net return on their investments in the CIT. An individual unitholder's return may also vary based on the timing of capital transactions and fees.

(c) Ratios to average net assets do not reflect expenses charged directly to the unitholders. An individual unitholder's ratios to average net assets may vary based on the timing of unitholder transactions and fees.

# Financial Highlights – Class 6

**Selected data per unit outstanding throughout the year ended December 31, 2023**

| | |
|---|---|
| Net asset value, beginning of year | $ 25.56 |
| **Income (Loss) from investment operations:** | |
| Net investment income (loss) (a) | 0.52 |
| Net realized and unrealized gain (loss) | 2.50 |
| Total from investment operations | 3.02 |
| Net asset value, end of year | $ 28.58 |
| **Total Return** (b) | 11.82% |
| **Ratios and Supplemental Data:** | |
| Net assets, end of year (in thousands) | $ 4,547 |
| Ratio to average net assets (c): | |
| Net expenses | 0.71% |
| Gross expenses | 0.71% |
| Net investment income (loss) | 1.93% |

(a) Net investment income (loss) has been computed based on the average daily units outstanding.

(b) Certain expenses of the CIT have been waived or reimbursed by the Sub-Advisor; without such waiver/reimbursement of expenses, the CIT's return would have been lower. Total return calculation is based on the value of a single unit of participation outstanding throughout the year. It represents the percentage change in the net asset value per unit between the beginning of the year and end of the year and assumes reinvestment of all distributions, if any. The calculation includes only those expenses charged directly to the CIT. Individual unitholders may incur administration or other fees related to the management or maintenance of their individual unitholder accounts, which would have the effect of reducing a unitholder's net return on their investments in the CIT. An individual unitholder's return may also vary based on the timing of capital transactions and fees.

(c) Ratios to average net assets do not reflect expenses charged directly to the unitholders. An individual unitholder’s ratios to average net assets may vary based on the timing of unitholder transactions and fees.

# Lazard Capital Allocator Managed Global Diversified CIT

Notes to Financial Statements
December 31, 2023

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**(1) Organization**

Lazard/Great Gray Capital Allocator Series Collective Trust (the "Trust") is a trust formed pursuant to a Declaration of Trust dated February 13, 2007, as amended and/or restated from time to time and governed by the laws of the State of Nevada. The Trust is currently comprised of three portfolios: Lazard Capital Allocator Managed Global Equity CIT, Lazard Capital Allocator Managed Global Diversified CIT (the "Portfolio") and Lazard Capital Allocator Managed Global Income CIT. This report includes only the financial statements of the Portfolio. The financial statements of Lazard Capital Allocator Managed Global Equity CIT and Lazard Capital Allocator Managed Global Income CIT are presented separately. The Portfolio's investment objective is to achieve long-term capital appreciation and preservation of capital with current income by investing a portion of its assets in ETFs, exchange-traded notes ("ETNs") and open-end and closed-end investment companies ("Underlying Funds") that invest primarily in domestic small-, mid- and large cap equity asset classes and international equity asset classes, including emerging markets, and the remaining portion of its assets in Underlying Funds that invest in the fixed-income asset class. Please refer to the financial statements of each fund in which the Portfolio invests for disclosure of its investment objectives, accounting policies and investment holdings.

Great Gray Trust Company, LLC, a related party of the Trust, is the Trustee of the Trust and is responsible for maintaining and administering the Trust and the Portfolio. Lazard Asset Management LLC (the "Sub-Advisor"), a subsidiary of Lazard Frères & Co. LLC, provides sub-advisory services for the investment assets of the Portfolio. The Northern Trust Company ("Northern Trust") is the custodian of the Portfolio and is responsible for custody of the Portfolio's assets and providing transfer agent, recordkeeping and accounting functions. The custodian and unitholders' services fees are accrued daily and paid monthly. Northern Trust is an Illinois corporation, and a wholly-owned subsidiary of The Northern Trust Corporation, a Delaware corporation having its principal office in Chicago, Illinois.

On December 19, 2022, Madison Dearborn Partners, LLC (“MDP”), a registered investment adviser and leading private equity firm based in Chicago, announced an agreement with Wilmington Trust, N.A. (“WTNA”), under which investment funds controlled by MDP would acquire WTNA’s Collective Investment Trust business. On April 28, 2023, the agreement was finalized and Great Gray Trust Company, LLC became the successor trustee to WTNA’s CIT business. On that date, the Trust name was changed from Lazard/Wilmington Capital Allocator Series Collective Trust to Lazard/Great Gray Capital Allocator Series Collective Trust. The Trustee is ultimately controlled by MDP. MDP and its controlled subsidiaries are the general partner to the investment funds that own substantially all of the Trustee through intermediate holding companies. Effective June 2, 2023, the Portfolio's name changed from Lazard/Wilmington Capital Allocator Managed Global Diversified Portfolio.

According to the Offering Memorandum, the Portfolio is divided into classes, which shall be identical except as to expenses to be borne by a particular class. Additional classes may be added by the Trustee in its discretion. As of December 31, 2023, the Portfolio had three funded classes: Class 1, Class 2 and Class 6.

**(2) Significant Accounting Policies**

The accompanying financial statements are presented in conformity with US Generally Accepted Accounting Principles (“GAAP”). The Portfolio is an investment company and therefore applies specialized accounting guidance in accordance with Accounting Standards Codification Topic 946. The following is a summary of significant accounting policies consistently followed by the Portfolio in the preparation of the financial statements:

***(a) Valuation of Investments***

Equity securities traded on a securities exchange or market, including exchange-traded option contracts, rights and warrants, are valued at the last reported sales price (for US listed equity securities) or the closing price (for non-US listed equity securities) on the exchange or market on which the security is principally traded or, for securities trading on the NASDAQ National Market System ("NASDAQ"), the NASDAQ Official Closing Price. If there is no available closing price for a non-US listed equity security, the last reported sales price is used. If there are no reported sales of a security on the valuation date, the security is valued at the most recent quoted bid price on such date reported by such principal exchange or market. Exchange-traded funds and closed-end management investment companies are valued at the closing market price per share. Investments in money market trusts are valued using the net asset value ("NAV") per share (or its equivalent) as a practical expedient.

Calculation of the Portfolio’s NAV may not take place contemporaneously with the determination of the prices of portfolio assets used in such calculation. Trading on certain non-US securities exchanges or markets, such as those in Europe and Asia, ordinarily may be completed before the close of business on each business day in New York (i.e., a day on which the New York Stock Exchange (the “NYSE") is open). In addition, securities trading in a particular non-US country or countries may not take place on all business days in New York and on which the NAV of the Portfolio is calculated.

If a significant event materially affecting the value of securities occurs between the close of the exchange or market on which the security is principally traded and the time when the Portfolio's NAV is calculated, or when current market quotations otherwise are determined not to be readily available or reliable (including restricted or other illiquid securities such as certain derivative instruments), such securities will be valued at their fair value as determined by, or in accordance with procedures approved by, the Sub-Advisor. Certain non-US securities may trade on days when the Portfolio is not open for business, thus affecting the value of the Portfolio's assets on days when Portfolio unitholders may not be able to buy or sell Portfolio units.

The Sub-Advisor may evaluate a variety of factors to determine the fair value of securities for which market quotations are determined not to be readily available or reliable. These factors include, but are not limited to, the type of security, the value of comparable securities, observations from financial institutions and relevant news events. Input from the Sub-Advisor's portfolio management team also will be considered.

***(b) Portfolio Securities Transactions and Investment Income***

Portfolio securities transactions are accounted for on trade date. Realized gain (loss) on sales of investments are recorded on a first in, first out basis. Dividend income is recorded on the ex-dividend date except for certain dividends from non-US securities where the dividend rate is not available. In such cases, the dividend is recorded as soon as the information is received by the Portfolio. Interest income, if any, is accrued daily. The Portfolio's income, expenses (other than class specific expenses) and realized and unrealized gains and losses are allocated proportionally each day between the classes based upon the relative net assets of each class.

The Portfolio may be subject to taxes imposed by non-US countries in which it invests. Such taxes are generally based upon income earned or capital gains (realized and/or unrealized). The Portfolio accrues and applies such taxes to net investment income, net realized gains and net unrealized gains concurrent with the recognition of income earned or capital gains (realized and/or unrealized) from the applicable portfolio securities.

***(c) Income Taxes***

The Portfolio intends to continue to be exempt from taxation under section 501(a) of the Internal Revenue Code and qualify as a group trust under IRS Revenue Ruling 81-100 and any amendments thereto, and other applicable IRS rules and regulations. No provision for federal income taxes is made in the financial statements of the Portfolio.

Management has analyzed the Portfolio's tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on tax returns filed for any open tax years (or expected to be taken on future tax returns). Open tax years are those that remain subject to examination and are based on each tax jurisdiction's statute of limitations.

***(d) Distributions to Unitholders***

Net investment income and net realized gains are retained by the Portfolio.

***(e) Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets resulting from operations during the reporting period. Actual results could differ from those estimates.

***(f) Net Asset Value***

NAV per unit for each class of the Portfolio is determined each day the NYSE is open for trading as of the close of regular trading on the NYSE (generally 4:00 p.m. Eastern time). The Portfolio will not treat an intraday unscheduled disruption in NYSE trading as a closure of the NYSE, and will price its units as of 4:00 p.m., if the particular disruption directly affects only the NYSE. The NAV per unit of a class is determined by dividing the value of the total assets of the Portfolio represented by such class, less all liabilities, by the total number of Portfolio units of such class outstanding.

**(3) Short Term Investments**

Cash is held by Northern Trust which, as contracted on behalf of the Portfolio, sweeps cash on each business day into the NT Collective Government Short Term Investment Fund, a collective fund in the Northern Trust Investments Collective Funds Trust, which is included in the Portfolio of Investments.

**(4) Sub-Advisor and Trustee Fees**

Pursuant to the Sub-Advisor Agreement, the Sub-Advisor regularly provides the Portfolio with investment research, advice and supervision and furnishes continuously an investment program consistent with its investment objectives and policies, including the purchase, retention and disposition of securities, and provides the Portfolio with administrative, operational and compliance assistance services. For its services provided to the Portfolio, the Sub-Advisor earns an investment advisory fee at an annualized rate of 0.55% of the average daily net assets for Class 1, Class 2 and Class 6, respectively. The investment advisory fees are accrued daily and paid quarterly.

The Sub-Advisor has voluntarily agreed to waive its fees and, if necessary, reimburse the Portfolio if the aggregate direct expenses of the Portfolio, exclusive of taxes, brokerage, interest on borrowings, fees and expenses of "Acquired Funds" and extraordinary expenses, exceed 0.75%, 0.80% and 0.72% of the average daily net assets for Class 1, Class 2 and Class 6, respectively. For purposes of this item, an "Acquired Fund" means any company in which the Portfolio invests or has invested during the relevant fiscal period that (A) is an investment company or (B) would be an investment company under section 3(a) of the Investment Company Act (15 U.S.C. 80a-3(a)) but for the exceptions to that definition provided for in sections 3(c)(l) and 3(c)(7) of the Investment Company Act (15 U.S.C. 80a-3(c)(l) and 80a-3(c)(7)). During the year ended December 31, 2023, the Sub-Advisor waived $2,845 and $3,706 of its fees for Class 1 and Class 2, respectively.

The Trustee is responsible for certain administrative and financial reporting functions. For these services, Class 1 and Class 2 of the Portfolio pay the Trustee an annualized fee of 0.08% on the first $1 billion of net assets and 0.06% on net assets in excess of $1 billion. The Trustee does not charge any annual fee with respect assets attributable to Class 6 of the Portfolio. The trustee fees are accrued daily and paid quarterly.

**(5) Servicing Fees**

For Class 2 of the Portfolio, servicing fees at an annual rate of 0.25% of the average daily net assets of Class 2, are paid to third party administrators or other servicing agents as compensation for certain plan administration and other related expenses associated with an investment in units. There are no servicing fees for Class 1 and Class 6. The servicing fees are accrued daily and paid quarterly.

## (6) Unitholders' Transactions

The Portfolio offers units for sale and redemption of its units at the NAV of each class as of the close of each business day. The issuance and redemption terms of the Portfolio are consistent with those of the Underlying Funds.

For the year ended December 31, 2023, the units transactions were as follows:

| Class | Units | Dollar Amounts |
|---|---|---|
| **Class 1** | | |
| Units sold | 3,932 | $ 105,952 |
| Units redeemed | (230,955) | (6,217,162) |
| Net increase (decrease) in units | (227,023) | $ (6,111,210) |
| **Class 2** | | |
| Units sold | 5,972 | $ 158,002 |
| Units redeemed | (7,495) | (197,743) |
| Net increase (decrease) in units | (1,523) | $ (39,741) |
| **Class 6** | | |
| Units sold | 26,858 | $ 720,010 |
| Units redeemed | (168,900) | (4,666,927) |
| Net increase (decrease) in units | (142,042) | $ (3,946,917) |
| Total increase (decrease) in units | (370,588) | $ (10,097,868) |

## (7) Investment Risks

### *(a) Non-US Securities Risk*

The Portfolio's performance will be influenced by political, social and economic factors affecting the non-US countries and companies in which the Portfolio invests. Non-US securities carry special risks, such as less developed or less efficient trading markets, political instability, a lack of company information, differing auditing and legal standards, and, potentially, less liquidity. Non-US securities may be subject to economic sanctions or other similar governmental actions or developments, which could, among other things, effectively restrict or eliminate the Portfolio’s ability to purchase or sell certain foreign securities. To the extent the Portfolio holds securities subject to such actions, the securities may become difficult to value and/or less liquid (or illiquid). In some cases, the securities may become worthless. In addition, investments denominated in currencies other than US dollars may experience a decline in value, in US dollar terms, due solely to fluctuations in currency exchange rates.

### *(b) Emerging Market Risk*

Emerging market countries generally have economic structures that are less diverse and mature, and political systems that are less stable than those of developed countries. The economies of countries with emerging markets may be based predominantly on only a few industries, may be highly vulnerable to changes in local or global trade conditions, and may suffer from extreme debt burdens or volatile inflation rates. The securities markets of emerging market countries have historically been extremely volatile and less liquid than more developed markets. These market conditions may continue or worsen. Investments in these countries may be subject to political, economic, legal, market and currency risks. Significant devaluation of emerging market currencies against the US dollar may occur subsequent to acquisition of investments denominated in emerging market currencies.

***(c) Underlying Funds Risk***

Shares of Underlying Funds in which the Portfolio invests may trade at prices that vary from their NAVs, sometimes significantly. The shares of ETFs and closed-end funds may trade at prices at, below or above their most recent NAV. Shares of closed-end funds, in particular, frequently trade at persistent discounts to their NAV. In addition, the performance of an ETF pursuing a passive index-based strategy may diverge from the performance of the index. ETNs may not trade in secondary markets, but typically are redeemable by the issuer. The Portfolio's investments in Underlying Funds are subject to the risks of Underlying Funds' investments, as well as to the general risks of investing in Underlying Funds. Portfolio units will bear not only the Portfolio's management fees and operating expenses, but also their proportional share of the management fees and operating expenses of the ETFs and closed-end funds in which the Portfolio invests. While ETNs do not have management fees, they are subject to certain investor fees. ETNs are debt securities that, like ETFs, typically are listed on exchanges and their terms generally provide for a return that tracks specified market indexes. However, unlike ETFs and closed-end funds, ETNs are not registered investment companies and thus are not registered under the 1940 Act. In addition, as debt securities, ETNs are subject to the additional risk of the creditworthiness of the issuer. ETNs typically do not make periodic interest payments.

***(d) Unitholder Concentration Risk***

As of December 31, 2023, the number of unitholders holding 10% or more of the outstanding units of each Class, and the aggregated percentages of the total units that those unitholders held of each Class, were as follows:

| Class | Number of Unitholders | Aggregated Percentages |
|---|---|---|
| Class 1 | 2 | 96.04% |
| Class 2 | 3 | 100.00% |
| Class 6 | 1 | 100.00% |

***(e) Counterparty Default Risk***

Certain investment techniques the Portfolio may employ involve risk that the counterparty to such instruments will become insolvent or otherwise default on its obligation to perform as agreed. In the event of such default, the Portfolio may have limited recourse against the counterparty and may experience delays in the recovery (or loss) of collateral.

***(f) Market Risk***

The Portfolio may incur losses due to declines in one or more markets in which it invests. These declines may be the result of, among other things, political, regulatory, market, economic or social developments affecting the relevant market(s). To the extent that such developments impact specific industries, market sectors, countries or geographic regions, the Portfolio's investments in such industries, market sectors, countries and/or geographic regions can be expected to be particularly affected, especially if such investments are a significant portion of its investment portfolio. In addition, turbulence in financial markets and reduced liquidity in equity, credit and/or fixed income markets may negatively affect many issuers, which could adversely affect the Portfolio. Global economies and financial markets are increasingly interconnected, and conditions and events in one country, region or financial market may adversely impact issuers worldwide. As a result, local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions or other events could have a significant negative impact on global economic and market conditions. The coronavirus disease 2019 (COVID-19) global pandemic and the aggressive responses taken by many governments or voluntarily imposed by private parties, including closing borders, restricting travel and imposing prolonged quarantines or similar restrictions, as well as the closure of, or operational changes to, many retail and other businesses, has had negative impacts, and in many cases severe negative impacts, on markets worldwide. It is not known how long such impacts, or any future impacts of other significant events described above, will or would last, but there could be a prolonged period of global economic slowdown, which may be expected to impact the Portfolio and its investments.

**(8) Contractual Obligations**

The Portfolio enters into contracts in the normal course of business that contain a variety of indemnification provisions. The Portfolio's maximum exposure under these arrangements is unknown. Management has reviewed the Portfolio's existing contracts and expects the risk of loss to be remote.

**(9) Fair Value Measurements**

Fair value is defined as the price that the Portfolio would receive to sell an asset, or would pay to transfer a liability, in an orderly transaction between market participants at the date of measurement. The Fair Value Measurements and Disclosures provisions of GAAP also establish a framework for measuring fair value, and a three-level hierarchy for fair value measurement that is based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer, broadly, to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Portfolio. Unobservable inputs reflect the Portfolio's own assumptions about the assumptions that market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances. The fair value measurement level within the fair value hierarchy for the assets and liabilities of the Portfolio is based on the lowest level of any input that is significant to the overall fair value measurement. The three-level hierarchy of inputs is summarized below:

• Level 1 — unadjusted quoted prices in active markets for identical assets and liabilities
• Level 2 — other significant observable inputs (including unadjusted quoted prices for similar assets and liabilities, interest rates, prepayment speeds, credit risk, etc.)
• Level 3 — significant unobservable inputs (including the Portfolio's own assumptions in determining the fair value of assets and liabilities)

Changes in valuation methodology or input may result in transfers into or out of the current assigned level within the hierarchy.

The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in these securities.

The following table summarizes the valuation of the Portfolio's assets and liabilities by each fair value hierarchy level as of December 31, 2023:

| Description | Unadjusted Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Investments Measured at Net Asset Value* | Balance as of December 31, 2023 |
|---|---|---|---|---|---|
| Exchange-Traded Funds | $ 8,338,871 | $ — | $ — | $ — | $ 8,338,871 |
| Money Market Trusts | — | — | — | 419,671 | 419,671 |
| Total | $ 8,338,871 | $ — | $ — | $ 419,671 | $ 8,758,542 |

*Certain investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Statement of Assets and Liabilities.

### (10) Subsequent Events

Management has evaluated subsequent events affecting the Portfolio through March 28, 2024, the date that these financial statements were available to be issued, and has determined that there were no other subsequent events that required adjustment or disclosure.