Filed pursuant to Rule 424(b)(3)
File No. 333-291220

Aristotle Pacific Enhanced CLO Income Fund (the "Fund")

**Supplement dated August 6, 2026 to
the Statement of Additional Information ("SAI") dated April 1, 2026, as amended May 1, 2026**

The following table and disclosure replaces and supersedes the corresponding table and disclosure in the Fund's SAI in the section titled "MANAGEMENT OF THE FUND – Officers":

Officers

Name and Year of Birth	Position(s) Held with Fund	Term of Office and Length of Time Served(1)	Principal Occupation(s) During the Past 5 Years
Benjamin J. Eirich Year of Birth: 1981	President and Principal Executive Officer	Indefinite Term; Since November 2025	Vice President, U.S. Bank Global Fund Services (2005–present)
Alyssa M. Bernard Year of Birth: 1988	Secretary	Indefinite Term; Since November 2025	Vice President, U.S. Bank Global Fund Services (2025–present and 2021–2023); General Counsel, Empowered Funds, LLC (2023–2025); Assistant Vice President, U.S. Bank Global Fund Services (2018–2021)
Christopher Conrad Year of Birth: 2000	Treasurer and Principal Financial Officer	Indefinite Term; Since August 2026	Officer, U.S. Bank Global Fund Services (2023–present); mortgage lending intern, Flagstar Bank (2022); Business Administration student (2019–2023)
Diane K. Miller Year of Birth: 1972	Chief Compliance Officer and Anti-Money Laundering Compliance Officer	Indefinite Term; Since November 2025	Vice President, U.S. Bank Global Fund Services (2023–present); Chief Compliance Officer, Christian Brothers Investment Services (2017–2022)
Thomas Nystrom Year of Birth: 2001	Assistant Treasurer	Indefinite Term; Since August 2026	Officer, U.S. Bank Global Fund Services (2024–present); personal wealth intern, Ameriprise Financial, LLC (2022); financial services intern, Trane Technologies (2023); Business Administration Student (2020–2024)

(1) Under the Bylaws, an officer serves until such Trustee's successor is elected or qualified, or until he or she sooner resigns or is removed. Officers hold office at the pleasure of the Trustees.

Each of the Fund's executive officers is an "interested person" of the Fund (as defined in Section 2(a)(19) of the 1940 Act) because of such executive officer's position(s) set forth in the table above.

Please retain this Supplement for reference.

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ARISTOTLE PACIFIC ENHANCED CLO INCOME FUND

STATEMENT OF ADDITIONAL INFORMATION

Common Shares	**TICKER SYMBOL**
Class I	**ACLOX**
Class I-2	**APCLX**

April 1, 2026, as amended May 1, 2026

Aristotle Pacific Enhanced CLO Income Fund (the "Fund") is a newly organized Delaware statutory trust registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as a non-diversified, closed-end management investment company that continuously offers its common shares of beneficial interest, with no par value per share (the "Common Shares" or "Shares"), and intends to operate as an "interval fund." The Fund has received an exemptive order from the SEC that permits the Fund to offer more than one class of Shares. Under the order, the Fund is authorized to issue two separate classes of shares of beneficial interest designated as Class I Shares and Class I-2 Shares, and the Fund may offer additional classes of Shares in the future.

This Statement of Additional Information ("SAI") relating to the Common Shares of the Fund is not a prospectus and should be read in conjunction with the Fund's prospectus dated April 1, 2026, as supplemented from time to time (the "Prospectus"). This SAI does not include all information that a prospective investor should consider before purchasing Common Shares, and investors should obtain and read the Prospectus prior to purchasing such shares.

Aristotle Pacific Capital, LLC ("Aristotle Pacific" or the "Investment Manager"), 840 Newport Center Drive, 7th Floor, Newport Beach, California 92660, is the investment manager to the Fund.

A copy of the Prospectus and annual report or semi-annual report for the Fund for future periods may be obtained free of charge at the telephone number and address listed below or by visiting www.aristotlepacific.com/cef.

Aristotle Pacific Enhanced CLO Income Fund
Regulatory Document Request
615 East Michigan Street
Milwaukee, Wisconsin 53202
Telephone: 855-522-4385

Capitalized terms used but not defined in this SAI have the meanings ascribed to them in the Prospectus.

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THE FUND

The Fund is a newly organized Delaware statutory trust registered under the 1940 Act as a non-diversified, closed-end management investment company that intends to continuously offer Class I and Class I-2 Shares and operate as an "interval fund." The Fund has received an exemptive order from the SEC that permits the Fund to offer more than one class of Shares. Under the order, the Fund is authorized to issue two separate classes of shares of beneficial interest designated as Class I Shares and Class I-2 Shares, and the Fund may offer additional classes of Shares in the future. Each class of Shares is subject to different fees and expenses.

INVESTMENT OBJECTIVE AND POLICIES

The Fund's investment objective seeks to provide attractive risk-adjusted returns. A risk-adjusted return measures an investment's profit after taking into account the degree of risk that was taken to achieve it. The investment objective and general investment policies of the Fund are described in further detail in the Prospectus. Additional information concerning the characteristics of certain of the Fund's investments, strategies and risks is set forth below. Unless a strategy or policy described below is specifically prohibited by the investment restrictions listed in the Prospectus, by the investment restrictions under "Investment Restrictions" in this SAI, or by applicable law, the Fund may engage in each of the practices described below. However, the Fund is not required to engage in any particular transaction or purchase any particular type of securities or investment even if to do so might benefit the Fund. Unless otherwise stated in the Prospectus or SAI, all investment policies of the Fund may be changed by the Fund's Board of Trustees (the "Board of Trustees" or the "Board") without shareholder approval. In addition, the Fund may be subject to restrictions on its ability to utilize certain investments or investment techniques due to applicable law, operational requirements or the discretion of the Board.

Types of Investments

Collateralized Loan Obligations

The Fund's investments in CLOs include the rated senior and mezzanine tranches ("CLO Debt"), the unrated subordinated tranche ("CLO Equity"), and CLO warehousing facilities ("CLO Warehouses") of broadly syndicated U.S. dollar denominated CLOs. CLOs are asset-backed securities that are typically collateralized principally by a pool of loans, which may include, among others, domestic and foreign senior secured loans, senior unsecured loans, and subordinate corporate loans, including loans that may be rated below investment grade (commonly referred to as "high yield" or "junk" bonds) or equivalent unrated loans. The special purpose entity typically issues one or more classes (sometimes referred to as "tranches") of rated debt securities, one or more unrated classes of debt securities that are generally treated as equity interests, and a residual equity interest. The tranches of CLOs typically have different interest rates, projected weighted average lives and ratings, with the higher rated tranches paying lower interest rates. One or more forms of credit enhancement are almost always necessary in a CLO structure to obtain the desired credit ratings for the most highly rated debt securities issued by a CLO. The types of credit enhancement used include "internal" credit enhancement provided by the underlying assets themselves, such as subordination, excess spread and cash collateral accounts. CLOs can be less liquid than other publicly held debt issues, and require additional structural analysis. Typically, CLOs are privately offered and sold, and thus, are not registered under the securities laws. As a result, investments in CLOs may be illiquid. The risk associated with investing in a CLO correlates to the risk in the underlying product, including high-yield risk, interest rate risk, liquidity risk and the risk of default. In addition to the risks associated with the underlying security, CLOs also include the risk that the distributions from the collateral may not adequately cover interest or principal payments, the quality of the CLO may decline or default, or the class of CLO may be subordinate to other classes.

The Fund may also invest in residual interests in CLO Warehouses. Prior to the closing of a CLO, an investment bank or other entity that is financing the CLO's structuring may provide a CLO Warehouse to finance the acquisition of a portfolio of initial assets. Capital raised during the closing of the CLO is then used to repay the loan. A CLO Warehouse may have several classes of loans with differing seniority levels with a subordinated or "equity" class typically purchased by the manager of the CLO or other investors.

CLOs may issue several types of securities, including CLO Equity and multiple tranches of CLO Debt. CLOs are subject to credit, liquidity and interest rate risks, which are each discussed in greater detail in the Prospectus and below. The CLO Equity may be unrated or non-investment grade. As a holder of CLO Equity, the Fund will have limited remedies available upon the default of the CLO. The Fund may be unable to find a sufficient number of attractive opportunities to meet its investment objective or to optimally deploy its capital. CLOs often invest in concentrated portfolios of assets. The concentration of an underlying portfolio in any one obligor would subject the related CLOs to a greater degree of risk with respect to defaults by such obligor and the concentration of a portfolio in any one industry would subject the related CLOs to a greater degree of risk with respect to economic downturns relating to such industry.

The value of CLOs generally fluctuates with, among other things, the financial condition of the obligors or issuers of the underlying portfolio of assets of the related CLO ("CLO Collateral"), general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. Consequently, holders of CLOs must rely solely on distributions on the CLO Collateral or proceeds thereof for payment in respect thereof. If distributions on the CLO Collateral are insufficient to make payments on the CLOs, no other assets will be available for payment of the deficiency and following realization of the CLOs, the obligations of such issuer to pay such deficiency generally will be extinguished. CLO Collateral may consist of loans and permitted non-loan assets, such as high yield bonds and other debt securities, which often are rated below investment grade (or of equivalent credit quality). High-yield debt securities generally are unsecured (and loans may be unsecured) and may be subordinated to certain other obligations of the issuer thereof. The lower ratings of high-yield securities and below investment grade loans reflect a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions or both may impair the ability of the related issuer or obligor to make payments of principal or interest. Such investments may be speculative.

Subordination of CLO Debt and CLO Equity

Subordinate CLO Debt generally is fully subordinated to the related CLO senior tranches. CLO Equity generally is fully subordinated to any related CLO Debt and is not secured by any collateral. Distributions to holders of CLO Equity will generally be made solely from distributions on the assets of the CLO issuer after all other payments have been made pursuant to the priority of payments of such CLO. To the extent that any losses are incurred by a CLO in respect of its related CLO Collateral, such losses will be borne first by the holders of the related CLO Equity, next by the holders of any related subordinated CLO Debt and finally by the holders of the related CLO senior tranches. In addition, if an event of default occurs under the governing instrument or underlying investment, as long as any CLO senior tranches are outstanding, the holders thereof generally will be entitled to determine the remedies to be exercised under the instrument governing the CLO. Remedies pursued by such holders could be adverse to the interests of the holders of any related subordinated CLO Debt and/or the holders of the related CLO Equity, as applicable. Subordinate CLO Debt and CLO Equity represent leveraged investments in the assets of the CLO. Therefore, the leveraged nature of such securities may magnify the adverse impact on the market value of such securities caused by changes affecting the assets underlying such securities, including changes in the market value of such assets, changes in distributions on such assets, defaults and recoveries, capital gains and losses on such assets, prepayments and the availability, prices and interest rates of such assets. Accordingly, subordinate CLO Debt and CLO Equity may not be paid in full and may be subject to up to 100% loss.

Control by Senior CLO Debt

In a typical CLO, the most senior CLO Debt (the "Controlling Class") will control many rights under the CLO indenture and therefore, holders of subordinate CLO Debt and CLO Equity will have limited rights in connection with an event of default or distributions thereunder. Remedies pursued by the holders of the Controlling Class upon an event of default could be adverse to the interests of the holders of subordinate CLO Debt and CLO Equity. If an event of default has occurred and is continuing, the holders of CLO Equity will not have any creditors' rights against the CLO issuer and will not have the right to determine the remedies to be exercised under the CLO indenture. There is no guarantee that any funds will remain to make distributions to the holders of subordinate CLO Debt and CLO Equity following any liquidation of the CLO assets and the application of the proceeds from the CLO assets to pay senior classes of CLO Debt and the fees, expenses and other liabilities payable by the CLO issuer. The Controlling Class may also have consent rights in respect of amendments and CLO manager removal rights in connection with certain events.

Fixed Income Investments

Corporate Debt Securities

The debt securities in which the Fund may invest are limited to corporate debt securities (corporate bonds, debentures, notes, and other similar corporate debt instruments) which meet the minimum ratings criteria set forth for that particular Fund, or if unrated, are in the Investment Manager's opinion, comparable in quality to corporate debt securities in which the Fund may invest. In the event that a security owned by the Fund is downgraded to below the Fund's respective minimum ratings criteria, the Fund may nonetheless retain the security.

The investment return on corporate debt securities reflects interest earnings and changes in the market value of the security. The market value of corporate debt obligations may be expected to rise and fall inversely with interest rates generally. There also exists the risk that the issuers of the securities may not be able to meet their obligations on interest or principal payments at the time called for by an instrument.

Loans

The Fund may invest in loans, including senior secured loans, unsecured and/or subordinated loans, loan participations, unfunded contracts and assignments, as described further below. These loans are typically made by or issued to corporations primarily to finance acquisitions, refinance existing debt, support organic growth, or pay out dividends. Loans typically bear interest at a floating rate, although some loans pay a fixed rate. Floating rate loans have interest rates that reset periodically, typically monthly or quarterly. The interest rates on floating rate loans are generally based on a percentage above the Secured Overnight Financing Rate ("SOFR"), a U.S. bank's prime or base rate, the overnight federal funds rate or another rate. Loan participations are loans that are shared by a group of lenders. Unfunded commitments are contractual obligations by lenders (such as the Fund) to loan an amount in the future or that is due to be contractually funded in the future. Assignments may be arranged through private negotiations between potential assignees and potential assignors, and the rights and obligations acquired by the purchaser of an assignment may differ from, and be more limited than, those held by the assigning lender.

Loans may have restrictive covenants limiting the ability of a borrower to further encumber its assets. The types of covenants included in loan agreements generally vary depending on market conditions, the creditworthiness of the borrower, the nature of the collateral securing the loan and other factors. Such restrictive covenants normally allow for early intervention and proactive mitigation of credit risk by providing lenders with the ability to (1) intervene and either prevent or restrict actions that may potentially compromise the borrower's ability to repay the loan and/or (2) obtain concessions from the borrower in exchange for waiving or amending a particular covenant. Loans with fewer or weaker restrictive covenants may limit the Fund's ability to intervene or obtain additional concessions from borrowers.

Certain loans in which the Fund invests or are held as underlying collateral by CLOs may be "covenant-lite." "Covenant-lite" loans refer generally to loans that do not have a complete set of financial maintenance covenants. As compared to a loan instrument that contains numerous covenants that allow lenders the option to force the borrowers to negotiate terms if risks became elevated, the majority of new loans that are issued are "covenant lite" loans which tend to have fewer or no financial maintenance covenants and restrictions. A covenant lite loan typically contains fewer clauses which allow an investor to proactively enforce financial covenants or prevent undesired actions by the borrower/issuer, including the ability to make an acquisition, pay dividends or issue additional debt if they have met certain loan terms. Generally, "covenant-lite" loans are incurrence-based, which means they are only tested and can only be breached following an affirmative action of the borrower, rather than by a deterioration in the borrower's financial condition. The Fund may experience losses or delays in enforcing its rights on its holdings of covenant lite loans

The Fund may invest in floating rate senior loans of domestic or foreign borrowers ("Senior Loans") primarily by purchasing participations or assignments of a portion of a Senior Loan. Floating rate loans are those with interest rates which float, adjust or vary periodically based upon benchmark indicators, specified adjustment schedules or prevailing interest rates. Senior Loans often are secured by specific assets of the borrower, although the Fund may invest in Senior Loans that are not secured by any collateral. When investing in loan participations, the Fund does not have a direct contractual relationship with the borrower and has no rights against the borrower, i.e., the Fund cannot enforce its rights directly; it must rely on intermediaries to enforce its rights. When investing in assignments, the Fund steps into the shoes of the intermediary who sold it the assignment and can enforce the assigned rights directly. These rights may include the right to vote along with other lenders on such matters as enforcing the terms of a loan agreement (*e.g.*, declaring defaults, initiating collection action, etc.). Taking such actions typically requires at least a vote of the lenders holding a majority of the investment in a loan, and may require a vote by lenders holding two-thirds or more of the investment in a loan. Because the Fund typically does not hold a majority of the investment in any loan, it may not be able by itself to control decisions that require a vote by the lenders.

Senior Loans are loans that are typically made to business borrowers to finance leveraged buy-outs, recapitalizations, mergers, stock repurchases, and internal growth. Senior Loans generally hold the most senior position in the capital structure of a borrower and are usually secured by liens on the assets of the borrowers, including tangible assets such as cash, accounts receivable, inventory, property, plant and equipment, common and/or preferred stock of subsidiaries, and intangible assets including trademarks, copyrights, patent rights and franchise value.

By virtue of their senior position and collateral, Senior Loans typically provide lenders with the first right to cash flows or proceeds from the sale of a borrower's collateral if the borrower becomes insolvent (subject to the limitations of bankruptcy law, which may provide higher priority to certain claims such as, for example, employee salaries, employee pensions, and taxes). This means Senior Loans are generally repaid before unsecured bank loans, corporate bonds, subordinated debt, trade creditors, and preferred or common stockholders.

Senior Loans typically pay interest at least quarterly at rates which equal a fixed percentage spread over a base reference rate such as the Secured Overnight Financing Rate ("SOFR"). For example, if the base rate was 1.00% and the borrower were paying a fixed spread of 3.50%, the total interest rate paid by the borrower would be 4.50%. Base rates and, therefore, the total rates paid on Senior Loans float, i.e., they change as market rates of interest change. Although a base rate such as SOFR can change every day, loan agreements for Senior Loans typically allow the borrower the ability to choose how often the base rate for its loan will change. Such periods can range from one day to one year, with most borrowers choosing monthly or quarterly reset periods. During periods of rising interest rates, borrowers will tend to choose longer reset periods, and during periods of declining interest rates, borrowers will tend to choose shorter reset periods. The fixed spread over the base rate on a Senior Loan typically does not change.

Until recently, the standard base rate utilized for Senior Loans has been the London Interbank Offered Rate ("LIBOR"). In 2017, the United Kingdom's Financial Conduct Authority, which regulates LIBOR, announced that it would no longer compel the banks to continue to submit the daily rates for the calculation of LIBOR after 2021. The IBA ceased publication of most LIBOR settings on a representative basis at the end of 2021 and ceased publication of a majority of U.S. dollar LIBOR settings on a representative basis on June 30, 2023. In addition, global regulators previously announced that, with limited exceptions, no new LIBOR-based contracts should be entered into after 2021. After the global financial crisis, regulators globally determined that existing interest rate benchmarks should be reformed based on concerns that LIBOR and other Interbank Offered Rates ("IBORs") were susceptible to manipulation. Replacement rates for various IBORs have been identified and include the Secured Overnight Financing Rate, which is intended to replace U.S. dollar LIBOR and measures the cost of overnight borrowings through repurchase agreement transactions collateralized with U.S. Treasury securities.

While various regulators and industry bodies are working globally on transitioning to selected alternative rates and although the transition process away from LIBOR has become increasingly well-defined in advance of the discontinuation dates, there remains uncertainty regarding the future utilization of LIBOR and other IBORs, including the transition to, and nature of, any selected replacement rates as well as on the impact on investments that utilized LIBOR. The transition process away from LIBOR may involve, among other things, increased volatility or illiquidity in markets for instruments that relied on LIBOR. The transition process may also result in a reduction in the value of certain instruments held by the Fund or reduce the effectiveness of related Fund transactions such as hedges. Volatility, the potential reduction in value, and/or the hedge effectiveness of financial instruments may be heightened for financial instruments that do not include fallback provisions that address the cessation of LIBOR. Any potential effects of the transition away from LIBOR on the Fund or on financial instruments in which the Fund invests, as well as other unforeseen effects, could result in losses to the Fund.

Alteration of the terms of a debt instrument or a modification of the terms of other types of contracts to replace LIBOR or another IBOR with a new reference rate could result in a taxable exchange and the realization of income and gain/loss for U.S. federal income tax purposes. The U.S. Internal Revenue Service ("IRS") has issued final regulations regarding the tax consequences of the transition from LIBOR to a new reference rate in debt instruments and non-debt contracts. Under the final regulations, alteration or modification of the terms of a debt instrument to replace an operative rate that uses a discontinued LIBOR with a qualified rate (as defined in the final regulations) including true up payments equalizing the fair market value of contracts before and after such LIBOR transition, to add a qualified rate as a fallback rate to a contract whose operative rate uses a discontinued LIBOR or to replace a fallback rate that uses a discontinued LIBOR with a qualified rate would not be taxable. The IRS may provide additional guidance, with potential retroactive effect.

Senior Loans generally are arranged through private negotiations between a borrower and several financial institutions or lending syndicates represented by an agent who is usually one of the originating lenders. In larger transactions, it is common to have several agents; however, generally only one such agent has primary responsibility for ongoing administration of a Senior Loan. Agents are typically paid fees by the borrower for their services. The agent is primarily responsible for negotiating the loan agreement which establishes the terms and conditions of the Senior Loan and the rights of the borrower and the lenders. The agent also is responsible for monitoring collateral and for exercising remedies available to the lenders such as foreclosure upon collateral. The agent is normally responsible for the collection of principal and interest payments from the borrower and the apportionment of these payments to the credit of all institutions which are parties to the loan agreement. Unless, under the terms of the loan, the Fund has direct recourse against the borrower, the Fund may have to rely on the agent or other financial intermediary to apply appropriate credit remedies against a borrower. The Investment Manager will also monitor these aspects of the Fund's investments and, where the Fund owns an assignment, will be directly involved with the agent and the other lenders regarding the exercise of credit remedies.

A financial institution's employment as agent might be terminated in the event that it fails to observe a requisite standard of care or becomes insolvent. A successor agent would generally be appointed to replace the terminated agent, and assets held by the agent under the loan agreement should remain available to holders of such indebtedness. However, if assets held by the agent for the benefit of the Fund were determined to be subject to the claims of the agent's general creditors, the Fund might incur certain costs and delays in realizing payment on a Senior Loan and could suffer a loss of principal and/or interest. In situations involving other interposed financial institutions (*e.g.*, an insurance company or governmental agency) similar risks may arise.

The risks associated with Senior Loans are similar to the risks of "junk" securities. The Fund's investments in Senior Loans are typically non-investment grade and are considered speculative because of the credit risk of their issuers. Moreover, any specific collateral used to secure a loan may decline in value or lose all its value or become illiquid, which would adversely affect the loan's value. Economic and other events, whether real or perceived, can reduce the demand for certain Senior Loans or Senior Loans generally, which may reduce market prices and cause the Fund's NAV per share to fall. The frequency and magnitude of such changes cannot be predicted.

Senior Loans and other debt securities are also subject to the risk of price declines and to increases in prevailing interest rates, although floating rate debt instruments are less exposed to this risk than fixed rate debt instruments. Conversely, the floating rate feature of Senior Loans means the Senior Loans will not generally experience capital appreciation in a declining interest rate environment. Declines in interest rates may also increase prepayments of debt obligations and require the Fund to invest assets at lower yields.

Although Senior Loans in which the Fund will invest will often be secured by collateral, there can be no assurance that liquidation of such collateral would satisfy the borrower's obligation in the event of a default or that such collateral could be readily liquidated. In the event of bankruptcy of a borrower, the Fund could experience delays or limitations in its ability to realize the benefits of any collateral securing a Senior Loan. The Fund may also invest in Senior Loans that are not secured.

Senior Loans and other types of direct indebtedness may not be readily marketable and may be subject to restrictions on resale. In some cases, negotiations involved in disposing of indebtedness may require weeks to complete. Consequently, some indebtedness may be difficult or impossible to dispose of readily at what the Manager believes to be a fair price. In addition, valuation of illiquid indebtedness involves a greater degree of judgment in determining the Fund's NAV than if that value were based on available market quotations, and could result in significant variations in the Fund's daily share price. At the same time, some loan interests are traded among certain financial institutions and accordingly may be deemed liquid. As the market for different types of indebtedness develops, the liquidity of these instruments is expected to improve. In addition, the Fund currently intends to treat indebtedness for which there is no readily available market as illiquid for purposes of the Fund's limitation on illiquid investments. In addition, floating rate loans may require the consent of the borrower and/or the agent prior to sale or assignment. These consent requirements can delay or impede the Fund's ability to sell loans and can adversely affect a loan's liquidity and the price that can be obtained.

Interests in Senior Loans generally are not listed on any national securities exchange or automated quotation system and no active market may exist for many of the Senior Loans in which the Fund may invest. If a secondary market exists for certain of the Senior Loans in which the Fund invests, such market may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods. To the extent that legislation or state or federal regulators impose additional requirements or restrictions with respect to the ability of financial institutions to make loans in connection with highly leveraged transactions, the availability of Senior Loan interests for investment by the Fund may be adversely affected.

The Fund may have certain obligations in connection with a loan, such as, under a revolving credit facility that is not fully drawn down, to loan additional funds under the terms of the credit facility.

The Fund may receive and/or pay certain fees in connection with its activities in buying, selling and holding loans. These fees are in addition to interest payments received, and may include facility fees, commitment fees, commissions and prepayment penalty fees. When the Fund buys a loan, it may receive a facility fee, and when it sells a loan, it may pay a facility fee. The Fund may receive a commitment fee based on the undrawn portion of the underlying line of credit portion of a loan, or, in certain circumstances, the Fund may receive a prepayment penalty fee on the prepayment of a loan by a borrower.

The Fund is not subject to any restrictions with respect to the maturity of Senior Loans it holds, and Senior Loans usually will have rates of interest that are redetermined either daily, monthly, quarterly, semi-annually or annually. Investment in Senior Loans with longer interest rate redetermination periods may increase fluctuations in the Fund's NAV as a result of changes in interest rates. As short-term interest rates increase, interest payable to the Fund from its investments in Senior Loans should increase, and as short-term interest rates decrease, interest payable to the Fund from its investments in Senior Loans should decrease. The amount of time required to pass before the Fund will realize the effects of changing short-term market interest rates on its portfolio will vary depending on the interest rate redetermination period of the Senior Loan.

The participation interest and assignments in which the Fund intends to invest may not be rated by any nationally recognized rating service. The Fund may invest in loan participations and assignments with credit quality comparable to that of issuers of its securities investments.

In addition, it is conceivable that under emerging legal theories of lender liability, the Fund which purchases an assignment could be held liable as co-lender. It is unclear whether loans and other forms of direct indebtedness offer securities law protections against fraud and misrepresentation. In the absence of definitive regulatory guidance, the Fund will rely on the Manager's research in an attempt to avoid situations where fraud or misrepresentation could adversely affect the Fund.

The Fund, pursuant to its fundamental investment restrictions, may also be part of a group of lenders originating a Senior Loan. When the Fund is a primary lender, it will have a direct contractual relationship with the borrower, may enforce compliance by the borrower with the terms of the loan agreement and may under contractual arrangements among the lenders have rights with respect to any funds acquired by other lenders through setoff. A lender also has full voting and consent rights under the applicable loan agreement. Action subject to lender vote or consent generally requires the vote or consent of the holders of a majority or some greater specified percentage of the outstanding principal amount of the Senior Loan. Certain decisions, such as reducing the amount or increasing the time for payment of interest on or repayment of principal of a Senior Loan, or releasing collateral therefor, frequently require the unanimous vote or consent of all lenders affected. When the Fund is a primary lender originating a Senior Loan, it may share in a fee paid by the borrower to the primary lenders. The Fund will not act as the agent, originator, or principal negotiator or administrator of a Senior Loan.

If the Fund purchases a floating rate loan as part of the original group of lenders or issues loans directly to the borrower (a loan originator/primary lender), it may also be deemed an underwriter and may be subject to underwriting liability and litigation risk. There is a risk that lenders and investors in loans can be sued by other creditors and shareholders of the borrowers, and may need to serve on a creditor's committee or seek to enforce the Fund's rights in a bankruptcy proceeding. It is possible that losses could be greater than the original loan amount and that losses could occur years after the principal and interest on the loan has been repaid.

The Fund may also make its investments in floating rate loans through structured notes or swap agreements. Investments through these instruments involve counterparty risk, i.e., the risk that the party from which such instrument is purchased will not perform as agreed.

The Fund may incur legal expense in seeking to enforce its rights under a loan, and there can be no assurance of successor a recovery in excess of the Fund's expenditures.

Some funds limit the amount of assets that will be invested in any one issuer or in issuers within the same industry (see the "Investment Restrictions" section). For purposes of these limits, the Fund generally will treat the borrower as the "issuer" of indebtedness held by the Fund. In the case of loan participations where a bank or other lending institution serves as a financial intermediary between the Fund and the borrower, if the participation does not shift to the Fund the direct debtor-creditor relationship with the borrower, current SEC interpretations require the Fund to treat both the lending bank or other lending institution and the borrower as "issuers" for the purposes of determining whether the Fund has invested more than 5% of its total assets in a single issuer or more than 25% of its assets in a particular industry. Treating a financial intermediary as an issuer of indebtedness may restrict the Fund's ability to invest in indebtedness related to a single financial intermediary, or a group of intermediaries engaged in the same industry, even if the underlying borrowers represent many different companies and industries. Investments in loan participations and assignments are considered to be debt obligations for purposes of the Trust's investment restriction relating to the lending of funds or assets by the Fund.

Junior Loans. The Fund may invest in secured and unsecured subordinated loans, second lien loans and subordinated bridge loans ("Junior Loans"). Second lien loans are generally second in line in terms of repayment priority. A second lien loan may have a claim on the same collateral pool as the first lien or it may be secured by a separate set of assets, such as property, plants, or equipment. Second lien loans generally give investors priority over general unsecured creditors in the event of an asset sale. Junior Loans are subject to the same general risks inherent to any loan investment, including credit risk, market and liquidity risk, and interest rate risk. Due to their lower place in the Borrower's capital structure and possible unsecured status, Junior Loans involve a higher degree of overall risk than Senior Loans of the same Borrower. The Fund may purchase Junior Loan interests either in the form of an assignment or a loan participation (see discussion above about "Loan Participations and Assignments").

High Yield/High Risk Bonds

High yield/high risk bonds ("high yield bonds") are non-investment grade high risk debt securities (high yield bonds are commonly referred to as "junk bonds").

In general, high yield bonds are not considered to be investment grade, and investors should consider the risks associated with high yield bonds before investing in the pertinent Fund. Investment in such securities generally provides greater income and increased opportunity for capital appreciation than investments in higher quality securities, but they also typically entail greater price volatility and principal and income risk.

Investment in high yield bonds involves special risks in addition to the risks associated with investments in higher rated debt securities. High yield bonds are regarded as predominately speculative with respect to the issuer's continuing ability to meet principal and interest payments. Certain Brady Bonds may be considered high yield bonds. For more information on Brady Bonds, see "Foreign Securities." A severe economic downturn or increase in interest rates might increase defaults in high yield securities issued by highly leveraged companies. An increase in the number of defaults could adversely affect the value of all outstanding high yield securities, thus disrupting the market for such securities. Analysis of the creditworthiness of issuers of debt securities that are high yield bonds may be more complex than for issuers of higher quality debt securities, and the ability of the Fund to achieve its investment goal may, to the extent of investment in high yield bonds, be more dependent upon such creditworthiness analysis than would be the case if the Fund were investing in higher quality bonds.

High yield bonds may be more susceptible to real or perceived adverse economic and competitive industry conditions than investment grade bonds. The prices of high yield bonds have been found to be less sensitive to interest-rate changes than higher-rated investments, but more sensitive to adverse economic downturns or individual corporate developments. A projection of an economic downturn or of a period of rising interest rates, for example, could cause a decline in high yield bond prices because the advent of a recession could lessen the ability of a highly leveraged company to make principal and interest payments on its debt securities. If an issuer of high yield bonds defaults, in addition to risking payment of all or a portion of interest and principal, the Fund may incur additional expenses to seek recovery.

The Fund may purchase defaulted securities only when the Investment Manager believes, based upon analysis of the financial condition, results of operations and economic outlook of an issuer, that there is potential for resumption of income payments and the securities offer an unusual opportunity for capital appreciation. Notwithstanding the Manager's belief about the resumption of income, however, the purchase of any security on which payment of interest or dividends is suspended involves a high degree of risk.

In the case of high yield bonds structured as zero-coupon or PIK securities, their market prices are affected to a greater extent by interest rate changes, and therefore tend to be more volatile than securities which pay interest periodically and in cash.

The secondary market on which high yield bonds are traded may be less liquid than the market for higher grade bonds. Less liquidity in the secondary trading market could adversely affect the price at which the Fund could sell a high yield bond, and could adversely affect and cause large fluctuations in the daily net asset value ("NAV") of the Fund's shares. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the values and liquidity of high yield bonds, especially in a thinly-traded market. When secondary markets for high yield bonds are less liquid than the market for higher grade bonds, it may be more difficult to value the securities because such valuation may require more research, and elements of judgment may play a greater role in the valuation because there is less reliable, objective data available. See Appendix A for more information on ratings.

There are also certain risks involved in using credit ratings for evaluating high yield bonds. For example, credit ratings evaluate the safety of principal and interest payments, not the market value risk of high yield bonds. Also, credit rating agencies may fail to timely reflect events and circumstances since a security was last rated.

Convertible Securities

Convertible securities are hybrid securities that combine the investment characteristics of bonds and common stocks. Convertible securities typically consist of debt securities or preferred securities that may be converted within a specified period of time (typically for the entire life of the security) into a certain amount of common stock or other equity security of the same or a different issuer at a predetermined price. They also include debt securities with warrants or common stock attached and derivatives combining the features of debt securities and equity securities. Convertible securities entitle the holder to receive interest paid or accrued on debt, or dividends paid or accrued on preferred securities, until the security matures or is redeemed, converted or exchanged.

The Fund's investments in convertible securities, particularly securities that are convertible into securities of an issuer other than the issuer of the convertible security, may be illiquid. The Fund's investments in convertible securities may at times include securities that have a mandatory conversion feature, pursuant to which the securities convert automatically into common stock or other equity securities (of the same or a different issuer) at a specified date and a specified conversion ratio, or that are convertible at the option of the issuer. For issues where the conversion of the security is not at the option of the holder, the Fund may be required to convert the security into the underlying common stock even at times when the value of the underlying common stock or other equity security has declined substantially.

Asset-Backed Securities ("ABS")

ABS, which includes CLOs, are securities that are primarily serviced by the cash flows of a discrete pool of receivables or other financial assets, either fixed or revolving, that by their terms convert into cash within a finite time period. Asset-backed securitization is a financing technique in which financial assets, in many cases themselves less liquid, are pooled and converted into instruments that may be offered and sold in the capital markets. In a basic securitization structure, an entity, often a financial institution, originates or otherwise acquires a pool of financial assets, either directly or through an affiliate. It then sells the financial assets, again either directly or through an affiliate, to a specially created investment vehicle that issues securities "backed" or supported by those financial assets, which securities are ABS. Payment on the ABS depends primarily on the cash flows generated by the assets in the underlying pool and other rights designed to assure timely payment, such as liquidity facilities, guarantees or other features generally known as credit enhancements.

Mortgage-Backed Securities, including Commercial Mortgage-Backed Securities

A mortgage-backed security ("MBS") is a type of pass-through security, which is a security representing pooled debt obligations repackaged as interests that pass income through an intermediary to investors. In the case of mortgage-backed securities, the ownership interest is in a pool of mortgage loans. Commercial mortgage-backed securities ("CMBS") are backed by a pool of mortgages on commercial property.

U.S. Government Securities

The Fund may invest in U.S. government securities. U.S. government securities are obligations of, or guaranteed by, the U.S. government, its agencies, or instrumentalities. Treasury bills, notes, and bonds are direct obligations of the U.S. Treasury and they differ with respect to certain items such as coupons, maturities, and dates of issue. Treasury bills have a maturity of one year or less. Treasury notes have maturities of one to ten years and Treasury bonds generally have a maturity of greater than ten years. Securities guaranteed by the U.S. government include federal agency obligations guaranteed as to principal and interest by the U.S. Treasury (such as Government National Mortgage Association ("GNMA") certificates (described below) and Federal Housing Administration ("FHA") debentures). With guaranteed securities, the payment of principal and interest is guaranteed by the U.S. government. Direct obligations of and securities guaranteed by the U.S. government are subject to variations in market value due to, among other factors, fluctuations in interest rates and changes to the financial condition or credit rating of the U.S. government.

Securities issued by U.S. government instrumentalities and certain federal agencies are neither direct obligations of, nor guaranteed by, the U.S. Treasury. However, they involve federal sponsorship in one way or another: some are backed by specific types of collateral; some are supported by the issuer's right to borrow from the U.S. Treasury; some are supported by the discretionary authority of the U.S. Treasury to purchase certain obligations of the issuer; others are supported only by the credit of the issuing government agency or instrumentality. These agencies and instrumentalities include, but are not limited to the Federal National Mortgage Association ("Fannie Mae"), Federal Home Loan Banks, Federal Land Banks, Farmers Home Administration, Central Bank for Cooperatives, Federal Intermediate Credit Banks, Federal Financing Bank, Farm Credit Banks, and the Tennessee Valley Authority. The maximum potential liability of the issuers of some U.S. government agencies and instrumentalities may greatly exceed their current resources, including their legal right to support from the U.S. Treasury. It is possible that these issuers will not have the funds to meet their payment obligations in the future.

Obligations of Stressed, Distressed and Bankrupt Issuers

The Fund may invest in securities and other obligations of stressed, distressed and bankrupt issuers, including debt obligations that are in covenant or payment default and equity securities of such issuers. Such debt obligations generally trade significantly below par and are considered speculative. The repayment of defaulted obligations is subject to significant uncertainties. Defaulted obligations might be repaid only after lengthy workout or bankruptcy proceedings, during which the issuer might not make any interest or other payments. Typically such workout or bankruptcy proceedings result in only partial recovery of cash payments or an exchange of the defaulted obligation for other debt or equity securities of the issuer or its affiliates, which may in turn be illiquid or speculative.

There are a number of significant risks inherent in the bankruptcy process: (i) many events in a bankruptcy are the product of contested matters and adversary proceedings and are beyond the control of the creditors. While creditors are generally given an opportunity to object to significant actions, there can be no assurance that a bankruptcy court in the exercise of its broad powers would not approve actions that would be contrary to the interests of the Fund; (ii) a bankruptcy filing by an issuer may adversely and permanently affect the issuer. The issuer may lose its market position and key employees and otherwise become incapable of restoring itself as a viable entity. If for this or any other reason the proceeding is converted to a liquidation, the value of the issuer may not equal the liquidation value that was believed to exist at the time of the investment; (iii) the duration of a bankruptcy proceeding is difficult to predict, and a creditor's return on investment can be adversely affected by delays while the plan of reorganization is being negotiated, approved by the creditors and confirmed by the bankruptcy court and until it ultimately becomes effective; (iv) the administrative costs in connection with a bankruptcy proceeding are frequently high, for example, if a proceeding involves protracted or difficult litigation, or turns into a liquidation, substantial assets may be devoted to administrative costs and would be paid out of the debtor's estate prior to any return to creditors; (v) bankruptcy law permits the classification of "substantially similar" claims in determining the classification of claims in a reorganization, and because the standard for classification is vague, there exists the risk that the Fund's influence with respect to the class of securities or other obligations it owns can be lost by increases in the number and amount of claims in that class or by different classification and treatment; (vi) in the early stages of the bankruptcy process it is often difficult to estimate the extent of, or even to identify, any contingent claims that might be made; (vii) in the case of investments made prior to the commencement of bankruptcy proceedings, creditors can lose their ranking and priority if they exercise "domination and control" over a debtor and other creditors can demonstrate that they have been harmed by such actions; and (viii) certain claims that have priority by law (for example, claims for taxes) may be substantial.

In any investment involving securities and other obligations of stressed, distressed and bankrupt issuers, there exists the risk that the transaction involving such securities or obligations will be unsuccessful, take considerable time or will result in a distribution of cash or a new security or obligation in exchange for the stressed or distressed securities or obligations, the value of which may be less than the Fund's purchase price of such securities or obligations. Furthermore, if an anticipated transaction does not occur, the Fund may be required to sell its investment at a loss. Given the substantial uncertainties concerning transactions involving stressed and distressed securities or obligations in which the Fund invests, there is a potential risk of loss by the Fund of its entire investment in any particular investment. Additionally, stressed and distressed securities or obligations of government and government-related issuers are subject to special risks, including the inability or unwillingness to repay principal and interest, requests to reschedule or restructure outstanding debt and requests to extend additional loan amounts.

Investments in companies operating in workout modes or under Chapter 11 of the Bankruptcy Code are also, in certain circumstances, subject to certain additional liabilities which may exceed the value of the Fund's original investment in a company. For example, under certain circumstances, creditors who are deemed to have inappropriately exercised control over the management and policies of a debtor may have their claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. A Manager's active management style may present a greater risk in this area than would a more passive approach. In addition, under certain circumstances, payments to the Fund and distributions by the Fund or payments on the debt may be reclaimed if any such payment is later determined to have been a fraudulent conveyance or a preferential payment.

Participation on Creditor's Committees

The Fund may from time to time participate on committees formed by creditors to negotiate with the management of financially troubled issuers of securities held by the Fund. Such participation may subject the Fund to expenses such as legal fees and may make the Fund an "insider" of the issuer for purposes of the federal securities laws, and therefore may restrict such Fund's ability to trade in or acquire additional positions in a particular security when it might otherwise desire to do so. Participation by the Fund on such committees also may expose the Fund to potential liabilities under the federal bankruptcy laws or other laws governing the rights of creditors and debtors. Participation on such committees is also increasingly prone to litigation and it is possible that the Fund could be involved in lawsuits related to such activities, which could expose the Fund to additional liabilities that may exceed the value of the Fund's original investment in the company. The Fund will participate on such committees only when the Investment Manager believes that such participation is necessary or desirable to enforce the Fund's rights as a creditor or to protect the value of securities held by the Fund. See the "Obligations of Stressed, Distressed and Bankrupt Issuers" section above.

Repurchase Agreements

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

Reverse Repurchase Agreements

Reverse repurchase agreements, among the forms of borrowing if not "covered," involve the sale or pledge of a debt security held by the Fund to another party, such as a bank or broker-dealer, with an agreement by the Fund to repurchase the security at a stated pre-agreed-upon repurchase price, date and interest payment. Under a reverse repurchase agreement, the Fund continues to receive any principal and interest payments on the underlying security as beneficial owner during the term of the agreement.

The Fund can use the proceeds of a reverse repurchase agreement to purchase other securities for the Fund. This use of reverse repurchase agreements by the Fund creates leverage, which increases the Fund's investment risk. If the income and gains on securities purchased with the proceeds of reverse repurchase agreements exceed the cost of the agreements, the Fund's earnings or NAV will increase faster than otherwise would be the case; conversely, if the income and gains fail to exceed the costs, earnings or NAV would decline faster than otherwise would be the case. The Fund will typically enter into a reverse repurchase agreement when it anticipates the interest income to be earned from the investment of the proceeds of the transaction will be greater than the interest expense of the transaction incurred by the Fund. However, reverse repurchase agreements involve the risk that the market value of securities sold or pledged by the Fund declines below the pre-agreed-upon repurchase price by the Fund. Reverse repurchase agreements also subject a fund to counterparty risk (*e.g.*, the risk that the counterparty is unable to satisfy its obligations under the reverse repurchase agreement). In connection with its compliance with Rule 18f-4 under the 1940 Act, the Fund may elect to treat all reverse repurchase transactions as derivatives transactions subject to the requirements of Rule 18f-4 applicable to derivatives transactions or comply with the 300% asset coverage requirement otherwise applicable to senior securities representing indebtedness.

Sale-Buybacks

Sale-buybacks are similar in their function and operation to a reverse repurchase agreement, both of which consist of a sale of a security by a fund to the counterparty with a simultaneous agreement to repurchase the same or substantially the same security at an agreed-up price and date. The principal difference is that in a sale-buyback the counterparty, and not the Fund, is entitled to receive any principal or interest payments made on the underlying security pending settlement of the repurchase of the underlying security, which are recorded as an interest expense to the Fund.

Duration and Portfolio Maturity

As a measure of a fixed-income security's cash flow, duration is an alternative to the concept of "term to maturity" in assessing the price volatility associated with changes in interest rates. Generally, the longer the duration, the more volatility an investor should expect. For example, the market price of a bond with a duration of three years would be expected to decline 3% if interest rates rose 1%. Conversely, the market price of the same bond would be expected to increase 3% if interest rates fell 1%. The market price of a bond with a duration of six years would be expected to increase or decline twice as much as the market price of a bond with a three-year duration. Duration is a way of measuring a security's maturity in terms of the average time required to receive the present value of all interest and principal payments as opposed to its term to maturity. The maturity of a security measures only the time until final payment is due; it does not take account of the pattern of a security's cash flows over time, which would include how cash flow is affected by prepayments and by changes in interest rates. Incorporating a security's yield, coupon interest payments, final maturity and option features into one measure, duration is computed by determining the weighted average maturity of a bond's cash flows, where the present values of the cash flows serve as weights. In computing the duration of the Fund, the Investment Manager will estimate the duration of obligations that are subject to features such as prepayment or redemption by the issuer, put options retained by the investor or other imbedded options, taking into account the influence of interest rates on prepayments and coupon flows. The Investment Manager will adjust the duration and maturity of the Fund's portfolio based on the Investment Manager's interest rate outlook.

Prepayments

Prepayments on a pool of mortgage loans are influenced by a variety of factors, including economic conditions, changes in mortgagors' housing needs, job transfer, unemployment, mortgagors' net equity in the mortgage properties and servicing decisions. The timing and level of prepayments cannot be predicted. Generally, however, prepayments on adjustable rate mortgage loans and fixed rate mortgage loans will increase during a period of falling mortgage interest rates and decrease during a period of rising mortgage interest rates. Accordingly, the amounts of prepayments available for reinvestment by the Fund are likely to be greater during a period of declining mortgage interest rates. If general interest rates also decline, such prepayments are likely to be reinvested at lower interest rates than the Fund was earning on the securities that were prepaid.

Rating Agencies

Future actions of any rating agency can adversely affect the market value or liquidity of CLOs. Rating agencies rating a CLO may change their published ratings criteria or methodologies for CLOs at any time in the future. Further, such rating agencies may retroactively apply any such new standards to the ratings of the CLO securities purchased by the Fund. Any such action could result in a substantial lowering (or even withdrawal) of any rating assigned to any such CLO security, despite the fact that such CLO security might still be performing fully to the specifications set forth for such CLO security in the related transaction documents. The rating assigned to any CLO may also be lowered following the occurrence of an event or circumstance despite the fact that the related rating agency previously provided confirmation that such occurrence would not result in the rating of such CLO being lowered. Additionally, any rating agency may, at any time and without any change in its published ratings criteria or methodology, lower or withdraw any rating assigned by it to any class of CLO security. If any rating initially assigned to any CLO security is subsequently lowered or withdrawn for any reason, holders of such security may not be able to resell their security without a substantial discount. Any reduction or withdrawal to the ratings on any class of CLO security may significantly reduce the liquidity thereof and may adversely affect the CLO issuer's ability to make certain changes to the composition of the CLO assets since the CLO's indenture may contain restrictions on portfolio modifications that are tied to the ratings on the CLO's securities.

A rating agency may also revise or withdraw its ratings of a CLO security as a result of a failure by the issuer or the manager of such CLO to provide it with information requested by such rating agency or comply with any of its obligations contained in the engagement letter with such rating agency, including the posting of information provided to the rating agency on a website that is accessible by rating agencies that were not hired in connection with the issuance of the CLO securities as required by law. In addition, a CLO security may receive an unsolicited rating, which may have an adverse effect on the liquidity or the market price of such CLO security. Any such revision or withdrawal of a rating as a result of such a failure might adversely affect the liquidity and value of the CLO security.

CLO Warehouse Agreements

The Fund is expected to make investments prior to issuance of CLO securities during the "warehousing phase" when the CLO acquires its initial portfolio of loans. Such an investment will be subordinate to the senior lender or counterparty providing most of the warehouse financing to the CLO (and in some cases, will also be subordinate to a "mezzanine" lender to the CLO). The Fund may enter into warehouse agreements ("Warehouse Agreements") with certain third-party collateral managers. Pursuant to such Warehouse Agreements, the Fund may provide financing, either directly or indirectly, for the purchase of assets, or may own certain assets ("Warehouse Securities") in anticipation of such assets constituting the collateral of a CLO or other structured transaction (a "Structured Transaction"). Upon the closing of the Structured Transaction to which the Warehouse Agreement relates, the Fund may or may not purchase securities issued in such Structured Transaction. The Fund may not achieve its investment objective in financing the warehouse if the Warehouse Securities are not purchased in the Structured Transaction or where the Structured Transaction fails to close. A collateral manager will purchase Warehouse Securities from the warehouse for a Structured Transaction only to the extent that the collateral manager determines that such purchases are consistent with the investment guidelines of the Structured Transaction, the restrictions contained in the collateral management agreement and applicable law. If Warehouse Securities are not purchased for a Structured Transaction, depending on the terms of the Warehouse Agreement, Warehouse Securities may be liquidated, which may result in a profit or a loss to the Fund, or the Fund may take possession of the Warehouse Securities. In either case, the Fund will bear the risk that the value of such Warehouse Securities may be below their purchase price. If a Structured Transaction fails to close, in addition to the foregoing risks, the Fund may not be paid for financing the warehouse facility.

The Fund will not invest in Warehouse Agreements structured by Aristotle.

Effects of Regulation on CLO Market

Legislative or regulatory action taken by the U.S. federal government or any U.S. regulatory body, or EU regulatory body (or other authority or regulatory body) in response to economic conditions or otherwise may negatively impact the liquidity and value of CLOs. For example, the "Volcker Rule" contained in the Dodd-Frank Act, which imposes limitations on the ability of banking entities and their affiliates to invest in private investment funds such as CLO issuers, may have a substantial negative impact on the liquidity and value of CLOs. No prediction can be made as to how any modifications made to the Volcker Rule will affect the liquidity and value of CLOs purchased by the Fund.

Other Investment Companies

The Fund may invest in shares of other registered investment companies, including closed-end funds, exchange-traded funds ("ETFs"), money market mutual funds and other mutual funds in pursuit of its investment objective, in accordance with the limitations established under the 1940 Act. This may include investments in money market mutual funds in connection with the Fund's management of daily cash positions. Investments in the securities of other investment companies may involve duplication of advisory fees and certain other expenses. By investing in another investment company, the Fund becomes a shareholder of that investment company. As a result, Fund shareholders indirectly will bear the Fund's proportionate share of the fees and expenses paid by shareholders of the other investment company, in addition to the fees and expenses Fund shareholders directly bear in connection with the Fund's own operations.

Section 12(d)(1)(A) of the 1940 Act generally prohibits a fund from purchasing (1) more than 3% of the total outstanding voting stock of another fund; (2) securities of another fund having an aggregate value in excess of 5% of the value of the acquiring fund; and (3) securities of the other fund and all other funds having an aggregate value in excess of 10% of the value of the total assets of the acquiring fund. There are some exceptions, however, to these limitations pursuant to certain provisions in the 1940 Act and various rules promulgated by the SEC.

ETFs

An ETF's market price may deviate from the value of the ETF's underlying portfolio holdings, particularly in times of market stress, with the result that investors may pay significantly more or receive significantly less than the underlying value of the ETF shares bought or sold. This can be reflected as a spread between the bid and ask prices for the ETF quoted during the day or a premium or discount in the closing price from the ETF's NAV. An active trading market for shares of the ETF may not develop or be maintained. In times of market stress, market makers or authorized participants may step away from their respective roles in making a market in shares of the ETF and in executing purchase or redemption orders, and this could in turn lead to variances between the market price of the ETF's shares and the underlying value of those shares. If securities underlying an ETF are traded outside of a collateralized settlement system, there are a limited number of financial institutions that may act as authorized participants that post collateral for certain trades on an agency basis (i.e., on behalf of other market participants). To the extent that those authorized participants exit the business or are unable to process creation and/or redemption orders and no other authorized participant is able to step forward to do so, there may be a significantly diminished trading market for the ETF's shares. In addition, this could in turn lead to differences between the market price of the ETF's shares and the underlying value of those shares. Where all or a portion of the ETF's underlying securities trade in a market that is closed when the market in which the ETF's shares are listed and trading in that market is open, there may be changes between the last quote from its closed foreign market and the value of such security during the ETF's domestic trading day. In addition, this in turn could lead to differences between the market price of the ETF's shares and the underlying value of those shares. In stressed market conditions, the market for an ETF's shares may become less liquid in response to deteriorating liquidity in the markets for the ETF's underlying portfolio holdings. This adverse effect on liquidity for the ETF's shares in turn could lead to differences between the market price of the ETF's shares and the underlying value of those shares. Purchases and redemptions of creation units primarily with cash, rather than through in-kind delivery of portfolio securities, may cause an ETF to incur certain costs. These costs could include brokerage costs or taxable gains or losses that it might not have incurred if it had made redemption in-kind. In addition, these costs could be imposed on the ETF, and thus decrease the ETF's net asset value, to the extent that the costs are not offset by a transaction fee payable by an authorized participant.

Short-Term, Temporary and Cash Investments

The Fund may invest in any of the following securities and instruments:

Bank Certificates of Deposit, Bankers' Acceptances and Time Deposits

The Fund may acquire certificates of deposit, bankers' acceptances and time deposits. Certificates of deposit are negotiable certificates issued against funds deposited in a commercial bank for a definite period of time and earning a specified return. Bankers' acceptances are negotiable drafts or bills of exchange, normally drawn by an importer or exporter to pay for specific merchandise, which are "accepted" by a bank, meaning in effect that the bank unconditionally agrees to pay the face value of the instrument on maturity. Certificates of deposit and bankers' acceptances acquired by the Fund will be dollar denominated obligations of domestic or foreign banks or financial institutions which at the time of purchase have capital, surplus and undivided profits in excess of $100 million (including assets of both domestic and foreign branches), based on latest published reports, or less than $100 million if the principal amount of such bank obligations are fully insured by the U.S. government. If the Fund holds instruments of foreign banks or financial institutions, it may be subject to additional investment risks that are different in some respects from those incurred by a fund that invests only in debt obligations of U.S. domestic issuers. Such risks include future political and economic developments, the possible imposition of withholding taxes by the particular country in which the issuer is located on interest income payable on the securities, the possible seizure or nationalization of foreign deposits, the possible establishment of exchange controls or the adoption of other foreign governmental restrictions which might adversely affect the payment of principal and interest on these securities.

Domestic banks and foreign banks are subject to different governmental regulations with respect to the amount and types of loans which may be made and interest rates which may be charged. In addition, the profitability of the banking industry depends largely upon the availability and cost of funds for the purpose of financing lending operations under prevailing money market conditions. General economic conditions as well as exposure to credit losses arising from possible financial difficulties of borrowers play an important part in the operations of the banking industry.

As a result of federal and state laws and regulations, domestic banks are, among other things, required to maintain specified levels of reserves, limited in the amount which they can loan to a single borrower, and subject to other regulations designed to promote financial soundness. However, such laws and regulations do not necessarily apply to foreign bank obligations that the Fund may acquire.

In addition to purchasing certificates of deposit and bankers' acceptances, to the extent permitted under its investment objective and policies stated above and in its Prospectus, the Fund may make interest bearing time or other interest bearing deposits in commercial or savings banks. Time deposits are non-negotiable deposits maintained at a banking institution for a specified period of time at a specified interest rate.

Savings Association Obligations

The Fund may invest in certificates of deposit (interest bearing time deposits) issued by savings banks or savings and loan associations that have capital, surplus and undivided profits in excess of $100 million, based on latest published reports, or less than $100 million if the principal amount of such obligations is fully insured by the U.S. government.

Commercial Paper, Short Term Notes and Other Corporate Obligations

The Fund may invest a portion of its assets in commercial paper and short term notes. Commercial paper consists of unsecured promissory notes issued by corporations. Issues of commercial paper and short term notes will normally have maturities of less than nine months and fixed rates of return, although such instruments may have maturities of up to one year.

Commercial paper and short term notes will consist of issues rated at the time of purchase "A-2" or higher by Standard & Poor's ("S&P"), "Prime-1" by Moody's Investors Service, Inc. ("Moody's"), or similarly rated by another nationally recognized statistical rating organization or, if unrated, will be determined by the Investment Manager to be of comparable quality. These rating symbols are described in Appendix A to the Prospectus.

Subsidiaries

If the Investment Manager determines it to be appropriate or necessary, the Fund may form one or more wholly owned subsidiaries in one or more jurisdictions (each, a "Subsidiary," and together, the "Subsidiaries"), each of which is expected to be treated as a corporation for U.S. federal income tax purposes. The Fund may invest either directly or indirectly through the Subsidiaries. The Fund will be the sole shareholder of any Subsidiary, and it is currently expected that shares of any Subsidiary will not be sold or offered to other investors.

The Fund typically expects to invest indirectly through the Subsidiaries if it believes it is desirable to do so to comply with the requirements for qualification as a RIC under the Code, or for corporate or other tax reasons.

The Subsidiaries will not be registered under the 1940 Act and will not be subject to all of the investor protections of the 1940 Act. In addition, changes in the laws of the United States and/or any jurisdiction in which a Subsidiary is formed could result in our inability or the inability of the Subsidiaries to operate as described in the Prospectus and this SAI and could adversely affect the Fund. The Fund's Board of Trustees has oversight responsibility for the activities of the Fund, including the Fund's investments in any Subsidiary, and the Fund's role as the sole shareholder of any Subsidiary.

The assets of any Subsidiaries and the assets of the Fund, taken as a whole, will be subject to the same investment restrictions and limitations described in the Prospectus and this SAI, and the Subsidiary will be subject to the same compliance policies and procedures as the Fund. As a result, investments held through a Subsidiary will be considered in determining compliance with the investment policies and restrictions that apply to the management of the Fund, and, in particular, to the requirements relating to portfolio leverage, affiliated transactions and the timing and method of the valuation of any Subsidiary's portfolio investments. The Subsidiary will comply with applicable requirements of the 1940 Act relating to affiliated transactions and custody of assets. The Investment Manager will manage the investments held by the Fund directly and indirectly through any Subsidiaries pursuant to a contract that complies with the 1940 Act.

Illiquid Investments and Restricted Securities

To the extent consistent with the applicable liquidity requirements for interval funds under Rule 23c-3 under the 1940 Act, the Fund may invest without limit in illiquid investments. The Investment Manager may be subject to significant delays in disposing of illiquid investments, and transactions in illiquid investments may entail registration expenses and other transaction costs that are higher than those for transactions in liquid investments. The term "illiquid investments" for this purpose means any investment that the Fund reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment.

Restricted securities are securities subject to legal or contractual restrictions on their resale, such as private placements. Such restrictions might prevent the sale of restricted securities at a time when the sale would otherwise be desirable. Under SEC regulations, certain restricted securities acquired through private placements can be traded freely among qualified purchasers. Investing in these restricted securities could have the effect of increasing the Fund's illiquidity if qualified purchasers become, for a time, uninterested in buying these securities.

Restricted securities may be sold only (1) pursuant to SEC Rule 144A or another exemption, (2) in privately negotiated transactions or (3) in public offerings with respect to which a registration statement is in effect under the Securities Act of 1933, as amended (the "1933 Act"). Rule 144A securities, although not registered in the

United States, may be sold to qualified institutional buyers in accordance with Rule 144A under the 1933 Act. Where registration is required, the Fund may be obligated to pay all or part of the registration expenses and a considerable period may elapse between the time of the decision to sell and the time the Fund may be permitted to sell a restricted security under an effective registration statement. If, during such a period, adverse market conditions were to develop, the Fund might obtain a less favorable price than prevailed when it decided to sell.

Illiquid investments may be difficult to value, and the Fund may have difficulty disposing of such investments promptly. The Fund does not consider non-U.S. securities to be restricted if they can be freely sold in the principal markets in which they are traded, even if they are not registered for sale in the United States.

Investment Policies:

Under normal circumstances, the Fund will invest subject to the following policies:

- The Fund will invest at least 80% of Assets in CLOs;
- The Fund will invest at least 70% of Assets in CLO Debt;
- The Fund will invest up to 30% of Assets in a combination of CLO Equity and CLO Warehouses; and
- The Fund will invest no more than 20% of Assets in CLOs managed by a single collateral manager.

The foregoing, non-fundamental policies are considered to apply only at time of purchase and will not be considered violated unless an excess or deficiency occurs or exists immediately after and as a result of an acquisition. "Assets" means net assets of the Fund plus the amount of any borrowings for investment purposes. The Fund's investment policy to invest at least 80% of its Assets in CLOs (the "80% Policy") is a non-fundamental investment policy. The Fund will consider both direct investments and indirect investments (e.g., investments in other investment companies that meet the 80% Policy) when determining compliance with the 80% Policy. As a result of having the 80% Policy, the Fund must provide shareholders with a notice at least sixty days prior to any change of the 80% Policy. For the purposes of the 80% Policy, the Fund is permitted to change its investment objective or 80% investment policy without a shareholder vote, provided the Fund will conduct a repurchase offer prior to the change, the Fund provides at least 60 days' prior notice of any change in the policy in advance of the offer, the offer is not oversubscribed, and the Fund purchases shares at their net asset value.

Other Policies

Certain investment policies specifically identified in this SAI as such are considered fundamental and may not be changed without shareholder approval. See "Investment Restrictions." All of the Fund's other investment policies are not considered to be fundamental by the Fund and can be changed by the Board of Trustees without a vote of the shareholders.

Leverage

The Fund may use leverage in an effort to increase its returns, subject to the restrictions of the 1940 Act. The Fund may source leverage initially and throughout the life of the Fund through a number of methods including through funds borrowed from banks or other financial institutions, credit facilities, margin facilities, notes or preferred shares and leverage attributable to reverse repurchase agreements or similar transactions. The sources of leverage will vary depending on market conditions.

So long as the net income received from the Fund's investments purchased with leverage proceeds exceeds the current expense of any leverage, the investment of the proceeds of leverage will generate more net income than if the Fund had not leveraged itself. Under these circumstances, the excess net income will be available to pay higher distributions to Common Shareholders. However, if the net income received from the Fund's portfolio investments purchased with the proceeds of leverage is less than the current expense of any leverage, the Fund may be required to utilize other Fund assets to make interest and/or dividend payments on its leveraging instruments, which may result in a decline in Common Share NAV and reduced net investment income available for distribution to Common Shareholders.

The Fund may reduce or increase the amount of leverage based upon changes in market conditions and/or composition of the Fund's holdings. The Fund's leverage ratio will vary from time to time based upon such changes in the amount of leverage used, variations in the value of the Fund's holdings and the levels of Common Share subscription and repurchase offer activity related to the Fund's continuously offered interval fund structure.

The Fund may issue "senior securities" as defined under the 1940 Act. "Senior securities" have seniority over the Common Shares in regard to the income and assets of the Fund. The 1940 Act generally defines a "senior security" as any bond, debenture, note, or similar obligation or instrument constituting a security and evidencing indebtedness, and any stock of a class having priority over any other class as to distribution of assets or payment of dividends; however, the term does not include any promissory note or other evidence of indebtedness issued in consideration of any loan, extension, or renewal thereof, made for temporary purposes and in an amount not exceeding five percent of the value of the Fund's total assets. A loan shall be presumed to be for temporary purposes if it is repaid within sixty days and is not extended or renewed.

Under the 1940 Act, the Fund is not permitted to issue "senior securities" that are preferred shares if, immediately after the issuance of preferred shares, the asset coverage ratio with respect to such preferred shares would be less than 200%. With respect to any such preferred shares, asset coverage means the ratio which the value of the total assets of the Fund, less all liabilities and indebtedness not represented by senior securities, bears to the aggregate amount of senior securities representing indebtedness of the Fund plus the aggregate liquidation preference of such preferred shares.

Under the 1940 Act, the Fund is not permitted to issue "senior securities representing indebtedness" if, immediately after the issuance of such senior securities representing indebtedness, the asset coverage ratio with respect to such senior securities would be less than 300%. "Senior securities representing indebtedness" include borrowings (including loans from financial institutions) and debt securities. With respect to any such senior securities representing indebtedness, asset coverage means the ratio which the value of the total assets of the Fund, less all liabilities and indebtedness not represented by senior securities (as defined in the 1940 Act), bears to the aggregate amount of such senior securities representing indebtedness.

The Fund pays a management fee to Aristotle Pacific based on a percentage of Managed Assets. Managed Assets include the proceeds realized and managed from the Fund's use of most types of leverage (excluding the leverage exposure attributable to the use of futures, swaps and similar derivatives). Because Managed Assets include the Fund's net assets as well as assets that are attributable to the Fund's investment of the proceeds of its leverage, it is anticipated that the Fund's Managed Assets will be greater than its net assets. The Investment Manager will be responsible for using leverage to pursue the Fund's investment objective. Aristotle Pacific will base its decision regarding whether and how much leverage to use for the Fund, and the terms of that leverage, on its assessment of whether such use of leverage is in the best interests of the Fund. However, a decision to employ or increase leverage will have the effect, all other things being equal, of increasing Managed Assets and therefore the Investment Manager's fees. Thus, the Investment Manager may have a conflict of interest in determining whether to use or increase leverage. The Investment Manager will seek to manage that potential conflict by recommending to the Board of Trustees to leverage the Fund (or increase such leverage) only when it determines that such action would be in the best interests of the Fund, and by periodically reviewing with the Board of Trustees the Fund's performance and the impact of the use of leverage on that performance.

If the Fund issues senior securities and the asset coverage with respect to such senior securities declines below the required ratios discussed above (as a result of market fluctuations or otherwise), the Fund may be required to sell portfolio securities when it may be disadvantageous to do so.

Certain types of leverage used by the Fund may result in the Fund being subject to certain covenants, asset coverage or other portfolio composition limits by its lenders, debt or preferred securities purchasers, rating agencies that may rate the debt or preferred securities, or reverse repurchase counterparties. Such limitations may be more stringent than those imposed by the 1940 Act and may impact whether the Fund is able to maintain its desired amount of leverage. At this time the Investment Manager does not believe that any such potential investment limitations will impede it from managing the Fund's portfolio in accordance with its investment objective and policies.

Utilization of leverage is a speculative investment technique and involves certain risks to the Common Shareholders, including increased variability of the Fund's net income, distributions and NAV in relation to market changes. See "Leverage," and "Principal Risks of the Fund — Leverage Risk" in the Prospectus for additional information regarding leverage and related risks. If the Fund utilizes leverage, there is no assurance that it will work as planned or achieve its goals.

INVESTMENT RESTRICTIONS

Fundamental Investment Restrictions

Except as described below, the Fund, as a fundamental policy, may not, without the approval of the holders of a majority of the Fund's outstanding Common Shares:

1. Borrow money or issue senior securities, except to the extent permitted under the 1940 Act and as interpreted, modified, or otherwise permitted from time to time by regulatory authority having jurisdiction.

2. Underwrite the securities of other issuers. This restriction does not prevent the Fund from engaging in transactions involving the acquisition, disposition or resale of its portfolio securities, regardless of whether the Fund may be considered to be an underwriter under the 1933 Act.

3. Make investments that will result in the concentration (as that term may be defined or interpreted by the 1940 Act, and the rules and regulations promulgated thereunder, as such statute, rules and regulations are amended from time to time or are interpreted from time to time by the SEC staff (collectively, the "1940 Act Laws and Interpretations") or except to the extent that the Fund may be permitted to do so by exemptive order or similar relief (collectively, with the 1940 Act Laws and Interpretations, the "1940 Act Laws, Interpretations and Exemptions")) of its investments in the securities of issuers primarily engaged in the same industry.

4. Purchase real estate or sell real estate unless acquired as a result of ownership of securities or other instruments.

5. Purchase or sell physical commodities except to the extent permitted by the 1940 Act and any other governing statute, and by the rules thereunder, and by the SEC or other regulatory agency with authority over the Fund.

6. Make personal loans or loans of its assets to persons who control or are under common control with the Fund, except to the extent permitted by 1940 Act Laws, Interpretations and Exemptions.

7. The Fund may, notwithstanding any other fundamental investment policy or limitation, invest all of its assets in the securities of a single open-end management investment company with substantially the same fundamental investment objective, policies and restrictions as the Fund, subject to any restrictions under the 1940 Act and the rules thereunder.

In addition, the Fund has adopted the following fundamental policies with respect to repurchase offers, which may not be changed without the approval of the holders of a majority of the Fund's outstanding Common Shares:

(a) The Fund will make quarterly repurchase offers pursuant to Rule 23c-3 under the 1940 Act, as it may be amended from time to time.

(b) The Fund will repurchase shares that are tendered by a specific date (the "Repurchase Request Deadline"), which will be established by the Board in accordance with Rule 23c-3, as amended from time to time. Rule 23c-3 requires the Repurchase Request Deadline to be no less than 21 and no more than 42 days after the Fund sends notification to shareholders of the repurchase offer.

(c) There will be a maximum fourteen (14) calendar day period (or the next business day if the 14th calendar day is not a business day) between the Repurchase Request Deadline and the date on which the Fund's net asset value ("NAV") applicable to the repurchase offer is determined (the "Repurchase Pricing Date").

Under the 1940 Act, investments of more than 25% of a fund's total assets in one or more issuers in the same industry or group of industries constitutes concentration. For purposes of the Fund's fundamental restriction related to industry concentration, such restriction does not limit the Fund's investments in (i) obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities, or (ii) tax-exempt obligations issued by governments or political subdivisions of governments. Investments in tax-exempt municipal securities where the payment of principal and interest for such securities is derived solely from a specific project associated with an issuer that is not a governmental entity or a political subdivision of a government are subject to a fund's industry concentration policy. In complying with this restriction, the Fund will not consider a bank-issued guaranty or financial guaranty insurance as a separate security. In addition, as this restriction relates to investments in asset-backed securities (including CLOs), the Fund does not take into account, and may not have sufficient information to ascertain, the exposure to a particular industry or group of industries as a result of investing in asset-backed securities. Accordingly, the Fund takes the position that, to the extent its investments in asset-backed securities could be construed to result in a concentration of an industry or group of industries, it would not be due to any knowing or intentional exercise of a freedom of action reserved by the Fund to so concentrate. To facilitate these positions, the Fund takes the position, with respect to concentration in any particular industry or group of industries, that any asset-backed securities (including CLOs) do not represent interests in any particular industry or group of industries and the Fund's fundamental investment policy above, with respect to concentration, does not operate to limit the ability of the Fund to purchase such securities in any amount. Further, for purposes of the Fund's fundamental restriction related to industry concentration, the fundamental policy will be interpreted in accordance with public interpretations of the SEC and its staff pertaining to concentration from time to time. The fundamental policy will be interpreted to give broad authority to the Fund as to how to classify issuers within or among either industries or groups of related industries. The Fund currently utilizes any one or more industry classifications used by one or more widely recognized market indexes or rating group indexes, and/or as defined by the Investment Manager. To the extent sufficient information is reasonably available, the Fund will consider the holdings of an underlying registered investment company in applying its concentration policy.

For the purposes of the Fund's fundamental restriction related to real estate, such restriction does not prevent the Fund from investing in issuers that invest, deal or otherwise engage in transactions in real estate or interests therein, or investing in securities that are secured by real estate or interests therein.

For purposes of the Fund's fundamental restriction regarding loans, such restriction does not prevent the Fund from, among other things, purchasing debt obligations, entering into repurchase agreements, loaning its assets to broker-dealers or institutional investors, or investing in loans, including assignments and participation interests.

For purposes of the Fund's fundamental restriction related to physical commodities, the Fund is currently permitted to invest in futures, swaps and other instruments on physical commodities and the 1940 Act does not prohibit a fund from owning commodities or contracts related to commodities. The extent to which the Fund can invest in futures, swaps and other instruments on physical commodities, and/or commodities or contracts related to commodities, is set out in the investment strategies described in the Fund's Prospectus, this SAI, and as permitted by the Fund's fundamental restriction.

For purposes of the Fund's fundamental restriction related to real estate above, the 1940 Act does not prohibit a fund from owning real estate. The extent to which the Fund can invest in real estate is set out in the investment strategies described in the Fund's Prospectus or this SAI.

For purposes of the Fund's fundamental restriction related to senior securities above, the 1940 Act prohibits a fund from issuing a "senior security," which is generally defined as any bond, debenture, note, or similar obligation or instrument constituting a security and evidencing indebtedness, or any stock of a class having priority over any other class of the Fund's shares with respect to the payment of dividends or the distribution of Fund assets, except in compliance with certain asset coverage and other requirements.

For purposes of the Fund's fundamental restriction related to loans made by the Fund above, current SEC staff interpretations under the 1940 Act prohibit a fund from lending more than one-third of its total assets.

Investment of all the Fund's assets in the securities of a single open-end management investment company are subject to any restrictions under the 1940 Act, and rules thereunder.

In addition, the Fund has adopted the following fundamental policies with respect to repurchase offers, which may not be changed without the approval of the holders of a majority of the Fund's outstanding Common Shares:

(a) The Fund will make quarterly repurchase offers pursuant to Rule 23c-3 under the 1940 Act, as it may be amended from time to time.

(b) The Fund will repurchase shares that are tendered by a specific date (the "Repurchase Request Deadline"), which will be established by the Board in accordance with Rule 23c-3, as amended from time to time. Rule 23c-3 requires the Repurchase Request Deadline to be no less than 21 and no more than 42 days after the Fund sends notification to shareholders of the repurchase offer.

(c) There will be a maximum fourteen (14) calendar day period (or the next business day if the 14th calendar day is not a business day) between the Repurchase Request Deadline and the date on which the Fund's NAV applicable to the repurchase offer is determined (the "Repurchase Pricing Date").

Non-Fundamental Investment Restrictions

Non-fundamental investment restrictions may be changed without shareholder approval.

1. In complying with the fundamental investment restriction regarding borrowing money and issuing senior securities, the Fund may borrow money in an amount not exceeding 33 1/3% of its total assets (including the amount borrowed) less liabilities (other than borrowings).

2. The Fund may not acquire any securities of other investment companies, except as permitted by the 1940 Act and the rules, regulations and any applicable exemptive order issued thereunder.

For purposes of the Fund's fundamental and non-fundamental policies, "assets" means net assets, plus the amount of any borrowings for investment purposes.

It is the intention of the Fund, unless otherwise indicated, that with respect to the Fund's policies that are a result of application of law, the Fund will take advantage of the flexibility provided by rules or interpretations of the SEC or its staff currently in existence or promulgated in the future, or changes to such laws.

Other Information Regarding Investment Restrictions

Subject to the Fund's self-imposed limitations, if any, as they may be amended from time to time, the Fund interprets its policies with respect to leverage and borrowing, issuing senior securities, and lending to permit such activities as may be lawful for the Fund, to the full extent permitted by the 1940 Act or by exemption from the provisions therefrom pursuant to exemptive order of the SEC.

Currently, under the 1940 Act, the Fund may generally not lend money or property to any person, directly or indirectly, if such person controls or is under common control with the Fund, except for a loan from the Fund to a company that owns all the outstanding securities of the Fund, except directors' and qualifying shares.

The phrase "shareholder approval," as used in the Prospectus and this SAI, and the phrase a "majority of the outstanding," when used with respect to particular shares of the Fund (whether voting together as a single class or voting as separate classes), means (i) 67% or more of such shares present at a meeting, if the holders of more than 50% of such shares are present or represented by proxy, or (ii) more than 50% of such shares, whichever is less.

Unless otherwise indicated, all limitations applicable to the Fund's investments (as stated above and elsewhere in this SAI or in the Prospectus) apply only at the time a transaction is entered into. Any subsequent change in the percentage of the Fund's assets invested in certain securities or other instruments resulting from market fluctuations or other changes in the Fund's total assets, will not require the Fund to dispose of an investment.

Under the Fund's policy in paragraph (4) above in "Fundamental Investment Restrictions," for example, where the Fund purchases a loan or other security secured by real estate or interests therein, in the event of a subsequent default, foreclosure or similar event, the Fund may take possession of and hold the underlying real estate in accordance with its rights under the initial security and subsequently sell or otherwise dispose of such real estate.

Under the 1940 Act, a "senior security" does not include any promissory note or evidence of indebtedness where such loan is for temporary purposes only and in an amount not exceeding 5% of the value of the total assets of the issuer at the time the loan is made. A loan is presumed to be for temporary purposes if it is repaid within 60 days and is not extended or renewed.

For purposes of applying the terms of the Fund's policy in paragraph (3) above in "Fundamental Investment Restrictions" (the "industry concentration policy"), the Fund would be deemed to "concentrate" in a particular industry if it invested more than 25% of its total assets in that industry. For purposes of the industry concentration policy, the Investment Manager will, on behalf of the Fund, make reasonable determinations as to the appropriate industry classification to assign to each security or instrument in which the Fund invests. The definition of what constitutes a particular "industry" is an evolving one, particularly for industries or sectors within industries that are new or are undergoing rapid development. Some securities could reasonably fall within more than one industry category. The Fund's industry concentration policy does not preclude it from focusing investments in issuers in a group of related industry sectors (such as different types of utilities). For purposes of the industry concentration policy, a foreign government is considered to be an industry, although currency positions are not considered to be an investment in a foreign government for these purposes. Securities that are issued or guaranteed as to principal or interest by the U.S. government or its agencies or instrumentalities are not subject to the Fund's industry concentration policy, by virtue of the exclusion from that test available to all U.S. government securities.

To the extent sufficient information is reasonably available, the Fund will consider the holdings of an underlying registered investment company in applying its concentration policy.

From time to time, the Fund may voluntarily participate in actions (for example, rights offerings, conversion privileges, exchange offers, credit event settlements, etc.) including, but not limited to, where the issuer or counterparty offers securities or instruments to holders or counterparties, such as the Fund, and the acquisition is determined to be beneficial to Fund shareholders ("Voluntary Action"). Notwithstanding any percentage investment limitation listed under this "Investment Restrictions" section or any percentage investment limitation of the 1940 Act or rules thereunder, if the Fund has the opportunity to acquire a permitted security or instrument through a Voluntary Action, and the Fund will exceed a percentage investment limitation following the acquisition, it will not constitute a violation if, prior to the receipt of the securities or instruments and after announcement of the offering, the Fund sells an offsetting amount of assets that are subject to the investment limitation in question at least equal to the value of the securities or instruments to be acquired.

Unless otherwise indicated, all percentage limitations on Fund investments (as stated throughout this SAI or in the Prospectus) that are not (i) specifically included in this "Investment Restrictions" section; or (ii) imposed by the 1940 Act, rules thereunder, the Internal Revenue Code of 1986, as amended (the "Code") or related regulations (the "Elective Investment Restrictions"), will apply only at the time of investment unless the acquisition is a Voluntary Action. The percentage limitations and absolute prohibitions with respect to Elective Investment Restrictions are not applicable to the Fund's acquisition of securities or instruments through a Voluntary Action.

The Fund may engage in roll-timing strategies where the Fund seeks to extend the expiration or maturity of a position, such as a forward contract, futures contract or to-be-announced ("TBA") transaction, on an underlying asset by closing out the position before expiration and contemporaneously opening a new position with respect to the same underlying asset that has substantially similar terms except for a later expiration date. Such "rolls" enable the Fund to maintain continuous investment exposure to an underlying asset beyond the expiration of the initial position without delivery of the underlying asset. Similarly, the Fund may "roll" an existing OTC swap agreement by closing out the position before expiration and contemporaneously entering into a non-OTC swap agreement on the same underlying asset with substantially similar terms except for a later expiration date, regardless of whether zero, one or both legs of the roll are cleared. These types of new positions opened contemporaneous with the closing of an existing position on the same underlying asset with substantially similar terms are collectively referred to as "Roll Transactions." Elective Investment Restrictions (defined in the preceding paragraph), which normally apply at the time of investment, do not apply to Roll Transactions (although Elective Investment Restrictions will apply to the Fund's entry into the initial position). In addition, and notwithstanding the foregoing, for purposes of this policy, those non-fundamental investment restrictions that are considered Elective Investment Restrictions for purposes of the policy on Voluntary Actions (described in the preceding paragraph) are also Elective Investment Restrictions for purposes of this policy on Roll Transactions. The Fund will test for compliance with Elective Investment Restrictions at the time of the Fund's initial entry into a position, but the percentage limitations and absolute prohibitions set forth in the Elective Investment Restrictions are not applicable to the Fund's subsequent acquisition of securities or instruments through a Roll Transaction.

MANAGEMENT OF THE FUND

Trustees and Officers

The business of the Fund is managed under the oversight of the Board. Subject to the provisions of the Fund's Agreement and Declaration of Trust, as may be amended from time to time (the "Declaration"), its Bylaws, as may be amended from time to time (the "Bylaws"), and Delaware law, the Trustees have all powers necessary and convenient to carry out their responsibilities, including the election and removal of the Fund's officers.

Board Leadership Structure. The Board has structured itself in a manner that it believes allows it to perform its oversight function effectively. The Board is currently composed of four Trustees, all of whom are not "interested persons" of the Fund (as that term is defined by Section 2(a)(19) of the 1940 Act) (the "Independent Trustees"). The Board has established two standing committees, an Audit Committee and a Nominating and Governance Committee, each of which are discussed in greater detail under "Committees of the Board of Trustees" below. Each of the Audit Committee and the Nominating and Governance Committee is composed entirely of Independent Trustees.

The Board Chair, Jeannette L. Lewis, is an Independent Trustee.

In accordance with the fund governance standards prescribed under the 1940 Act, the Independent Trustees on the Nominating and Governance Committee select and nominate all candidates for Independent Trustee positions. Each Trustee was appointed to serve on the Board because of such Trustee's experience, qualifications, attributes, and skills as set forth in the subsection "Trustee Qualifications" below.

The Board reviews its structure regularly considering the characteristics and circumstances of the Fund, including: the unaffiliated nature of the Investment Manager; the net assets of the Fund; the committee structure of the Fund; and the independent distribution arrangement of the Fund.

Given the specific characteristics and circumstances of the Fund as described above, the Fund has determined that the Board's leadership structure is appropriate.

Given the specific characteristics and circumstances of the Fund as described above, the Fund has determined that the Board's leadership structure is appropriate.

Risk Oversight. The Fund has retained the Investment Manager to provide investment advisory services. The Investment Manager and the Fund's other service providers have adopted policies, processes, and procedures to identify, assess and manage different types of risks associated with the Fund's activities. The Board oversees the performance of these functions by the Investment Manager and the Fund's other service providers, both directly and through the committee structure it has established. The Board receives from the Investment Manager and other service providers a wide range of reports, both on a regular and as-needed basis, relating to the Fund's activities and to the actual and potential risks of the Fund. These include reports on investment and market risks, custody and valuation of Fund assets, compliance with applicable laws, and the Fund's financial accounting and reporting. The Board also regularly receives, from the Fund's principal underwriter or Investment Manager, reports regarding distribution, sales and marketing of the Fund's shares. In addition, the Board meets periodically with the individual portfolio managers of the Fund or their delegates to receive reports regarding the portfolio management of the Fund and its performance, including its investment risks.

In addition, the Board has appointed a Chief Compliance Officer ("CCO"). The CCO oversees the development of compliance policies and procedures that are reasonably designed to prevent violations of the federal securities laws ("Compliance Policies"). The CCO reports directly to the Independent Trustees, interacts with individuals within the Investment Manager's organization, and will provide presentations to the Board at its quarterly meetings and an annual report on the application of the Compliance Policies. The Board will periodically discuss relevant risks affecting the Fund with the CCO at these meetings. The Board has approved the Compliance Policies and reviews the CCO's reports. Further, the Board annually reviews the sufficiency of the Compliance Policies, as well as the appointment and compensation of the CCO.

The Board recognizes that the reports it will receive concerning risk management matters are, by their nature, typically summaries of the relevant information. Moreover, the Board recognizes that not all risks that may affect the Fund can be identified in advance; that it may not be practical or cost-effective to eliminate or mitigate certain risks; that it may be necessary to bear certain risks (such as investment-related risks) in seeking to achieve the Fund's investment objective; and that the processes, procedures and controls employed to address certain risks may be limited in their effectiveness.

The Trustees and officers of the Fund, their year of birth, the positions they hold with the Fund, their term of office and length of time served, a description of their principal occupations during the past five years, the number of portfolios in the Fund Complex (as defined below) that the Trustee oversees and any other public company directorships held by the Trustee are listed in the two tables immediately following. Except as shown, each Trustee's and officer's principal occupation and business experience for the last five years have been with the employer(s) indicated, although in some cases the Trustee may have held different positions with such employer(s).

The charts below identify the Trustees and executive officers of the Fund. Unless otherwise indicated, the address of all persons below is c/o U.S. Bank Global Fund Services, 615 East Michigan Street, Milwaukee, Wisconsin 53202.

Trustees

Name and Year of Birth	Position(s) Held with the Fund	Term of Office and Length of Time Served[(1)]	Principal Occupation(s) During the Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee[(2)]	Other Directorships Held by Trustee During the Past 5 Years
Independent Trustees[(3)]					
P. Bradley Adams Year of Birth: 1960	Trustee	Indefinite Term; Since November 2025	Managing Director of Fund Operations, TortoiseEcofin Investments, LLC (2005–2024)	1	Rockefeller Municipal Opportunities Fund (since 2024); Regan Capital Alternative Income Fund (since 2025); and LibreMax Asset-Backed Income Fund (since 2025)
Stephen P. Ban Year of Birth: 1962	Trustee	Indefinite Term; Since November 2025	Adjunct Professor, Quinlan School of Business, Loyola University of Chicago (since 2022); Senior Advisor, Corporate Coalition of Chicago (2020–2025); Managing Director, Investment Solutions, Hightower Advisors, LLC, (2021-2022); Senior Managing Director, Business Development and Portfolio Advisory, Nuveen (2009–2020)	1	Rockefeller Municipal Opportunities Fund (since 2024); Regan Capital Alternative Income Fund (since 2025); and LibreMax Asset-Backed Income Fund (since 2025)

Name and Year of Birth	Position(s) Held with the Fund	Term of Office and Length of Time Served[1]	Principal Occupation(s) During the Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee[2]	Other Directorships Held by Trustee During the Past 5 Years
Jeannette L. Lewis Year of Birth: 1963	Trustee	Indefinite Term; Since November 2025	Founder, J Lewis Consulting Services, L.L.C. (since 2024); Associate General Counsel, William Blair & Company, L.L.C. (October 2014–September 2023)	1	Rockefeller Municipal Opportunities Fund (since 2024); Origin Real Estate Credit Fund (since 2025); Regan Capital Alternative Income Fund (since 2025); and LibreMax Asset-Backed Income Fund (since 2025)
Marie C. Winters Year of Birth: 1952	Trustee	Indefinite Term; Since November 2025	Senior Vice President, Co-Head of Corporate Credit Research, Northern Trust Asset Management (2014–2022)	1	Rockefeller Municipal Opportunities Fund (since 2024); Regan Capital Alternative Income Fund (since 2025); and LibreMax Asset-Backed Income Fund (since 2025)

(1) Under the Fund's Declaration, a Trustee serves during the continued lifetime of the Fund until he or she dies, retires, resigns or is removed, or, if sooner, until the election and qualification of such Trustee's successor.

(2) The term "Fund Complex" as used herein includes the Fund and any other registered investment company (i) that holds itself out to investors as a related company for purposes of investment and investor services; or (ii) for which the Investment Manager, or an affiliate of the Investment Manager, serves as primary investment adviser.

(3) "Independent Trustees" are those Trustees who are not "interested persons" of the Fund (as defined in Section 2(a)(19) of the 1940 Act).

Officers

Name and Year of Birth	Position(s) Held with Fund	Term of Office and Length of Time Served(1)	Principal Occupation(s) During the Past 5 Years
Benjamin J. Eirich Year of Birth: 1981	President and Principal Executive Officer	Indefinite Term; Since November 2025	Vice President, U.S. Bank Global Fund Services (2005–present)
Alyssa M. Bernard Year of Birth: 1988	Secretary	Indefinite Term; Since November 2025	Vice President, U.S. Bank Global Fund Services (2025–present and 2021–2023); General Counsel, Empowered Funds, LLC (2023–2025); Assistant Vice President, U.S. Bank Global Fund Services (2018–2021)
Mark S. Spencer Year of Birth: 1960	Treasurer and Principal Financial Officer	Indefinite Term; Since November 2025	Assistant Vice President, U.S. Bank Global Fund Services (2022–present); Assistant Treasurer for Foresters Investment Management Company (1986–2020); Independent Consultant (financial services) (2020)
Diane K. Miller Year of Birth: 1972	Chief Compliance Officer and Anti-Money Laundering Compliance Officer	Indefinite Term; Since November 2025	Vice President, U.S. Bank Global Fund Services (2023–present); Chief Compliance Officer, Christian Brothers Investment Services (2017–2022)
Zachary C. Stone Year of Birth: 1997	Assistant Treasurer	Indefinite Term; Since November 2025	Officer, U.S. Bank Global Fund Services (2022–present); Mortgage Loan Closer, UW Credit Union (2020–2022)

(1) Under the Bylaws, an officer serves until such Trustee's successor is elected or qualified, or until he or she sooner resigns or is removed. Officers hold office at the pleasure of the Trustees.

Each of the Fund's executive officers is an "interested person" of the Fund (as defined in Section 2(a)(19) of the 1940 Act) because of such executive officer's position(s) set forth in the table above.

Trustee Qualifications

The Board believes that each of the Trustees has the qualifications, experience, attributes, and skills appropriate to such Trustee's service as a Trustee of the Fund considering the Fund's business and structure. The Trustees have substantial business and professional backgrounds that indicate they can critically review, evaluate and assess information provided to them. Certain of these business and professional experiences are set forth in detail in the table above. The Board annually conducts a "self-assessment" wherein the effectiveness of the Board and the individual Trustees is reviewed.

Many of the Trustees' qualifications to serve on the Board involve intangible elements, such as intelligence, integrity, work ethic, the ability to work together, the ability to communicate effectively, the ability to exercise judgment, the ability to ask incisive questions, and commitment to shareholder interests. The Board has determined that the Trustees have the appropriate attributes and experience to serve effectively as Trustees of the Fund. The Board considered, among other factors, the particular types of attributes and experience of each Trustee described below:

P. Bradley Adams — Mr. Adams' experience as a senior executive and an investment professional of an investment adviser, as Chief Executive Officer and Investment Committee member for closed-end and interval funds, and as Chief Financial Officer, Treasurer and Principal Accounting Officer for closed-end funds, as well as his experience as a mutual fund trustee.

Stephen P. Ban — Mr. Ban's experience as a senior executive of an investment adviser, as a senior executive of a wealth management firm, and as a professor of finance, as well as his experience as a senior advisor of a non-profit organization.

Jeannette L. Lewis — Ms. Lewis' professional training and experience as an attorney, as well as her experience as an entrepreneur and consultant in the financial services industry and as legal counsel to investment advisers.

Marie C. Winters — Ms. Winters' experience as a senior executive and an investment professional of an investment adviser.

Committees of the Board of Trustees

Audit Committee. The Fund has an Audit Committee, which is composed of Messrs. Adams and Ban and Mses. Lewis and Winters, each of whom is an Independent Trustee. The Audit Committee (1) provides oversight with respect to the Fund's accounting and financial reporting policies and procedures, the integrity of the Fund's financial statements, the independent registered public accounting firm's qualifications, independence and performance, and the internal audit function; (2) determines the selection of the independent registered public accounting firm for the Fund; (3) approves all audit and permissible non-audited services that are provided to the Fund by the independent registered public accounting firm; and (4) approves certain non-audit services provided by the independent registered public accounting firm to the Investment Manager and certain affiliated entities. P. Bradley Adams serves as the Audit Committee Chair and is designated as the Audit Committee's "audit committee financial expert." Because the Fund has not yet commenced operations, the Audit Committee has not yet met or taken any action with respect to the Fund as of the date of this SAI.

Nominating and Governance Committee. The Fund has a Nominating and Governance Committee, which is composed of Messrs. Adams and Ban and Mses. Lewis and Winters, each of whom is an Independent Trustee. The Nominating and Governance Committee is responsible for selecting individuals who would qualify to serve as Independent Trustees, nominating trustees for Board membership, reviewing committee membership, reviewing insurance arrangements, reviewing Independent Trustee compensation and overseeing the administration of Board governance policies. The Nominating and Governance Committee considers criteria for selecting candidates sufficient to identify a diverse group of qualified individuals to serve as trustees.

The Nominating and Governance Committee will consider trustee nominees recommended by shareholders for vacancies or newly created trustee positions on the Board. Recommendations by shareholders for consideration by the Nominating and Governance Committee should be sent in writing to the Fund, to the attention of the Secretary of the Fund, at the address of the principal executive offices of the Fund (a "Shareholder Recommendation"). The procedures a shareholder must follow to submit a Shareholder Recommendation, as well as the required information to be included in a Shareholder Recommendation, are set forth in Appendix A to the Fund's Nominating and Governance Committee Charter, which is attached as Appendix A to this SAI. Shareholder Recommendations will be accepted on an ongoing basis and such recommendations will be kept on file for consideration when there is a vacancy or a newly created trustee position on the Board.

Marie C. Winters serves as the Nominating and Governance Committee Chair. Because the Fund has not yet commenced operations, the Nominating and Governance Committee has not yet met or taken any action with respect to the Fund as of the date of the SAI.

Securities Ownership

For each Trustee, the following table discloses the dollar range of equity securities in the Fund beneficially owned by the Trustee and, on an aggregate basis, in any registered investment companies overseen by the Trustee within the Fund's family of investment companies as of December 31, 2025:

Name of Trustee	Dollar Range of Equity Securities in the Fund	Aggregate Dollar Range of Equity Securities in All Registered Investment Companies Overseen by Trustee in Family of Investment Companies
Independent Trustees		
P. Bradley Adams	None	None
Stephen P. Ban	None	None
Jeanette L. Lewis	None	None
Marie C. Winters	None	None

To the Fund's knowledge, as of the date of this SAI, the Trustees and their immediate family members did not own securities beneficially in an investment adviser or principal underwriter of the Fund, or a person (other than a registered investment company) directly or indirectly controlling, controlled by or under common control with an investment adviser or principal underwriter of the Fund.

The Fund had not commenced operations as of the date of this SAI; accordingly, the Fund's officers and Trustees did not own any outstanding Common Shares. Prior to the date of this SAI, there were no Common Shares outstanding.

Trustees' Compensation

Each Independent Trustee receives an annual retainer of $14,000 for such Trustee's service on the Board of the Fund, payable quarterly; the Independent Board Chair receives an additional annual retainer of $2,500, payable quarterly; the Audit Committee Chair receives an additional annual retainer of $1,500, payable quarterly; and the Nominating and Governance Committee Chair receives an additional annual retainer of $1,000, payable quarterly. The Fund has no employees.

The Trustees do not currently receive any pension or retirement benefits from the Fund or the Fund Complex.

Codes of Ethics

The Fund and the Investment Manager have each adopted a code of ethics under Rule 17j-1 under the 1940 Act. These codes permit personnel subject to the codes to invest in securities, including securities that may be purchased or held by the Fund. The codes of ethics are available on the EDGAR Database on the SEC's Internet site at http://www.sec.gov, and copies may be obtained, after paying a duplicating fee, by electronic request at the following email address: publicinfo@sec.gov. The Fund's principal underwriter is not required to adopt a code of ethics pursuant to the exception provided in Rule 17j-1(c)(3) under the 1940 Act.

PORTFOLIO MANAGERS

Other Accounts Managed

The portfolio managers who are jointly and primarily responsible for the day-to-day management of the Fund also manage the other registered investment companies, other pooled investment vehicles and/or other accounts indicated below. The following table identifies, as of the date of this SAI: (i) the number of other registered investment companies, pooled investment vehicles and other accounts managed by the portfolio managers (exclusive of the Fund); and (ii) the total assets of such other companies, vehicles and accounts, and the number and total assets of such companies, vehicles and accounts with respect to which the management fee is based on performance. Information is provided as of December 31, 2025 unless otherwise indicated:

	Total Number of Other Accounts	Total Assets of All Other Accounts	Number of Other Accounts Paying a Performance Fee	Total Assets of Other Accounts Paying a Performance Fee
C. Robert Boyd				
Registered Investment Companies	3	$1,361,371,384	0	$0
Other Pooled Investment Vehicles	1	$100,839,937	1	$100,839,937
Other Accounts	16	$9,351,305,278	10	$3,998,982,141
Ying Qiu				
Registered Investment Companies	9	$5,377,807,095	0	$0
Other Pooled Investment Vehicles	2	$158,382,246	1	$100,839,937
Other Accounts	26	$6,980,005,792	0	$0
Andrew Ross				
Registered Investment Companies	0	$0	0	$0
Other Pooled Investment Vehicles	1	$100,839,937	1	$100,839,937
Other Accounts	7	$5,406,870,991	0	$0

Conflicts of Interest

Aristotle Pacific may manage client assets with similar investment strategies, creating the potential for conflicts of interest as the fees for managing client accounts may differ from one another. As a registered investment adviser and a fiduciary, Aristotle Pacific exercises due care to ensure that investment opportunities are allocated equitably among all participating clients.

In general, investment decisions for each client will be made independently from those of other clients, with specific reference to the individual needs and objectives of each client. Different account guidelines and/or differences within particular investment strategies may lead to the use of different investment practices for client accounts within a similar investment strategy. In addition, Aristotle Pacific will not necessarily purchase or sell the same securities at the same time or in the same proportionate amounts for all accounts, particularly if different accounts have materially different amounts of capital under management by Aristotle Pacific or different amounts of investable cash available. As a result, although Aristotle Pacific manages multiple accounts with similar or identical investment goals, or may manage accounts with different objectives that trade in the same securities, the portfolio management decisions relating to these accounts, and the performance resulting from such decisions, may differ from account to account. Aristotle Pacific has implemented policies and procedures to address trade allocation and aggregation decisions. These policies and procedures seek to ensure fair and equitable treatment of all participating clients over time. The policies and procedures include compliance monitoring and oversight of allocation and aggregation practices.

Portfolio Manager Compensation

The overall objective of the compensation program for portfolio managers is for Aristotle Pacific to attract competent and expert investment professionals and to retain them over the long-term. Compensation is comprised of several components which, in the aggregate, are designed to achieve these objectives and to reward the portfolio managers for their contributions to the success of their clients and Aristotle Pacific. Aristotle Pacific's portfolio managers are generally compensated with a base salary, discretionary year-end bonuses, and, in certain circumstances, equity. Their discretionary bonuses are determined by senior management based on a subjective evaluation of, for example but without limitation, their contribution to the performance of the Funds and other accounts that they manage, their contributions to the quality of research and investment ideas generated by Aristotle Pacific, an individual's contribution to company objectives, and the overall financial condition of the firm. Equity participation is determined by senior management based on each professional's contribution to long-term performance. Compensation is not specifically based on assets under management.

Securities Ownership

As of the date of this SAI, the portfolio managers did not own shares of the Fund.

Proxy Voting Policies and Procedures

The Board has adopted Proxy Voting Policies and Procedures (the "Policies") on behalf of the Fund which delegate the responsibility for voting proxies to the Investment Manager, subject to the Board's oversight. The Policies require that the Investment Manager vote proxies received in a manner consistent with the best interests of the Fund. The Policies also require the Investment Manager to present to the Board, at least annually, the Investment Manager's Policies and a report on the resolution of all proxies identified by the Investment Manager as involving a conflict of interest.

The Investment Manager generally will vote such proxies when they arise. To the extent the Investment Manager determines that it is in the best interest of clients to abstain from voting, the Investment Manager CCO will document the basis for such decisions.

The Investment Manager will make all preliminary determinations as to how to vote proxies related to securities in the portfolio. The Investment Manager will analyze the merits of each proxy to determine how the Investment Manager should vote. The Investment Manager will determine if there are any potential conflicts of interest raised by voting recommendations. Examples of potential conflicts of interest include:

- Voting in accordance with the Investment Manager's recommendation where the proxy company or one of its benefit plans has an institutional separate account relationship with the Investment Manager or a large investment in one of the Investment Manager's investment funds;
- The Investment Manager having a material business relationship with a proponent of a proxy proposal, participants in a proxy contest or directors or nominee directors of a portfolio company; and
- An employee of the Investment Manager having a personal interest in the outcome of a particular proxy proposal.
- If a conflict is perceived to be material, the Investment Manager may resolve such conflict by delegating the voting decision to an independent third party or otherwise in accordance with its procedures.

When available, information on how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 will be available (1) without charge, upon request, by calling 855-522-4385, (2) at www.aristotlepacific.com/cef or (3) on the SEC's website at www.sec.gov.

The Proxy Voting Policy of the Investment Manager is set forth in Appendix B.

DISTRIBUTION OF FUND SHARES

Foreside Financial Services, LLC, a wholly owned subsidiary of Foreside Financial Group, LLC (dba ACA Group) (the "Distributor"), is the principal underwriter and distributor of the Fund's shares pursuant to a distribution agreement (the "Distribution Agreement") with the Fund. The Distributor, located at 190 Middle Street, Suite 301, Portland, Maine 04101, is a broker-dealer registered with the SEC and is a member of FINRA. All account inquiries should be mailed to the Fund's transfer agent and should not be mailed to the Distributor.

The Distributor acts as the distributor of Common Shares for the Fund on a best-efforts basis (meaning the Distributor shall use commercially reasonable efforts to distribute the Common Shares), subject to various conditions, pursuant to the terms of the Distribution Agreement. The Distributor is not obligated to sell any specific amount of Common Shares of the Fund. Common Shares of the Fund are continuously offered through the Distributor. As discussed below, the Fund may authorize one or more intermediaries (e.g., broker-dealers and other financial firms) to receive orders on its behalf. The Common Shares will be offered at NAV per share (plus any applicable sales charge) calculated each regular business day. Please see "Net Asset Value" below.

The Fund and the Distributor each reserve the right, in their sole discretion, to suspend the offering of shares of the Fund or to reject any purchase order, in whole or in part, when, in the judgment of management, such suspension or rejection is in the best interests of the Fund or for other reasons such as compliance with anti-money laundering or sanctions obligations and requirements.

The Fund generally does not offer or sell its shares outside of the United States, except to certain investors in approved jurisdictions and in conformity with local legal requirements.

Common Shares are not listed for trading on any securities exchange. There is currently no secondary market for the Common Shares and the Fund does not anticipate that a secondary market will develop for its Common Shares. Investors should consider Common Shares of the Fund to be an illiquid investment. Neither the Investment Manager nor the Distributor intends to make a market in the Common Shares.

The Distribution Agreement became effective upon the Distributor's commencement of services as the principal underwriter of the Fund for the distribution of Shares of the Fund and will continue in effect for an initial two-year term. Thereafter, the Distribution Agreement continues in effect from year to year provided such continuance is specifically approved at least annually by (i) the vote of a majority of the outstanding voting securities of the Fund or a majority of the Board and (ii) the vote of a majority of the Independent Trustees of the Fund, cast in person at a meeting called for the purpose of voting on such approval.

Pursuant to the Distribution Agreement, the Fund has agreed to indemnify the Distributor and certain of the Distributor's affiliates against certain liabilities, including certain liabilities arising under the 1933 Act. Pursuant to the Distribution Agreement, and to the extent consistent with applicable law, the Distributor has agreed to indemnify the Fund and each Trustee against certain liabilities, including certain liabilities under the 1933 Act and in connection with the services rendered to the Fund.

Share Classes

The Fund has been granted exemptive relief by the SEC that permits the Fund to issue multiple classes of its shares and to impose distribution and shareholder servicing fees. The Fund has adopted a multiple class plan pursuant to Rule 18f-3 under the 1940 Act. Although the Fund is not an open-end investment company, it has undertaken to comply with the terms of Rule 18f-3 as a condition of the exemptive relief. Under the multiple class plan, shares of each class of the Fund represent an equal pro rata interest in the Fund and, generally, have identical voting, dividend, liquidation and other rights, preferences, powers, restrictions, limitations, qualifications and terms and conditions, except that: (a) each class has a different designation; (b) each class of shares bears any class-specific expenses; and (c) each class shall have separate voting rights on any matter submitted to shareholders in which the interests of one class differ from the interests of any other class, and shall have exclusive voting rights on any matter submitted to shareholders that relates solely to that class.

Each share class represents an investment in the same portfolio of investments, but each class has its own expense structure and arrangements for shareholder services or distribution, which allows you to choose the class that best fits your situation and eligibility requirements.

Class I Shares: The minimum initial investment is $100,000 per account.

Class I-2 Shares: The minimum initial investment is $2,500 per account.

Distribution and Servicing Plans

The Fund has adopted a plan pursuant to Rule 12b-1 for the Fund's Class I-2 Shares that would allow the Fund to pay fees for the sale, distribution and servicing of its Class I-2 Shares (the "Distribution and Service Plan"). The Distribution and Service Plan provides for a distribution and shareholder servicing fee of up to 0.75% of the Class I-2 Shares' average daily net assets (0.25% is characterized as a "shareholder service fee" and the remaining portion is characterized as a "distribution fee"). Because these fees are paid out over the life of the Fund's Class I-2 Shares, over time, these fees (to the extent they are accrued and paid) would increase the cost of your investment and may cost you more than paying other types of sales charges. Class I Shares of the Fund are not subject to the distribution and shareholder servicing fee.

The Fund has policies and procedures in place for the monitoring of payments to broker-dealers and other financial intermediaries for distribution-related and non-distribution activities such as sub-transfer agent, administrative, and other shareholder servicing services.

Additional Payments to Dealers

If you purchase Common Shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Common Shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Class I Shares may also be available on brokerage platforms of firms that have agreements with the Fund's Distributor to offer such Common Shares solely when acting as an agent for the investor. An investor transacting in these programs may be required to pay a commission and/or other forms of compensation to the broker. Ask your salesperson or visit your financial intermediary's website for more information.

Service Fees – Other Payments to Third Parties

The Investment Manager, out of its own resources, and without additional cost to the Fund or its shareholders, may provide additional cash payments or non-cash compensation to intermediaries who sell Common Shares of the Fund. Such payments and compensation are in addition to Rule 12b-1 distribution and shareholder servicing fees paid by the Fund. These additional cash payments are generally made to intermediaries that provide shareholder servicing, marketing support and/or access to sales meetings, sales representatives and management representatives of the intermediary. Cash compensation may also be paid to intermediaries for inclusion of the Fund on a sales list, in other sales programs or as an expense reimbursement in cases where the intermediary provides shareholder services to the Fund's shareholders. The Investment Manager may also pay cash compensation in the form of finder's fees that vary depending on the dollar amount of the Common Shares sold.

Purchasing Shares

The following section provides basic information about how to purchase Common Shares of the Fund. The Fund typically does not offer or sell its shares to non-U.S. residents. For purposes of this policy, a U.S. resident is defined as an account with (i) a U.S. address of record and (ii) all account owners residing in the United States at the time of sale.

The Fund and the Distributor each reserve the right, in their sole discretion, to suspend the offering of shares of the Fund or to reject any purchase order, in whole or in part, when, in the judgment of management, such suspension or rejection is in the best interests of the Fund or for other reasons such as compliance with anti-money laundering or sanctions obligations and requirements.

Shares Purchased or Held Through Financial Intermediaries

The availability of sales charge waivers and discounts may depend on the particular financial intermediary or type of account through which you purchase or hold Fund shares. The Fund's sales charge waivers and discounts disclosed above are available for qualifying purchases and are generally available through financial firms.

If you buy Common Shares through certain financial firms, they may directly charge you transaction or other fees in such amount as they may determine. Please consult your financial firm for additional information.

Additional Information about Purchases. Common Shares may be purchased at a price equal to their net asset value per share, plus any applicable sales charge, next determined after receipt of an order. Under normal circumstances, all purchase orders received by the Fund or its designee prior to the NYSE Close on a regular business day are processed at that day's offering price. An order received after the NYSE Close will be effected at the offering price determined on the next business day. However, orders received by the Fund or its designee after the offering price is determined that day from financial firms or certain retirement plans will receive such offering price if the orders were received by the financial firm or retirement plan from its customer or participant prior to such offering price determination and were transmitted to and received by the Fund or its designee prior to such time as agreed upon in accordance with an agreement or as allowed by applicable law. Purchase orders will be accepted only on days on which the Fund is open for business. If a purchase order is received on a day when the Fund is not open for business, it will be processed on the next succeeding day the Fund is open for business (according to the succeeding day's net asset value). The Fund is "open for business" on each day the NYSE is open for trading, which excludes the following holidays: New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. On any day that regular trading on the NYSE closes earlier than scheduled, the Fund reserves the right to: (i) advance the time as of which the NAV is calculated and, therefore, the time by which purchase orders must be received to receive that day's NAV or (ii) accept purchase orders until, and calculate its NAV as of, the normally scheduled NYSE Close. On any day that the NYSE is closed when it would normally be open for business, the Fund may accept purchase orders until, and calculate its NAV as of, the normally scheduled close of regular trading on the NYSE or such other time that the Fund may determine.

The Fund reserves the right to close if the primary trading markets of the Fund's portfolio instruments are closed and the Fund's management believes that there is not an adequate market to meet purchase requests. On any business day when the Securities Industry and Financial Markets Association recommends that the securities markets close trading early, the Fund may close trading early. Purchase orders will be accepted only on days on which the Fund is open for business.

REPURCHASE OF COMMON SHARES

To provide some liquidity to shareholders, the Fund makes quarterly offers to repurchase between 5% and 25% of its outstanding Common Shares at net asset value. Although the policy permits repurchase of between 5% and 25% of the Fund's outstanding Common Shares, for each quarterly repurchase offer, the Fund currently expects to offer to repurchase 7.5% of the Fund's outstanding Common Shares at NAV, subject to approval of the Board. Notices of each quarterly repurchase offer are sent to shareholders at least 21 days and not more than 42 days before the "Repurchase Request Deadline" (i.e., the date by which shareholders can tender their Common Shares in response to a repurchase offer). The Fund determines the NAV applicable to repurchases no later than 14 days after the Repurchase Request Deadline (or the next business day if the 14th day is not a business day) (the "Repurchase Pricing Date"). The Fund expects to distribute payment to shareholders within three business days after the Repurchase Pricing Date and will distribute such payment no later than seven calendar days after such date. Common Shares are not listed on any securities exchange, and the Fund anticipates that no secondary market will develop for its Common Shares. Investors should consider Common Shares of the Fund to be an illiquid investment. Accordingly, you may not be able to sell Common Shares when and/or in the amount that you desire. Thus, Common Shares are appropriate only as a long-term investment. In addition, the Fund's repurchase offers may subject the Fund and shareholders to special risks.

The section entitled "Periodic Repurchase Offers" in the Prospectus discusses the type and timing of notice for repurchase offers, the effects of oversubscribed repurchase offers, the determination of the repurchase price, payment by the Fund for Common Shares tendered in a repurchase offer, the effect of repurchase policies on the liquidity of the Fund, the consequence of repurchase offers and other details regarding the repurchase offers, including associated risks. The Fund's fundamental policies with respect to repurchase offers are discussed in "Investment Restrictions" in this SAI.

The Prospectus describes of the risks associated with the Fund's repurchase offers. In addition, the repurchase of Common Shares by the Fund will be a taxable event to shareholders. For a discussion of these tax consequences, see "Taxation" below.

In addition to the Fund's policy to make periodic repurchase offers as described above, the Board may consider additional repurchases of its Common Shares on the open market or in private transactions, the making of a tender offer for such shares, or the conversion of the Fund to an open-end investment company. The Fund cannot assure you that the Board will decide to take or propose any of these actions.

Subject to its investment limitations, the Fund may borrow to finance the repurchase of shares or to make a tender offer. Interest on any borrowings to finance share repurchase transactions or the accumulation of cash by the Fund in anticipation of share repurchases or tenders will reduce the Fund's net income and gains. Any share repurchases, tender offers or borrowings that might be approved by the Board would have to comply with the 1940 Act and the rules and regulations thereunder and other applicable law.

Notwithstanding the foregoing, at any time when the Fund's preferred shares are outstanding, the Fund may not purchase, redeem or otherwise acquire for consideration any of its Common Shares unless and only if: (i) immediately after such transaction, the Fund would satisfy the asset coverage with respect to the preferred shares required by the Investment Company Act; (ii) full cumulative dividends on the preferred shares on or prior to the date of the transaction have been declared and paid (or have been declared and sufficient funds for the payment thereof have been deposited with the paying agent for the preferred shares); and (iii) the Fund has deposited sufficient deposit securities with respect to the preferred shares to be redeemed for which a notice of redemption has been given or was required.

PORTFOLIO TRANSACTIONS AND BROKERAGE

Pursuant to the agreement between the Investment Manager and the Fund (the "Investment Management Agreement"), the Investment Manager determines which securities are to be purchased and sold by the Fund and which broker-dealers are eligible to execute the Fund's portfolio transactions. Purchases of portfolio securities for the Fund also may be made directly from issuers or from underwriters. Where possible, purchase and sale transactions will be effected through dealers (including banks) which specialize in the types of securities which the Fund will be holding, unless better executions are available elsewhere.

In placing portfolio transactions, the Investment Manager will seek best execution. The full range and quality of services available will be considered in making these determinations, such as the size of the order, the difficulty of execution, the operational facilities of the firm involved, the firm's risk in positioning a block of securities and other factors. In those instances where it is reasonably determined that more than one broker-dealer can offer the services needed to obtain the most favorable price and execution available, consideration may be given to those broker-dealers which furnish or supply research and statistical information to the Investment Manager that it may lawfully and appropriately use in its investment advisory capacities, as well as provide other services in addition to execution services. The Investment Manager considers such information, which is in addition to and not in lieu of the services required to be performed by it under the Investment Management Agreement, to be useful in varying degrees, but of indeterminable value. Portfolio transactions may be placed with broker-dealers who sell shares of the Fund subject to rules adopted by the FINRA and the SEC.

While it is the Investment Manager's general policy to first seek to obtain the most favorable price and execution available in selecting a broker-dealer to execute portfolio transactions for the Fund, in accordance with Section 28(e) under the Securities and Exchange Act of 1934, when it is determined that more than one broker can deliver best execution, weight is also given to the ability of a broker-dealer to furnish brokerage and research services to the Fund or to the Investment Manager, even if the specific services are not directly useful to the Fund and may be useful to the Investment Manager in advising other clients. In negotiating commissions with a broker or evaluating the spread to be paid to a dealer, the Fund may therefore pay a higher commission or spread than would be the case if no weight were given to the furnishing of these supplemental services, provided that the amount of such commission or spread has been determined in good faith by the Investment Manager to be reasonable in relation to the value of the brokerage and/or research services provided by such broker-dealer.

Investment decisions for the Fund are made independently from those of other client accounts or funds managed or advised by the Investment Manager. Nevertheless, it is possible that at times identical securities will be acceptable for both the Fund and one or more of such client accounts or funds. In such event, the position of the Fund and such client account(s) or funds in the same issuer may vary and the length of time that each may choose to hold its investment in the same issuer may likewise vary. However, to the extent any of these client accounts or funds seek to acquire the same security as the Fund at the same time, the Fund may not be able to acquire as large a portion of such security as it desires, or it may have to pay a higher price or obtain a lower yield for such security. Similarly, the Fund may not be able to obtain as high a price for, or as large an execution of, an order to sell any particular security at the same time. If one or more of such client accounts or funds simultaneously purchases or sells the same security that the Fund is purchasing or selling, each day's transactions in such security will be allocated between the Fund and all such client accounts or funds in a manner deemed fair and reasonable by the Investment Manager, taking into account the respective sizes of the accounts and the amount of cash available for investment, the investment objective of the account, and the ease with which a client's appropriate amount can be bought, as well as the liquidity and volatility of the account and the urgency involved in making an investment decision for the client. It is recognized that in some cases this system could have a detrimental effect on the price or value of the security insofar as the Fund is concerned. In other cases, however, it is believed that the ability of the Fund to participate in volume transactions may produce better executions for the Fund.

The Fund is new and has not paid any brokerage commissions, including any commissions on brokerage transactions directed to brokers pursuant to an agreement or understanding whereby the broker provides research or other brokerage services to the Investment Manager, as of the date of this SAI. The Fund did not own securities of its regular broker-dealers or their parent companies as of the date of this SAI.

DESCRIPTION OF CAPITAL STRUCTURE AND SHARES

The following is a brief description of the capital structure of the Fund. This description does not purport to be complete and is subject to and qualified in its entirety by reference to the Declaration and the Fund's Bylaws, as amended and restated through the date hereof (the "Bylaws"). The Declaration and Bylaws are on file with the SEC as an exhibit to the Fund's registration statement, of which this SAI is a part.

The Fund is a statutory trust established under the laws of the State of Delaware on September 5, 2025. The Declaration provides that the Trustees of the Fund may authorize separate classes of shares of beneficial interest.

Common Shares

The Declaration authorizes the issuance of an unlimited number of Common Shares. The Common Shares will be issued with no par value per share. The fees and expenses for the Fund are set forth in "Summary of Fund Expenses" in the Prospectus. See also "Plan of Distribution" in the Prospectus.

Holders of the Fund's Common Shares ("Common Shareholders") will be entitled to the payment of dividends and other distributions when, as and if declared by the Board. All Common Shares have equal rights to the payment of dividends and the distribution of assets upon liquidation. Common Shares will, when issued, be fully paid and, subject to matters discussed in "Anti-Takeover and Other Provisions in the Declaration of Trust," non-assessable, and will have no pre-emptive rights, rights to cumulative voting or, unless authorized by the Trustees, conversion rights. Upon liquidation of the Fund, after paying or adequately providing for the payment of all liabilities of the Fund, and upon receipt of such releases, indemnities, and refunding agreements as they deem necessary for their protection, the Trustees may distribute the remaining assets of the Fund among the Fund's Common Shareholders.

The Fund does not intend to hold annual meetings of shareholders. If the Fund does hold a meeting of shareholders, Common Shares of the Fund entitle their holders to one vote for each Common Share held. Each fractional share shall be entitled to a proportionate fractional vote.

The Fund will send semi-annual unaudited financial statements and audited annual financial statements to its Common Shareholders.

The Common Shares are not, and are not expected to be, listed for trading on any national securities exchange nor is there expected to be any secondary trading market in the Common Shares.

Preferred Shares

The Declaration authorizes the issuance of an unlimited number of preferred shares. Preferred shares may be issued in one or more classes or series, with no par value and such rights as determined by the Board, by action of the Board without the approval of the Common Shareholders. Section 18 of the 1940 Act currently requires that the Fund have an asset coverage of 300% upon the issuance of senior securities representing indebtedness and an asset coverage of 200% upon the issuance senior equity securities, such as preferred shares. In addition, under Section 18, no dividends of shares or preferred shares, as applicable, may be paid by the Fund unless the Fund has the foregoing asset coverages. Section 18 also requires that preferred shareholders of the Fund have the right, as a class, to elect at least two Trustees at all times and to elect a majority of the Trustees in the event two full years' dividends on the preferred shares are unpaid.

ANTI-TAKEOVER AND OTHER PROVISIONS IN THE DECLARATION OF TRUST

Anti-Takeover Provisions

The Declaration includes provisions that could limit the ability of other entities or persons to acquire control of the Fund.

The Declaration requires the majority of the Board to act in order to authorize certain Fund transactions not in the ordinary course of business, including a merger, reorganization, conversion, consolidation, sale, lease or exchange. Any such merger, reorganization, conversion, consolidation, sale, lease, or exchange shall not require the vote of the shareholders unless such vote is required by the 1940 Act, or unless such merger, reorganization, consolidation or other transaction would result in an amendment of the Declaration which would otherwise require approval of shareholders. Also, the Declaration provides that the Fund may be terminated without shareholder approval with consent of a majority of the Board unless such approval is required by the 1940 Act.

The overall effect of these provisions is to render more difficult the accomplishment of a merger or the assumption of control of the Fund by a third party. These provisions also provide, however, the advantage of potentially requiring persons seeking control of the Fund to negotiate with its management regarding the price to be paid and facilitating the continuity of the Fund's investment objective and policies. The Board has considered the foregoing anti-takeover provisions and concluded that they are in the best interests of the Fund and its shareholders, including Common Shareholders.

The foregoing is intended only as a summary, and is qualified in its entirety by reference to the full text of the Declaration. The Declaration is on file with the SEC as an exhibit to the Fund's registration statement, of which this SAI is a part.

Shareholder Liability

Under Delaware law, the shareholders of the Fund are not generally subject to liability for the debts or obligations of the Fund. However, no similar statutory or other authority limiting statutory trust shareholder liability exists in other states. As a result, to the extent that a Delaware statutory trust or a shareholder is subject to the jurisdiction of courts of such other states, the courts may not apply Delaware law and may thereby subject the Delaware statutory trust or shareholders to liability. To guard against this risk, the Declaration contains an express disclaimer of shareholder liability for acts or obligations of the Fund. The Declaration provides for indemnification by the Fund for all loss suffered and expense incurred by a shareholder arising from such liability. The Declaration also provides that the Fund shall, upon request by a shareholder, assume the defense of any claim made against the shareholder for any act or obligation of the Fund and satisfy any judgment thereon. In view of the above, the risk of personal liability of shareholders of a Delaware statutory trust is remote.

Liability of Trustees

The Declaration provides that the obligations of the Fund are not binding upon the Trustees of the Fund individually, but only upon the assets and property of the Fund. The Declaration provides further that a Trustee or officer shall be liable for such Trustee's own willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of the office of Trustee or such duties of an officer. No provision of the Declaration, however, shall limit or eliminate any duty under the federal securities laws that a Trustee or officer owes to the Fund with respect to claims asserted under the federal securities laws.

Forum for Adjudication of Disputes

The Declaration provides, unless the Fund, at its sole discretion, selects and/or consents to an alternative forum for any claims, suits, actions or proceedings relating in any way to the Fund, that, in accordance with Section 3804(e) of the Delaware Statutory Trust Act, any suit, action or proceeding brought by or in the right of any shareholder of the Fund, or any person claiming any interest in any shares of the Fund, or any Trustee or Fund officer, seeking to enforce any provision of, or based on any matter arising out of or in connection with, the Declaration, the Bylaws, the Fund, or any class or any shares, including any claim of any nature against the Fund, any class, the Trustees or officers of the Fund, shall be brought exclusively in the Court of Chancery of the State of Delaware to the extent there is subject matter jurisdiction in such court for the claims asserted or, if not, then in the Superior Court of the State of Delaware.

The Declaration provides that unless the Fund, at its sole discretion, selects and/or consents to an alternative forum for any claims, suits, actions or proceedings relating in any way to the Fund, any claims, suits, actions, or proceedings arising under the Securities Act of 1933, as amended, the 1940 Act, or other federal securities laws shall be exclusively brought in the federal district courts of the United States of America.

The Declaration further provides that each shareholder and other such persons claiming any interest in any shares of the Fund (i) irrevocably submits to the exclusive jurisdiction of such courts (and the appropriate appellate courts, therefrom) in connection with any such claim, suit, action, or proceeding, (ii) irrevocably agrees not to, and waives any right to, assert in any such claim, suit, action, or proceeding that (A) it is not personally subject to the jurisdiction of such courts or any other court to which proceedings in such courts may be appealed, (B) such claim, suit, action, or proceeding is brought in an inconvenient forum, or (C) the venue of such claim, suit, action, or proceeding is improper, (iii) consents to process being served in any such claim, suit, action, or proceeding by mailing, certified mail, return receipt requested, a copy thereof to such party at the address in effect for notices, and agrees that such service shall constitute good and sufficient service of process and notice thereof.

Insofar as the Federal securities laws supersede state law, the provisions in the Trust's Declaration related to exclusive forum described herein do not apply to claims brought under the Federal securities laws to the extent that any such federal securities laws, rules or regulations, do not permit such application.

These forum selection provisions may limit a shareholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with Trustees, officers or other agents of the Fund and its service providers, which may discourage such lawsuits with respect to such claims and increase the costs for a shareholder to pursue such claims. If a court were to find the forum selection provisions contained in the Declaration to be inapplicable or unenforceable in an action, the Fund may incur additional costs associated with resolving such action in other jurisdictions.

Derivative and Direct Claims of Shareholders

The Declaration contains provisions regarding derivative and direct claims of shareholders. No person, other than a Trustee, who is not a shareholder of the Fund, shall be entitled to bring any derivative action, suit or other proceeding on behalf of or with respect to the Fund. Further, each complaining shareholder must have been a shareholder of the Fund at the time of the action or failure to act complained of, or acquired the shares afterwards by operation of law from a person who was a shareholder at that time and each complaining shareholder must be a shareholder of the Fund, as applicable, as of the time the written demand is made upon the Trustees. No shareholder may maintain a derivative action with respect to the Fund unless holders of at least ten percent (10%) of the outstanding shares of the Fund join in the bringing of such action. All matters relating to the bringing of derivative actions in the right of the Fund shall be governed by Article II Section 2.10 of the Declaration and Section 3816 of the Delaware Statutory Trust Act.

In addition to the requirements set forth in Section 3816 of the Delaware Statutory Trust Act, a shareholder may bring a derivative action on behalf of the Fund only if the following conditions are met: (a) the shareholder or shareholders must make a pre-suit written demand upon the Trustees to bring the subject action unless an effort to cause the Trustees to bring such an action is not likely to succeed; and a demand on the Trustees shall only be deemed not likely to succeed and therefore excused if a majority of the Trustees, or a majority of any committee established to consider the merits of such action, has a personal financial interest in the transaction at issue, and a Trustee shall not be deemed interested in a transaction or otherwise disqualified from ruling on the merits of a shareholder demand by virtue of the fact that such Trustee receives remuneration for his service as a Trustee of the Fund or as a trustee or director of one or more investment companies that are under common management with or otherwise affiliated with the Fund; and (b) unless a demand is not required under clause (a) of this paragraph, the Trustees must be afforded a reasonable amount of time to consider such shareholder request and to investigate the basis of such claim; and the Trustees shall be entitled to retain counsel or other advisers in considering the merits of the request and shall require an undertaking by the shareholders making such request to reimburse the Fund for the expense of any such advisers in the event that the Trustees determine not to bring such action.

The Trustees may designate a committee of one Trustee to consider a shareholder demand if necessary to create a committee with a majority of Trustees who do not have a personal financial interest in the transaction at issue. If the demand for derivative action has been considered by the Board, and a majority of those Trustees who are not deemed to be "interested persons" of the Fund (within the meaning of Section 2(a)(19) of the 1940 Act), after considering the merits of the claim, has determined that maintaining a suit would not be in the best interests of the Fund, the complaining shareholders shall be barred from commencing the derivative action. If upon such consideration the appropriate members of the Board determine that such a suit should be maintained, then the appropriate officers of the Fund shall commence initiation of that suit and such suit shall proceed directly rather than derivatively. The Board, or the appropriate officers of the Fund, shall inform the complaining shareholders of any decision reached under this paragraph in writing within ten business days of such decision having been reached.

These provisions in the Declaration regarding derivative and direct claims of shareholders shall not apply to claims made under federal securities laws.

Conversion To Open-End Fund

Conversion to an open-end company would require the approval of the holders of at least two-thirds of Common Shares, if issued in the future, outstanding at the time, voting together as a single class, and of the holders of at least two-thirds of the Preferred Shares, if issued in the future, outstanding at the time, voting as a separate class, provided, however, that such separate class vote shall be a majority vote if the action in question has previously been approved, adopted or authorized by the affirmative vote of two-thirds of the total number of trustees fixed in accordance with the Declaration of Trust or Bylaws. See "Anti-Takeover and Other Provisions in the Declaration of Trust" in the Prospectus for a discussion of voting requirements applicable to conversion of the Fund to an open-end company. If the Fund converted to an open-end company, it would likely have to significantly reduce any leverage it is then employing, which may require a repositioning of its investment portfolio, which may in turn generate substantial transaction costs, which would be borne by Common Shareholders, and may adversely affect Fund performance and Fund distributions. Shareholders of an open-end investment company may require the company to redeem their shares on any business day (except in certain circumstances as authorized by or under the 1940 Act) at their NAV, less such redemption charge, if any, as might be in effect at the time of redemption The Fund currently expects that any such redemptions would be made in cash. The Fund may charge sales or redemption fees upon conversion to an open-end fund. The Board of Trustees of the Fund may at any time propose conversion of the Fund to an open-end company depending upon its judgment as to the advisability of such action in light of circumstances then prevailing.

NET ASSET VALUE

Net asset value is determined as indicated under "How Fund Shares Are Priced" in the Prospectus. The Fund's net asset value will not be determined on the following holidays: New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

TAXATION

The discussion in the Prospectus and this SAI of U.S. federal income tax consequences of investment in Common Shares of the Fund are based on the Code, U.S. Treasury regulations, court decisions, administrative interpretations, and other applicable authority, as of the date of this SAI. These authorities are subject to change by legislative or administrative action, possibly with retroactive effect, which could affect the continuing validity of this discussion. The following discussion is only a summary of some of the important U.S. federal income tax considerations generally applicable to investments in Common Shares of the Fund. This summary does not purport to be a complete description of the U.S. federal income tax considerations applicable to an investment in Common Shares of the Fund. No attempt is made to present a detailed explanation of the tax treatment of the Fund or its shareholders, and the discussion here and in the Prospectus are not intended as a substitute for careful tax planning. There may be other tax considerations applicable to shareholders. For example, except as otherwise specifically noted herein, we have not described certain tax considerations that may be relevant to certain types of holders subject to special treatment under the U.S. federal income tax laws, including shareholders subject to the U.S. federal alternative minimum tax ("AMT"), insurance companies, tax-exempt organizations, pension plans and trusts, regulated investment companies ("RICs"), dealers in securities, shareholders holding Common Shares through tax-advantaged accounts (such as 401(k) plans or individual retirement accounts), financial institutions, shareholders holding Common Shares as part of a hedge, straddle, or conversion transaction, entities that are not organized under the laws of the United States or a political subdivision thereof, and persons who are neither citizens nor residents of the United States. This summary assumes that investors hold Common Shares as capital assets (within the meaning of the Code). Prospective investors should consult their own tax advisors regarding their situation and the possible U.S. federal, state, local, non-U.S. or other tax law consequences of an investment in the Fund's shares, and any proposed tax law changes.

A "U.S. shareholder" is a beneficial owner of Common Shares that is, for U.S. federal income tax purposes:

- a citizen or individual resident of the United States (including certain former citizens and former long term residents),
- a corporation or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United Stats or any state thereof or the District of Columbia,

- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust with respect to which a court within the United States is able to exercise primary supervision over its administration and one or more United States persons (as such term is defined in the Code) has the authority to control all of its substantial decisions or the trust has made a valid election in effect under applicable Treasury regulations to be treated as a United States person (as such term is defined under the Code).

A "Non-U.S. shareholder" is a beneficial owner of Common Shares that is neither a U.S. shareholder nor a partnership, or entity or arrangement treated as a partnership for U.S. federal income tax purposes.

If a partnership, or an entity or arrangement otherwise treated as a partnership for U.S. federal income tax purposes, holds Common Shares, the tax treatment of a partner or owner of the partnership generally depends upon the status of the partner and the activities of the partnership. Prospective investors who hold Common Shares through a partnership should consult their tax advisors with respect to the purchase, ownership and disposition of Common Shares.

Taxation of the Fund

Election to be Taxed as a RIC. The Fund intends to elect to be treated, and intends each year to qualify, as a RIC under Subchapter M of the Code. As a RIC, the Fund generally will not be subject to U.S federal income tax on any income that the Fund timely distributes to its shareholders from the Fund's tax earnings and profits. To qualify as a RIC, the Fund must, among other things, meet certain source-of-income and asset-diversification requirements (as described below). In addition, in order to maintain RIC tax treatment, the Fund generally must timely distribute to its shareholders, for each taxable year, at least 90% of its "investment company taxable income," which is generally its net ordinary income plus the excess, if any, of realized net short-term capital gains over realized net long-term capital losses (the "Annual Distribution Requirement").

Taxation as a RIC Generally. If the Fund (i) qualifies as a RIC and (ii) satisfies the Annual Distribution Requirement then the Fund will not be subject to U.S. federal income tax on the portion of the Fund's income distributed (or deemed distributed) to shareholders. The Fund will be subject to U.S. federal income tax at the regular corporate rates on any income or capital gains not distributed (or deemed distributed) to its shareholders. The Fund will be subject to a 4% nondeductible U.S. federal excise tax on certain undistributed income unless the Fund distributes, in a timely manner, an amount at least equal to the sum of (i) 98% of the Fund's net ordinary income for each calendar year, (ii) 98.2% of the Fund's capital gain net income for the one-year period ending October 31 in that calendar year and (iii) any ordinary income and net capital gain that the Fund recognized in preceding years, but was not distributed in such preceding years, and on which the Fund paid no U.S. federal income tax, (the "Excise Tax Distribution Requirement"). The Fund generally will endeavor in each taxable year to avoid any U.S. federal excise tax on its earnings.

In order to qualify for the special tax treatment accorded RICs, the Fund must, among other things:

- derive at least 90% of its gross income for each taxable year from (i) dividends, interest, payments with respect to certain securities loans, gains from the sale or other disposition of stock, securities or foreign currencies, or other income (including, but not limited to, gains from options, futures, or forward contracts) derived with respect to its business of investing in such stock, securities, or currencies and (ii) net income derived from interests in "qualified publicly traded partnerships" (as defined below) (the "90% Gross Income Test");
- satisfy the Annual Distribution Requirement; and
- diversify its holdings so that, at the end of each quarter of each taxable year of the Fund, (i) at least 50% of the value of the Fund's total assets consists of cash and cash items, U.S. government securities, securities of other RICs, and other securities limited in respect of any one issuer to a value not greater than 5% of the value of the Fund's total assets and not more than 10% of the outstanding voting securities of such issuer, and (ii) not more than 25% of the value of the Fund's total assets are invested, including through corporations in which the Fund owns a 20% or more voting stock interest, (x) in the securities (other than those of the U.S. government or other RICs) of any one issuer or of two or more issuers that the Fund

controls and that are engaged in the same, similar, or related trades or businesses, or (y) in the securities of one or more qualified publicly traded partnerships (as defined below) (the "Asset Diversification Tests").

Challenges in Satisfying Requirements of RIC Treatment; Investment in CLOs. The Fund's treatment as a RIC may negatively affect the Fund's return by limiting its ability to acquire or continue to hold positions that would otherwise be consistent with its investment strategy or by requiring it to engage in transactions it would otherwise not engage in, resulting in additional transaction costs. For example, the Fund may be required to recognize taxable income for U.S. federal income tax purposes in circumstances in which the Fund does not receive a corresponding payment in cash. For example, if the Fund holds debt obligations that are treated under applicable tax rules as having original issue discount (such as debt instruments with PIK interest or, in certain cases, increasing interest rates or debt instruments that were issued with warrants), the Fund must include in income each year a portion of the original issue discount that accrues over the life of the obligation, regardless of whether cash representing such income is received by the Fund in the same taxable year. Because any original issue discount or other amounts accrued will be included in the Fund's investment company taxable income for the year of the accrual, the Fund may be required to make a distribution to the Fund's shareholders in order to satisfy the Annual Distribution Requirement, even though the Fund will not have received all of the corresponding cash amount. As a result, the Fund may have difficulty meeting the Annual Distribution Requirement necessary to qualify for and maintain RIC tax treatment under the Code, in which case the Fund may have to sell some of the Fund's investments at times or at prices the Fund would not consider advantageous, raise additional debt or equity capital or forgo new investment opportunities for this purpose. If the Fund is not able to obtain cash from other sources, the Fund may fail to qualify for RIC tax treatment and thus become subject to U.S. federal income tax at corporate rates.

As discussed above, the Fund intends to primarily invest in CLOs. The Fund's investments in certain CLOs could cause the Fund to recognize taxable income in excess of the cash generated by such investments (which may require the Fund to liquidate other investments in order to make required distributions). The Fund may be required to recognize taxable income in circumstances in which it does not receive cash, which may require the Fund to make a distribution to its shareholders in order to satisfy the Annual Distribution Requirement or the Excise Tax Distribution Requirement (even though it will not have received any corresponding cash amount).

The Fund may invest (directly or indirectly through an investment in an equity interest in a CLO treated as a partnership for U.S. federal income tax purposes) a portion of its net assets in below-investment grade instruments. Investments in these types of instruments may present special tax issues for the Fund. U.S. federal income tax rules are not entirely clear about issues such as when the Fund may cease to accrue interest, original issue discount or market discount, when and to what extent deductions may be taken for bad debts or worthless instruments, how payments received on obligations in default should be allocated between principal and income and whether exchanges of debt obligations in a bankruptcy or workout context are taxable. These and other issues will be addressed by the Fund to the extent necessary in order to seek to ensure that it distributes sufficient income to avoid becoming subject to U.S. federal income or excise tax.

Some of the CLOs in which the Fund may invest in may constitute "passive foreign investment companies" ("PFICs") for U.S. federal income tax purposes. Because the Fund may acquire interests treated as equity for U.S. federal income tax purposes in PFICs (including CLO Equity and certain CLO Debt in CLOs that are PFICs), the Fund may be subject to U.S. federal income tax on a portion of any "excess distribution" or gain from the disposition of such interests even if such income is distributed as a taxable dividend by the Fund to its shareholders. Additional charges in the nature of interest may be imposed on the Fund in respect of deferred taxes arising from any such excess distributions or gains. If the Fund invests in a PFIC and elects to treat the PFIC as a qualified electing fund ("QEF") in lieu of the foregoing requirements, the Fund will be required to include in income each tax year its proportionate share of the ordinary earnings and net capital gain of the QEF, even if such income is not distributed to the Fund. Alternatively, the Fund can elect to mark-to-market at the end of each tax year (as well as on certain other dates described in the Code) its shares in a PFIC; in this case, the Fund will recognize as ordinary income any increase in the value of such shares, and as an ordinary loss any decrease in such value to the extent it does not exceed prior increases included in our ordinary income. Under either election, the Fund may be required to recognize in a tax year taxable income in excess of its distributions from PFICs and its proceeds from dispositions of PFIC stock during that taxable year, and the Fund may be required to distribute such taxable income in order to satisfy the Excise Tax Distribution Requirement or the Annual Distribution Requirement. Applicable U.S. Treasury regulations generally treat the Fund's income inclusion with respect to a PFIC with respect to which the Fund has made a QEF election as qualifying income for purposes of determining the Fund's ability to be subject to tax as a RIC if (i) there is a current distribution out of the earnings and profits of the PFIC that are attributable to such income inclusion or (ii) such inclusion is derived with respect to our business of investing in stock, securities, or currencies.

Sections 1471-1474 of the Code and the applicable guidance issued thereunder (collectively, "FATCA") generally imposes a U.S. federal withholding tax of 30% on U.S. source periodic payments, including interest and dividends to certain non-U.S. entities, including certain non-U.S. financial institutions and investment funds, unless such non-U.S. entity complies with certain reporting requirements regarding its United States account holders and its United States owners. Some of the CLOs in which the Fund invests may be treated as non-U.S. financial entities for this purpose, and therefore will be required to comply with these reporting requirements to avoid the 30% withholding. If a CLO in which the Fund invest fails to properly comply with these reporting requirements, it could reduce the amounts available to distribute to equity and junior debt holders in such CLO, which could materially and adversely affect the Fund's operating results and cash flows.

Curing RIC Qualification Failures. If the Fund qualifies as a RIC that is accorded special tax treatment, the Fund will generally not be subject to U.S. federal income tax on income or net capital gains (i.e., the excess of net long-term capital gain over net short-term capital loss) distributed in a timely manner to shareholders in the form of dividends (including Capital Gain Dividends, as defined below). If the Fund were to fail to meet the income, diversification, or distribution tests described above, the Fund could in some cases cure such failure, including by paying the Fund-level tax, paying interest, making additional distributions, or disposing of certain assets. If the Fund were ineligible to or otherwise did not cure such failure for any year, or were otherwise to fail to qualify as a RIC accorded special tax treatment for such year, the Fund would be subject to tax on its taxable federal income at corporate rates, and all distributions from earnings and profits, including any distributions of net tax-exempt income and net long-term capital gains, would be taxable to U.S. Common Shareholders as ordinary income. Some portions of such distributions may be eligible for the dividends-received deduction in the case of corporate U.S. shareholders and may be eligible to be treated as "qualified dividend income" in the case of U.S. shareholders taxed as individuals, provided, in both cases, that such U.S. shareholder meets certain holding period and other requirements in respect of their Common Shares (as described below). In addition, the Fund could be required to recognize unrealized gains, pay substantial taxes and interest and make substantial distributions before re-qualifying as a RIC that is accorded special tax treatment.

Net Capital Losses. Capital losses in excess of capital gains ("net capital losses") are not permitted to be deducted against the Fund's net investment income. Instead, potentially subject to certain limitations, for U.S. federal income tax purposes, the Fund may generally carry net capital losses from any taxable year forward to subsequent taxable years to offset its own capital gains, if any, realized during such subsequent taxable years. Capital loss carryforwards are reduced to the extent they offset current-year net realized capital gains, whether the Fund retains or distributes such gains. If the Fund incurs or has incurred net capital losses, to the extent permitted by the Code and applicable U.S. Treasury regulations, those losses will be carried forward to one or more subsequent taxable years without expiration. The Fund must apply such carryforwards first against gains of the same character. Any such carryforward losses will retain their character as short-term or long-term. The Fund's available capital loss carryforwards, if any, will be set forth in its annual shareholder report for each fiscal year.

Determination of Net Capital Gain. In determining its net capital gain, including in connection with determining the amount available to support a Capital Gain Dividend (as defined below), its taxable income and its earnings and profits, a RIC generally may elect to treat part or all of any post-October capital loss (defined as any net capital loss attributable to the portion, if any, of the taxable year after October 31 or, if there is no such loss, the net long-term capital loss or net short-term capital loss attributable to such portion of the taxable year) or late-year ordinary loss (generally, the sum of its (i) net ordinary loss from the sale, exchange or other taxable disposition of property, attributable to the portion, if any, of the taxable year after October 31, and its (ii) other net ordinary loss attributable to the portion, if any, of the taxable year after December 31) as if incurred in the succeeding taxable year.

Excise Tax. If the Fund were to fail to distribute in each calendar year at least an amount equal to the sum of 98% of its ordinary income for such calendar year (not taking into account any capital gains or losses) and 98.2% of its capital gain net income (reduced by certain ordinary losses) for the one-year period generally ending on

October 31 of such calendar year (or November 30 or December 31 of that year if the Fund is permitted to elect and so elects), plus all ordinary income and capital gain net income retained from previous calendar years that were not distributed during such calendar, the Fund would be subject to a nondeductible 4% federal excise tax on the undistributed amounts (the "Excise Tax Distribution Requirement"). For purposes of the Excise Tax Distribution Requirement, a RIC's ordinary gains and losses from the sale, exchange, or other taxable disposition of property that would otherwise be taken into account after October 31 (or November 30 of that year if the RIC makes the election described above) generally are treated as arising on January 1 of the following calendar year; in the case of a RIC with a December 31 year end that makes the election described above, no such gains or losses will be so treated. Also, for these purposes, the Fund will be treated as having distributed any amount on which it is subject to corporate income tax for the taxable year ending within the calendar year. The Fund intends under normal circumstances to generally make distributions sufficient to avoid imposition of the 4% excise tax, although there can be no assurance that it will be able to or will do so.

Taxation of U.S. Shareholders

The Fund intends to declare income dividends monthly and distribute them to Common Shareholders monthly. Unless a shareholder elects otherwise, all distributions will be automatically reinvested in additional Common Shares of the Fund pursuant to the Fund's dividend reinvestment plan (the "Plan"). A U.S. shareholder whose distributions are reinvested in Common Shares under the Plan will be treated for U.S. federal income tax purposes as having received an amount in distribution equal to the fair market value of the Common Shares issued to the U.S. shareholder, which amount will also be equal to the net asset value of such shares. For U.S. federal income tax purposes, all distributions are generally taxable in the manner described below, whether a U.S. shareholder takes them in cash or they are reinvested pursuant to the Plan in additional shares of the Fund.

Distributions. Distributions by the Fund of investment company taxable income (which is, generally, the Fund's net ordinary income plus realized net short-term capital gains in excess of realized net long-term capital losses), whether received in cash or reinvested in shares of the Fund, will generally be taxable to a U.S. shareholder for federal income tax purposes as ordinary income. However, to the extent distributions by the Fund of investment company taxable income are paid to non-corporate U.S. shareholders are attributable to "qualified dividend income" received by the Fund, such distributions may be eligible for a reduce rate of tax applicable to long-term capital gain, provided that the Fund meets certain holding period and other requirements and the Fund furnishes a written statement to Common Shareholders. In general, the Fund does not expect that distributions paid by the Fund will be attributable to dividends and, therefore, generally will not qualify for the reduced rate of tax discussed in this paragraph.

In general, if certain holding period and other requirements are met at both the U.S. shareholder and Fund levels, dividends of net investment income received by corporate U.S. shareholders of the Fund will qualify for the dividends-received deduction generally available to corporations only to the extent of the amount of eligible dividends received by the Fund from domestic corporations for the taxable year. The Fund does not expect a significant portion of distributions to be eligible for the dividends-received deduction.

Any distribution of income that is attributable to (i) income received by the Fund in lieu of dividends with respect to securities on loan pursuant to a securities lending transaction or (ii) dividend income received by the Fund on securities it temporarily purchased from a counterparty pursuant to a repurchase agreement that is treated for U.S. federal income tax purposes as a loan by the Fund, will not constitute qualified dividend income to non-corporate U.S. shareholders and will not be eligible for the dividends-received deduction for corporate U.S. shareholders.

Certain distributions reported by the Fund as Section 163(j) interest dividends may be treated as interest income by shareholders for purposes of the interest expense limitations under Code Section 163(j). Such treatment by a shareholder is generally subject to holding period requirements and other potential limitations, although the holding period requirements are generally not applicable to dividends declared by money market funds and certain other funds that declare dividends daily and pay such dividends on a monthly or more frequent basis. The amount that the Fund is eligible to report as a Section 163(j) dividend for a tax year is generally limited to the excess of the Fund's business interest income over the sum of the Fund's (i) business interest expense and (ii) other deductions properly allocable to the Fund's business interest income. The Fund may choose not to designate Section 163(j) interest dividends.

Taxes on distributions of capital gains by the Fund are determined by how long the Fund owned (or is deemed to have owned) the investments that generated the gains, rather than how long a shareholder has owned their Common Shares. In general, the Fund will recognize long-term capital gain or loss on investments it has owned (or is deemed to have owned) for more than one year, and short-term capital gain or loss on investments it has owned (or is deemed to have owned) for one year or less. U.S. federal income tax rules can alter the Fund's holding period in investments and thereby affect the tax treatment of gain or loss in respect of such investments. Distributions of net capital gain that are properly reported by the Fund as capital gain dividends ("Capital Gain Dividends") will be taxable to U.S. shareholders as long-term capital gains which are currently taxed at reduced rates relative to ordinary income. Distributions of net short-term capital gain (as reduced by any net long-term capital loss for the taxable year) will be taxable to U.S. shareholders as ordinary income.

The Code generally imposes a 3.8% Medicare contribution tax on the net investment income of certain U.S. shareholders that are individuals, trusts and estates to the extent their "modified adjusted gross income" (in the case of an individual) or "adjusted gross income" (in the case of an estate or trust) exceeds certain threshold amounts. For these purposes, "net investment income" generally includes, among other things, (i) distributions paid by the Fund of net investment income and capital gains as described above, and (ii) any net gain from the sale, exchange, or other taxable disposition of Fund shares. Common Shareholders are advised to consult their tax advisors regarding the possible implications of this additional tax on their investment in the Fund.

If, in and with respect to any taxable year, the Fund makes a distribution in excess of its current or accumulated "earnings and profits," the excess distribution will be treated as a return of capital to the extent of (and in reduction of) a shareholder's tax basis in their Common Shares, and thereafter any such amount in excess of that basis will be treated as capital gain. A return of capital distribution is not taxable, but it reduces the shareholder's basis in their shares, thus reducing any capital loss or increasing any capital gain with respect to a U.S. shareholder when the shares are sold.

Distributions are generally taxable for U.S. federal income tax purposes to U.S. shareholders at the time the dividend or distribution is made. A distribution by the Fund will be treated for U.S. federal income tax purposes as paid on December 31 of any calendar year if it is declared by the Fund in October, November, or December and paid by the Fund during January of the following calendar year. Such distributions will be taxable for U.S. federal income tax purposes to U.S. shareholders in the calendar year in which the distributions are declared, rather than the calendar year in which the distributions are received.

As required by federal law, detailed U.S. federal income tax information with respect to each calendar year will be furnished to shareholders early in the succeeding year.

If for any taxable year the Fund were not a "publicly offered" RIC within the meaning of Code Section 67(c)(2)(B), certain of the Fund's direct and indirect expenses would be subject to special "pass-through" rules. Very generally, pursuant to the U.S. Treasury regulations, expenses of a RIC that is not "publicly offered," except those specific to its status as a RIC or separate entity (e.g., registration fees or transfer agency fees), are subject to special "pass-through" rules. These expenses (which include direct and certain indirect advisory fees) are treated as additional dividends to certain Fund shareholders (generally including other RICs that are not "publicly offered," individuals and entities that compute their taxable income in the same manner as an individual) and, under current law, are not deductible by those shareholders that are individuals (or entities that compute their taxable income in the same manner as an individual).

Pass-through of Net Capital Gains. The Fund intends to distribute to its shareholders, at least annually, all or substantially all of its investment company taxable income (computed without regard to the dividends-paid deduction), its net tax-exempt income (if any) and its net capital gain (that is, the excess of net long-term capital gain over net short-term capital loss, in each case determined with reference to any loss carryforwards). Any taxable income, including any net capital gain, retained by the Fund will generally be subject to U.S. federal income tax at the Fund level at regular corporate rates on the amount retained.. If the Fund does not distribute all of its net capital gain for a taxable year, the Fund may elect to treat the Fund's shareholders of record as of the end of the Fund's taxable year as receiving their attributable share of the retained net capital gain in their income for the year. U.S. shareholders would be entitled to a tax credit or refund for the tax deemed paid on their behalf by the Fund. The Fund may treat the cash value of tax credit and refund amount as a substitute for equivalent cash distributions. Tax-exempt U.S. shareholders and Non-U.S. shareholders generally would be entitled to a refund of their attributable share of such federal income taxes deemed paid by the Fund on their behalf upon filing appropriate returns or claims for refund with the IRS. The Fund is not required to, and there can be no assurance that the Fund will, make this designation if it retains all or a portion of its net capital gain in a taxable year.

Sales, Exchanges or Repurchases of Shares. The sale, exchange or repurchase of Common Shares may give rise to a gain or loss. In general, any gain or loss realized upon a taxable disposition of Common Shares treated as a sale or exchange for U.S. federal income tax purposes will be treated as long-term capital gain or loss if the shares have been held for more than 12 months. Otherwise, such gain or loss on the taxable disposition of Common Shares will be treated as short-term capital gain or loss. However, any loss realized upon a taxable disposition of Common Shares held for six months or less will be treated as long-term, rather than short-term, to the extent of any long-term capital gain distributions received (or deemed received) by the shareholder with respect to such Common Shares. All or a portion of any loss realized upon a taxable disposition of Common Shares will be disallowed under the Code's "wash sale" rule if other substantially identical shares of the Fund are purchased within 30 days before or after the disposition. In such a case, the basis of the newly purchased shares will be adjusted to reflect the disallowed loss.

A repurchase by the Fund of a U.S. shareholder's Common Shares pursuant to a repurchase offer (as described in the Prospectus) generally will be treated as a sale or exchange of the Common Shares by such U.S. shareholder provided that (i) the U.S. shareholder tenders, and the Fund repurchases, all of such U.S. shareholder's Common shares (and if the Fund issues preferred shares, such U.S. shareholder does not hold and is not deemed to hold any preferred shares), thereby reducing the U.S. shareholder's percentage ownership of the Fund, whether directly or by attribution under Section 318 of the Code, to 0%, (ii) the U.S. shareholder meets numerical safe harbors under the Code with respect to percentage voting interest and reduction in ownership of the Fund following completion of the repurchase offer, or (iii) the repurchase offer otherwise results in a "meaningful reduction" of the shareholder's ownership percentage interest in the Fund, which determination depends on a particular shareholder's facts and circumstances.

If a tendering U.S. shareholder's proportionate ownership of the Fund (determined after applying the ownership attribution rules under Section 318 of the Code) is not reduced to the extent required under the tests described above, such U.S. shareholder will be deemed to receive a distribution from the Fund under Section 301 of the Code with respect to the shares held (or deemed held under Section 318 of the Code) by the U.S. shareholder after the repurchase offer (a "Section 301 distribution"). The amount of a Section distribution will equal the price paid by the Fund to such U.S. shareholder for the Common Shares sold, and will be taxable as a dividend, i.e., as ordinary income, to the extent of the Fund's current or accumulated earnings and profits allocable to such distribution, with the excess treated as a return of capital reducing the U.S. shareholder's tax basis in the shares held after the repurchase offer, and thereafter as capital gain. In the event a repurchase is treated as a Section 301 distribution, any Fund shares held by a shareholder thereafter will be subject to basis adjustments in accordance with the provisions of the Code.

Provided that no tendering U.S. shareholder is treated as receiving a Section 301 distribution as a result of selling Common Shares pursuant to a particular repurchase offer, U.S. shareholders who do not sell Common Shares pursuant to such repurchase offer will not realize constructive distributions on their Common Shares as a result of other shareholders selling Common Shares in the repurchase offer. In the event that any tendering U.S. shareholder is deemed to receive a Section 301 distribution, it is possible that shareholders whose proportionate ownership of the Fund increases as a result of that repurchase offer, including shareholders who do not tender any shares, will be deemed to receive a constructive distribution under Section 305(c) of the Code in an amount equal to the increase in their percentage ownership of the Fund as a result of the repurchase offer. Such constructive distribution will be treated as a dividend to the extent of current or accumulated earnings and profits allocable to it.

Use of the Fund's cash to repurchase shares may adversely affect the Fund's ability to satisfy the Annual Distribution Requirement or the Excise Tax Distribution Requirement described above. The Fund may also recognize income in connection with the sale of portfolio securities to fund share purchases, in which case the Fund would take any such income into account in determining whether such distribution requirements have been satisfied.

Tax-Exempt U.S. Shareholders

Income of a RIC that would be unrelated business taxable income ("UBTI") if earned directly by a tax-exempt entity will not generally be attributed as UBTI to a tax-exempt U.S. shareholder of the RIC. Notwithstanding this "blocking" effect, a tax-exempt U.S. shareholder could realize UBTI by virtue of its investment in the Fund if shares in the Fund constitute debt-financed property in the hands of the tax-exempt U.S. shareholder within the meaning of Code Section 514(b).

Non-U.S. Shareholders

Distributions by the Fund to Non-U.S. shareholders properly reported by the Fund as (1) Capital Gain Dividends, (2) short-term capital gain dividends, or (3) interest-related dividends, each as defined and subject to certain conditions described below, generally are not subject to withholding of U.S. federal income tax.

The exceptions to withholding for Capital Gain Dividends and short-term capital gain dividends do not apply to distributions to an individual Non-U.S. shareholder who is present in the United States for a period or periods aggregating 183 days or more during the year of the distribution. If the Fund invests in a RIC that pays such distributions to the Fund, such distributions retain their character as not subject to withholding if properly reported when paid by the Fund to Non-U.S. shareholders. The exception to withholding for interest-related dividends does not apply to distributions to a Non-U.S. shareholder (A) that has not provided a satisfactory statement that the beneficial owner is not a United States person, (B) to the extent that the dividend is attributable to certain interest on an obligation if the Non-U.S. shareholder is the issuer or is a 10% shareholder of the issuer, (C) that is within certain foreign countries that have inadequate information exchange with the United States, or (D) to the extent the dividend is attributable to interest paid by a person that is a related person of the Non-U.S. shareholder and the Non-U.S. shareholder is a controlled foreign corporation.

The Fund is permitted to report such part of its dividends as interest-related or short-term capital gain dividends as are eligible but is not required to do so. In the case of shares held through an intermediary, the intermediary may withhold even if the Fund reports all or a portion of a payment as an interest-related or short-term capital gain dividend to shareholders.

Non-U.S. shareholders should contact their intermediaries regarding the application of withholding rules to their accounts.

Distributions by the Fund to Non-U.S. shareholders other than Capital Gain Dividends, short-term capital gain dividends, and interest-related dividends are generally subject to withholding of U.S. federal income tax at a rate of 30% (or lower applicable treaty rate).

A Non-U.S. shareholder is not, in general, subject to U.S. federal income tax on gains (and is not allowed a deduction for losses) realized on the sale of Common Shares unless (i) such gain is effectively connected with the conduct by the foreign shareholder of a trade or business within the United States, or (ii) in the case of a Non-U.S. shareholder that is an individual, the shareholder is present in the United States for a period or periods aggregating 183 days or more during the year of the sale and certain other conditions are met.

Non-U.S. shareholders with respect to whom income from the Fund is effectively connected with a trade or business conducted by the Non-U.S. shareholder within the United States will in general be subject to U.S. federal income tax on the income derived from the Fund at the graduated rates applicable to U.S. citizens, residents or domestic corporations, whether such income is received in cash or reinvested in shares of the Fund and, in the case of a Non-U.S. shareholder that is a corporation, may also be subject to a branch profits tax. If a Non-U.S. shareholder is eligible for the benefits of a tax treaty, any effectively connected income or gain will generally be subject to U.S. federal income tax on a net basis only if it is also attributable to a permanent establishment maintained by the Non-U.S. shareholder in the United States. More generally, Non-U.S. shareholders who are residents in a country with an income tax treaty with the United States may obtain different tax results than those described herein and are urged to consult their tax advisors.

For a Non-U.S. shareholder to qualify for any exemptions from withholding described above or for lower withholding tax rates under income tax treaties, or to establish an exemption from backup withholding, a foreign shareholder must comply with special certification and filing requirements relating to its non-U.S. status (including, in general, furnishing an IRS Form W-8BEN, W-8BEN-E, W-8ECI, or substitute form). Non-U.S. shareholders should consult their tax advisors in this regard.

Special rules (including withholding and reporting requirements) apply to partnerships and those holding Common Shares through partnerships. Such investors shall consult with their tax advisers concerning the consequences of investing in the Fund. Additional considerations may apply to non-U.S. trusts and estates. Investors holding Fund shares through non-U.S. entities should consult their tax advisers about their particular situation.

A Non-U.S. shareholder may be subject to state and local tax and to the U.S. federal estate tax in addition to the U.S. federal income tax referred to above.

Backup Withholding

The Fund is generally required to withhold and remit the legally required backup withholding amount (currently a flat rate of 24%) of taxable distributions, sales proceeds, redemption proceeds, if any, and any other payments paid to any individual shareholder who fails to properly furnish the Fund with a correct taxpayer identification number or social security number, who has under-reported dividend or interest income, or who is otherwise subject to backup withholding. In certain circumstances, the IRS may also require the Fund to backup withhold even when an appropriate taxpayer number or social security number has been provided or certified. The backup withholding rules may also apply to distributions that are properly reported as exempt-interest dividends. Backup withholding is not an additional tax. Any amounts withheld may be credited against the shareholder's U.S. federal income tax liability, provided the appropriate information is timely furnished to the IRS.

Tax Shelter Reporting Regulations

Under Treasury regulations, if a shareholder recognizes a loss of $2 million or more for an individual shareholder or $10 million or more for a corporate shareholder, the shareholder must file with the IRS a disclosure statement on IRS Form 8886. Direct shareholders of portfolio securities are in many cases excepted from this reporting requirement, but under current guidance, shareholders of a RIC are not excepted. Future guidance may extend the current exception from this reporting requirement to shareholders of most or all RICs. The fact that a loss is reportable under these regulations does not affect the legal determination of whether the taxpayer's treatment of the loss is proper. Shareholders should consult their tax advisors to determine the applicability of these regulations in light of their individual circumstances.

Federal Income Tax Risks

Failure to Maintain RIC Tax Treatment. As discussed above, the Fund intends to elect to be taxed as a RIC and intends each year to qualify and be eligible to be treated as such, so that it generally will not be subject to U.S. federal income tax on its net investment income or net short-term or long-term capital gains that is distributed (or deemed distributed), to shareholders. To qualify for and maintain RIC tax treatment, the Fund must, among other things, meet annual distribution, income source and quarterly asset diversification requirements. The Fund may have difficulty complying with these requirements. In particular, if the Fund has equity investments that are treated as partnerships or other pass-through entities for tax purposes, the Fund may not have control over, or receive accurate information about, the underlying income and assets of those investments that are taken into account in determining our compliance with the income source and quarterly asset diversification requirements.

The annual distribution requirement for a RIC will be satisfied if the Fund distributes dividends to its shareholders each taxable year of an amount generally at least equal to 90% of the sum of the Fund's net ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any. The Fund is subject to certain asset coverage requirements under the 1940 Act, and because the Fund intend to use debt financing, the Fund may be subject to financial covenants that could, under certain circumstances, restrict the Fund from making distributions necessary to satisfy the distribution requirement. If the Fund is unable to obtain cash from other sources, the Fund could fail to qualify for RIC tax treatment and thus become subject to corporate-level income.

The income source requirement will be satisfied if the Fund obtains at least 90% of its income for each taxable year from dividends, interest, gains from the sale of the Fund's securities, or similar sources.

The quarterly asset diversification requirement will be satisfied if the Fund meets certain asset composition requirements at the end of each quarter of the Fund's taxable year. Failure to meet those requirements may result in the Fund having to dispose of certain investments quickly in order to prevent the loss of RIC status. Because most of the Fund's investments are expected to be in CLO securities for which there will likely be no active public market, any such dispositions could be made at disadvantageous prices and could result in losses.

If, in any taxable year, the Fund does not qualify as a RIC for any reason, and it was ineligible to or did not otherwise cure such failure, the Fund would be subject to federal income tax on its taxable income at corporate income tax rates and, when such income is distributed, shareholders would be subject to further tax on such distributions to the extent of the Fund's current or accumulated earnings and profits. In such circumstances, the resulting corporate taxes could substantially reduce our net assets, the amount of income available for distribution and the amount of our distributions. In addition to potentially paying substantial taxes, we could also be required to recognize unrealized gains and make substantial distributions before re-qualifying as a RIC.

The Fund's investment strategy will potentially be limited by its intention to continue qualifying for treatment as a RIC and can limit the Fund's ability to continue qualifying as such. The tax treatment of certain of the Fund's investments under one or more of the qualification or distribution tests applicable to regulated investment companies is uncertain. An adverse determination or future guidance by the IRS or a change in law might affect the Fund's ability to qualify or be eligible for treatment as a RIC.

Recognizing Income Before or Without Receiving Cash

For federal income tax purposes, the Fund may be required to recognize taxable income in circumstances in which we do not receive a corresponding payment in cash. For example, if the Fund holds debt obligations that are treated under applicable tax rules as having original issue discount (such as zero-coupon securities, debt instruments with PIK interest or, in certain cases, increasing interest rates or debt instruments that were issued with warrants), the Fund must include in income each year a portion of the original issue discount that accrues over the life of the obligation, regardless of whether cash representing such income is received by us in the same taxable year. The Fund may also have to include in income other amounts that it has not yet received in cash, in particular due to the Fund's investment in CLOs that may be treated as investments in "passive foreign investment companies" ("PFICs"), which could (as described in more detail below under "CLO Investments") require the Fund in a taxable year to recognize income in excess of distributions received from a CLO treated as a PFIC or proceeds from the disposition of interests in such CLO.

In any such instance, the Fund may be required to make a distribution to our shareholders in order to satisfy the annual distribution requirement, even though we will not have received any corresponding cash amount. Additionally, if the Fund is required to include amounts from CLO securities in income prior to receiving the cash distributions representing such income, the Fund may have to sell some of its investments at times and/or at prices it would not consider advantageous, raise additional debt or equity capital, or forego new investment opportunities for this purpose. As a result, the Fund may have difficulty meeting the annual distribution requirement necessary to qualify for taxation as a RIC under Subchapter M of the Code. The Fund may have to sell some of our investments at times and/or at prices the Fund would not consider advantageous, raise additional debt or equity capital or forgo new investment opportunities for this purpose. If the Fund is not able to obtain cash from other sources, the Fund may not qualify for or maintain RIC tax treatment and thus the Fund may become subject to corporate-level income tax.

Corporate-Level Income Tax. The Fund may invest in certain debt and equity investments through taxable subsidiaries and the taxable income, if any, of these taxable subsidiaries may be subject to federal, state, and/or local tax. The Fund may invest in certain foreign debt and equity investments which could be subject to foreign taxes (such as income tax, withholding and value added taxes).

Special Tax Issues – Below Investment Grade. The Fund may invest in debt securities that are rated below investment grade by rating agencies or that would be rated below investment grade if they were rated. Investments in these types of instruments may present special tax issues for the Fund. U.S. federal income tax rules are not entirely clear about issues such as when the Fund may cease to accrue interest, original issue discount or market discount, when and to what extent deductions may be taken for bad debts or worthless instruments, how payments received on obligations in default should be allocated between principal and income and whether exchanges of debt obligations in a bankruptcy or workout context are taxable. These and other issues will be addressed by the Fund, to the extent necessary, to preserve its status as a RIC and to distribute sufficient income to not become subject to U.S. federal income tax.

Special Tax Issues - CLO Investments–PFICs. Some of the CLOs in which the Fund intends to invest may constitute PFICS. If the Fund acquires interests treated as equity for U.S. federal income tax purposes in PFICs (including CLO Equity and certain CLO Debt in CLOs that are PFICs), the Fund may be subject to federal income tax on a portion of any "excess distribution" or gain from the disposition of such shares even if such income is distributed as a taxable dividend by the Fund to its holders of common stock. Certain elections may be available to mitigate or eliminate such tax on excess distributions, but such elections (if available) will generally require the Fund to recognize its share of the PFIC's income for each taxable year regardless of whether the Fund receives any distributions from such PFIC. The Fund must nonetheless distribute such income to maintain its status as a RIC. Applicable Treasury regulations generally treat the Fund's income inclusion with respect to a PFIC with respect to which the Fund has made a qualified electing fund ("QEF") election as qualifying income for purposes of determining its ability to be subject to tax as a RIC if (i) there is a current distribution out of the earnings and profits of the PFIC that are attributable to such income Inclusion or (ii) such inclusion is derived with respect to the Fund's business of investing in stock, securities, or currencies. As such, the Fund may be restricted in its ability to make QEF elections with respect to its holdings in issuers that could be treated as PFICs in order to ensure the Fund's continued qualification as a RIC and/or maximize our after-tax return from these investments.

Special Tax Issues–Timing. The tax implications of the CLO investments that the Fund intends to make are complicated. For example, current taxable earnings on certain of these investments may generally not be determinable until after the end of the fiscal year of each individual CLO that ends within our fiscal year, even though the investments are generating cashflow throughout the fiscal year. The tax treatment of certain of these investments may result in higher distributable earnings in the early years and a capital loss at maturity, while for reporting purposes the totality of cashflows is reflected in a constant yield to maturity.

Special Tax Issues–U.S. Trade or Business. Each CLO in which the Fund intends to invest generally will operate pursuant to investment guidelines intended to ensure the CLO is not treated as engaged in a U.S. trade or business for federal income tax purposes. Each CLO will generally receive an opinion of counsel, subject to certain assumptions (including compliance with the investment guidelines) and limitations, that the CLO will not be engaged in a U.S. trade or business for federal income tax purposes. If a CLO fails to comply with the investment guidelines or the IRS otherwise successfully asserts that the CLO should be treated as engaged in a U.S. trade or business for federal income tax purposes, such CLO could be subject to federal income tax on a net basis, which could reduce the amount available to distribute to junior debt and equity holders in such CLO, including the Fund.

FATCA. The U.S. Foreign Account Tax Compliance Act ("FATCA") provisions of the Code impose a withholding tax of 30% on U.S. source periodic payments, including interest and dividends to certain non-U.S. entities, including certain non-U.S. financial institutions and investment funds, unless such non-U.S. entity complies with certain reporting requirements regarding its U.S. account holders and its U.S. owners. Many CLOs in which the Fund intends to invest in are expected to be treated as non-U.S. financial entities for this purpose, and therefore will be required to comply with these reporting requirements to avoid the 30% withholding. If a CLO in which the Fund invests in fails to properly comply with these reporting requirements, it could reduce the amount available to distribute to junior debt and equity holders in such CLO, which could materially and adversely affect the fair value of the CLO's securities, the Fund's operating results, and cashflows.

Legislative or Regulatory Tax Changes

At any time, the federal income tax laws and underlying regulations governing RICs or the administrative interpretations of those laws or regulations may be amended. Any of those new laws, regulations or administrative interpretations may take effect retroactively and could adversely affect the taxation of us or our shareholders. Therefore, changes in tax laws, regulations or administrative interpretations or any amendments thereto could diminish the value of an investment in our Common Shares or the value or the resale potential of our investments.

Shares Purchased Through Tax-Qualified Plans

Special tax rules apply to investments through defined contribution plans and other tax-qualified plans. Shareholders should consult their tax advisers to determine the suitability of shares of the Fund as an investment through such plans and the precise effect of an investment on their particular tax situation.

PERFORMANCE-RELATED AND COMPARATIVE INFORMATION

The Fund may quote certain performance-related information and may compare certain aspects of its portfolio and structure to other substantially similar closed-end funds as categorized by Broadridge Financial Solutions, Inc. ("Broadridge"), Morningstar Inc. or other independent services. Comparison of the Fund to an alternative investment should be made with consideration of differences in features and expected performance. The Fund may obtain data from sources or reporting services, such as Bloomberg Financial and Broadridge, which the Fund believes to be generally accurate.

The Fund, in its advertisements, may refer to pending legislation from time to time and the possible effect of such legislation on investors, investment strategy and related matters. At any time in the future, yields and total return may be higher or lower than past yields and there can be no assurance that any historical results will continue.

Past performance is not indicative of future results. At the time a Common Shareholder has its shares repurchased, they may be worth more or less than their original investment.

CUSTODIAN, TRANSFER AGENT AND DIVIDEND DISBURSEMENT AGENT

The custodian of the assets of the Fund is U.S. Bank National Association (the "Custodian"), 1555 North RiverCenter Drive, Suite 302, Milwaukee, Wisconsin 53212. The Custodian holds and administers the assets in the Fund's portfolio.

U.S. Bancorp Fund Services, LLC, doing business as U.S. Bank Global Fund Services ("Fund Services"), 615 East Michigan Street, Milwaukee, Wisconsin 53202, serves as the Fund's transfer agent, dividend disbursement agent, and shareholder servicing agent, as well as agent for the Plan. Fund Services also serves as the Fund's administrator, providing the Fund with administrative and management services (other than investment advisory services) and accounting services, including portfolio accounting services, tax accounting services, and furnishing financial reports. In this capacity, Fund Services does not have any responsibility or authority for the management of the Fund, the determination of investment policy, or for any matter pertaining to the distribution of Common Shares.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Cohen & Company, Ltd., located at 1835 Market Street, Suite 310, Philadelphia, Pennsylvania 19103, serves as the independent registered public accounting firm for the Fund. Its services include auditing the Fund's financial statements. Cohen & Co Advisory, LLC, an affiliate of Cohen & Company, Ltd., provides tax services to the Fund as requested.

COUNSEL

Vedder Price P.C., 222 N La Salle St, Chicago, IL 60601, passes upon certain legal matters in connection with shares offered by the Fund, and also acts as counsel to the Fund.

REGISTRATION STATEMENT

A registration statement on Form N-2, including any amendments thereto (the "Registration Statement"), relating to the Common Shares of the Fund offered hereby, has been filed by the Fund with the SEC, Washington, D.C. The Prospectus and this SAI are parts of, but do not contain all of the information set forth in, the Registration Statement, including any exhibits and schedules thereto. For further information with respect to the Fund and the Common Shares offered or to be offered hereby, reference is made to the Fund's Registration Statement. Statements contained in the Prospectus and this SAI as to the contents of any contract or other document referred to are not necessarily complete and in each instance, reference is made to the copy of such contract or other document filed as an exhibit to the Registration Statement, each such statement being qualified in all respects by such reference. Copies of the Registration Statement may be inspected without charge at the SEC's principal office in Washington, D.C., and copies of all or any part thereof may be obtained from the SEC upon the payment of certain fees prescribed by the SEC.

FINANCIAL STATEMENTS

The Fund is new and has no performance history as of the date of this SAI. Financial information therefore is not yet available. The audited financial statements, financial highlights and notes thereto and the independent registered public accounting firm's report thereon appearing in the Fund's annual report, once issued, will be incorporated herein by reference in this SAI. Once available, incorporated materials not delivered with the SAI may be obtained, without charge, by calling 855-522-4385, by writing to the Fund at Aristotle Pacific Enhanced CLO Income Fund, c/o U.S. Bank Global Fund Services P.O. Box 219231 Kansas City, Missouri 64121-9231 or by visiting the Fund's website at www.aristotlepacific.com/cef.

The Predecessor Fund's audited financial statements for the year ended December 31, 2024 are attached hereto as Appendix C. The audited financial statements of the Predecessor Fund have been audited by CohnReznick LLP, the independent auditor for the Predecessor Fund. Unaudited financial statements for the period ended September 30, 2025 for the Predecessor Fund are also attached hereto as Appendix D.

SUPPLEMENTAL FINANCIAL INFORMATION

A table showing the fees and expenses of the Fund after giving effect to the Reorganization is included in the Prospectus. The Reorganization will not result in a material change to the Predecessor Fund's investment portfolio due to the investment restrictions of the Fund. As a result, a schedule of investments of the Predecessor Fund modified to show the effects of such change is not required and is not included. There are no material differences in the accounting policies of the Predecessor Fund as compared to those of the Fund.

APPENDIX A - PROCEDURES FOR SHAREHOLDERS TO SUBMIT NOMINEE CANDIDATES

(Appendix A to the Fund's Nominating and Governance Committee Charter)

A shareholder of a Fund must follow the following procedures in order to submit properly a nominee recommendation for the Committee's consideration.

1. The shareholder must submit any such recommendation (a "Shareholder Recommendation") in writing to a Fund, to the attention of the Secretary, at the address of the principal executive offices of the Fund. Once each quarter, if any Shareholder Recommendations have been received by the Secretary during the quarter, the Secretary will inform the Committee of the new Shareholder Recommendations. Because the Fund does not hold annual or other regular meetings of shareholders for the purpose of electing Trustees, the Committee will accept Shareholder Recommendations on a continuous basis.

2. All Shareholder Recommendations properly submitted to a Fund will be held by the Secretary until such time as (i) the Committee convenes to consider candidates to fill Board vacancies or newly created Board positions (a "Trustee Consideration Meeting") or (ii) the Committee instructs the Secretary to discard a Shareholder Recommendation following a Trustee Consideration Meeting or an Interim Evaluation (as defined below).

3. At a Trustee Consideration Meeting, the Committee will consider each Shareholder Recommendation then held by the Secretary. Following a Trustee Consideration Meeting, the Committee may instruct the Secretary to discard any or all of the Shareholder Recommendations currently held by the Secretary.

4. The Committee may, in its discretion and at any time, convene to conduct an evaluation of validly submitted Shareholder Recommendations (each such meeting, an "Interim Evaluation") for the purpose of determining which Shareholder Recommendations will be considered at the next Trustee Consideration Meeting. Following an Interim Evaluation, the Committee may instruct the Secretary to discard any or all of the Shareholder Recommendations currently held by the Secretary.

5. The Shareholder Recommendation must include: (i) a statement in writing setting forth (A) the name, date of birth, business address, residence address and nationality of the person recommended by the shareholder (the "candidate"); (B) the number of shares (and class, if any) of the Fund(s) owned of record or beneficially by the candidate, as reported to such shareholder by the candidate; (C) any other information regarding the candidate called for with respect to director nominees by paragraphs (a), (d), (e) and (f) of Item 401 of Regulation S-K or paragraph (b) of Item 22 of Rule 14a-101 (Schedule 14A) under the Exchange Act, adopted by the Securities and Exchange Commission (or the corresponding provisions of any regulation or rule subsequently adopted by the Securities and Exchange Commission or any successor agency applicable to the Fund); (D) any other information regarding the candidate that would be required to be disclosed if the candidate were a nominee in a proxy statement or other filing required to be made in connection with the election of trustees or directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder; and (E) whether the recommending shareholder believes that the candidate is or will be an "interested person" of the Fund (as defined in the 1940 Act of 1940, as amended) and, if not an "interested person," information regarding the candidate that will be sufficient for the Fund to make such determination; (ii) the written and signed consent of the candidate to be named as a nominee and to serve as a Trustee if elected; (iii) the recommending shareholder's name as it appears on the Fund's books; (iv) the number of shares (and class, if any) of the Fund(s) owned beneficially and of record by the recommending shareholder; and (v) a description of all arrangements or understandings between the recommending shareholder and the candidate and any other person or persons (including their names) pursuant to which the recommendation is being made by the recommending shareholder. In addition, the Committee may require the candidate to furnish such other information as it may reasonably require or deem necessary to determine the eligibility of such candidate to serve on the Board or to satisfy applicable law.

APPENDIX B — PROXY VOTING POLICY

Summary

Aristotle Pacific Capital, LLC ("Aristotle Pacific") is required to implement policies and procedures reasonably designed to ensure that proxies are voted in the best interest of clients, in accordance with fiduciary duties and SEC Rule 206(4)-6 under the Investment Advisers Act of 1940. In addition to SEC requirements governing advisers, Aristotle Pacific's proxy voting policies reflect the fiduciary standards and responsibilities for accounts subject to the Employee Retirement Income Security Act of 1974 ("ERISA") set out in applicable Department of Labor guidance.

Aristotle Pacific's authority to vote proxies for clients is established by the Investment Management Agreement ("IMA") or comparable documents. Aristotle Pacific manages fixed income strategies; therefore, the volume of proxies is relatively low.

Policy

Aristotle Pacific generally follows the voting guidelines included in this Policy; however, each vote is ultimately cast on a case-by-case basis, taking into consideration the contractual obligations under the IMA or comparable document, and all other relevant facts and circumstances at the time of the vote to ensure that proxies are voted in the best interest of clients.

Conflicts of Interest

Aristotle Pacific takes reasonable measures to identify the existence of any material conflicts of interest related to voting proxies. A potential conflict of interest may exist when Aristotle Pacific votes a proxy for an issuer with whom:

- Aristotle Pacific maintains a material business relationship
- Aristotle Pacific Senior Management or Portfolio Manager(s) maintain a personal relationship

Conflicts based on material business relationships or dealings with affiliates of Aristotle Pacific will only be considered to the extent that Aristotle Pacific has actual knowledge of such material business relationships. Aristotle Pacific employees are periodically, and no less than annually, reminded of their obligation to be aware of the potential for conflicts of interest with respect to voting proxies both as a result of business or personal relationships and to bring potential and actual conflicts of interest to the attention of the Aristotle Pacific CCO. Additionally, employees of Aristotle Pacific, including senior management and the portfolio managers, are required to disclose certain activities, relationships and personal interests that may create, or appear to create an actual or potential conflict of interest. Aristotle Pacific will not vote proxies relating to such issuers identified as being involved in a potential conflict of interest until it has been determined that the conflict of interest is not material or a method for resolving the conflict of interest has been agreed upon and implemented. When a material conflict of interest exists, Aristotle Pacific will choose among the following options to eliminate such conflict:

- Vote in accordance with the Voting Guidelines (outlined below), if the voting scenario is covered in the Voting Guidelines and involves little or no discretion;
- If possible, erect information barriers around the person or persons making voting decisions sufficient to insulate the decision from the conflict;

- If practical, notify affected clients of the conflict of interest and seek a waiver of the conflict for the proxy to be voted;
- If agreed upon in writing with the client, forward the proxies to the affected client or their designee and allow the client or their designee to vote the proxies.

The resolution of all potential and actual material conflicts of interest issues is documented inorder to demonstrate that Aristotle Pacific acted in the best interest of its clients.

Abstaining from Proxy Voting

In certain circumstances, Aristotle Pacific may choose to abstain from voting a proxy. In instances when Aristotle Pacific deems abstention to be in the best interest of its client(s), Aristotle Pacific will formally indicate its abstention on the proxy to ensure the vote is properly recorded. Considerations that may cause Aristotle Pacific to abstain from voting include but are not limited to:

- When the cost of voting the proxy outweighs the benefits or is otherwise impractical;
- International constraints for timing and meeting deadlines;
- Restrictions on foreign securities including share blocking (restrictions on the sale of securities for a period of time in proximity to the shareholder meeting); and
- Any instance where the Firm feels there is insufficient information to determine the most reasonable course of action on behalf of a client; and
- When a client provides specific instruction to abstain from a vote as outlined in the Client Instruction section below.

Any proxies that Aristotle Pacific chooses not to vote will be documented along with the rationale prior to the date of the shareholder's meeting for that particular proxy.

Securities Lending

Clients of Aristotle Pacific may participate in a securities lending arrangement. When a client participates in a securities lending arrangement, the proxy voting rights for a security on loan transfer to the holder of the shares, and Aristotle Pacific may not receive the proxy. Aristotle Pacific will not recall securities under such arrangements if, in Aristotle Pacific's perspective, the potential economic impact of the proposal is insignificant or less than the economic benefit gained if the securities remained out on loan or if recalling the securities is not in the best interest of the client.

Client Instruction

Under certain circumstances a client may delegate proxy voting authority to Aristotle Pacific and provide specific voting instructions. The IMA must reflect the terms and conditions of the arrangement. As agreed to in the IMA, Aristotle Pacific will vote in accordance with the client's specific instructions which may or may not align with this policy. Clients should be aware that providing specific instructions may result in voting that may be contrary to how Aristotle Pacific would have voted using the Voting Guidelines or their own analysis.

Differences in Proxy Vote Determinations

Aristotle Pacific may determine that specific circumstances require that proxies be voted differently among accounts due to the accounts' Investments Guidelines or other distinguishing factors. Aristotle Pacific may from time to time reach contrasting but equally valid views on how best to maximize economic value in respect to a particular investment. This may result in situations in which a client is invested in portfolios with dissimilar proxy outcomes. In those situations, the other portfolios may be invested in strategies having distinctive investment objectives, investment styles or investment professionals. However, Aristotle Pacific generally votes consistently on the same matter when securities of an issuer are held by multiple client accounts. Any differences among proxies for other portfolios will be reviewed, approved and documented by senior management and the Aristotle Pacific CCO prior to the vote being cast.

Client Disclosure and Availability of Proxy Voting Policies and Procedures

Aristotle Pacific provides a copy of its proxy voting policy and procedures to clients upon request. Clients can obtain information on how proxies were voted for their account upon request. Compliance provides proxy filing information to the advisors of 40 Act Accounts as requested for the purposeof filing proxy information annually with the SEC.

Voting Guidelines

Proxy proposals generally fall into one of the following categories: Reports and approval of accounts; Financial operations; Board elections; Remuneration; Engagement; and other relevant issues (e.g., shareholder and business proposals) In all cases, Aristotle Pacific will vote the proxies in a manner that is consistent with the best interest of its clients as follows:

- **Reports and approval of accounts (e.g., approval of financial statements, allocation of income, appointment of auditors, etc.)**: Aristotle Pacific generally votes with the recommendations of a company's Board of Directors following our own review to include ensuring proposals are reflective of, among others, ethical, reasonable, equitable and financially sound corporate standards.

- **Financial operations (e.g., mergers and acquisitions, corporate restructuring, etc.):** Aristotle Pacific generally votes with the recommendations of a company's Board of Directors following our own review to include ensuring proposals are reflective of, among others, ethical, reasonable, equitable and financially sound corporate standards.

- **Board elections:** Board nominations are evaluated on a case-by-case basis. Aristotle Pacific is supportive of NASDAQ's Diversity requirements[1]. In the event any underlying issuer does not have at least two diverse[2] board members, we expect to vote against resolutions or proposals to re-elect or appoint a new, non-diverse board candidate[3]. Where an issuer has two or more diverse board members, Aristotle Pacific may vote in-line with the recommendations of a company's Board of Directors following our own review to include ensuring proposals are reflective of, among others, ethical, reasonable, equitable and financially sound corporate standards.

- **Remuneration and compensation practices:** Votes related to remuneration and compensation are evaluated on a case-by-case basis. Aristotle Pacific expects to specifically review instances of increased compensation (including bonus compensation)

[1] https://listingcenter.nasdaq.com/assets/RuleBook/Nasdaq/filings/SR-NASDAQ-2020-081.pdf
[2] Defined per NASDAQ (*see Footnote 1*) as referring to any person who self-identifies as female, Black or African American, Hispanic or Latinx, Asian, Native American or Alaska Native, Middle Eastern / North African, Native Hawaiian or Pacific Islander, two or more races or ethnicities, or as LGBTQ+.
[3] Aristotle Pacific's review is limited to publicly available data that is reasonably practicable to locate or otherwise identify, and/or readily available in ESG disclosures

when the CEO to median employee ratio is higher than 300 to 1[4] based on public remuneration disclosures by an issuer.

- **Shareholder engagement related proxies:** These proxies are evaluated on a case-by-case basis. Aristotle Pacific generally expects to vote against any resolution that would reduce or restrict shareholder rights or engagement activities without compensation deemed reasonable to justify such restriction.

- **Shareholder proposals and other voting issues**, including ESG-related issues not described above, are evaluated on case-by-case basis with consideration to our ESG policy. If a proposal relates to the disclosure of material[5] ESG-related information (e.g., disclosure related to climate risk), and does not create duplicate disclosure effort or an unreasonable cost burden to the company, we generally expect to vote in favor of such proposal.

Any proxies that Aristotle Pacific votes outside of these general Voting Guidelines will be documented along with the rationale prior to the date of the shareholder's meeting for that particular proxy.

Procedures

All proxies are sent to the appropriate Aristotle Pacific portfolio manager(s), ESG product specialist and analyst responsible for the security held in a client account for their review and recommendation. These individuals research the implications of proxy proposals and make voting recommendations specific for each account that holds the related security. Aristotle Pacific portfolio managers are ultimately responsible for voting any client proxy. Aristotle Pacific uses information gathered from research, company management, and outside shareholder groups to reach voting decisions. In determining how to vote proxy issues, Aristotle Pacific votes proxies in a manner intended to protect and enhance the economic value of the securities held in client accounts.

Aristotle Pacific utilizes ISS ProxyExchange ("ProxyExchange") to assist with the administrative processes for proxy voting such as tracking and management of proxy records, vote execution, reporting, and auditing. ProxyExchange generates reports and provides information to assist in the review and monitoring of votes cast. The holdings in certain client accounts are electronically sent to the ProxyExchange system by the custodians to ensure that Aristotle Pacific is voting the most current share position for clients. Once Compliance receives email notification from ProxyExchange that there are proxies in the system to be voted, a ballot is created as a distributable unmarked ballot and sent via email to the appropriate parties for review. The portfolio managers respond with their voting decisions.

Compliance has the responsibility to vote the proxies according to the Portfolio Manager selections. Once voted, an email is sent via ProxyExchange to the client, client account custodian or third party as defined in the IMA confirming that proxies have been voted. An email is received from ProxyExchange confirming the vote was submitted.

[4] https://www.forbes.com/sites/niallmccarthy/2021/07/15/americas-most-staggering-ceo-to-worker-pay-ratios-infographic/?sh=59eb3a762c56

[5] As defined by SASB as ESG risks that create a financial or operational impairment to a company https://www.sasb.org/standards/materiality-map/

For those client accounts not on the ProxyExchange system, all custodian banks and trustees are notified of their responsibility to forward to Compliance all proxy materials. When Compliance is notified of an upcoming proxy for the accounts on ProxyExchange, the proxy material is verified to have been received for the accounts not on ProxyExchange as well. If an expected proxy is not received by the voting deadline, Compliance will direct the custodian or trustee to vote in accordance with Aristotle Pacific's instructions. The final authority and responsibility for proxy voting remains with Aristotle Pacific.

Oversight Controls

Compliance reviews the proxy votes cast to make sure Aristotle Pacific is following the proxy voting policies and procedures. Compliance reviews, no less than annually, the adequacy of the proxy voting policies and procedures to make sure that they have been implemented effectively, including whether the policies continue to be reasonably designed to ensure that proxies are voted in the best interests of clients.

Last Updated

December 5, 2025

APPENDIX C—AUDITED FINANCIAL STATEMENTS
(PREDECESSOR FUND)

Pacific Asset Management CLO Opportunities Fund L.P.

(A Delaware Limited Partnership)

Financial Statements and Independent Auditor’s Report

Financial Statements as of and for the
Year ended December 31, 2024, and
Independent Auditor’s Report

Pacific Asset Management CLO Opportunities Fund L.P.

(A Delaware Limited Partnership)

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Independent Auditor's Report

To the General Partner of
Pacific Asset Management CLO Opportunities Fund, L.P.

Opinion

We have audited the financial statements of Pacific Asset Management CLO Opportunities Fund, L.P. (the "Fund"), which comprise the statement of assets, liabilities, and partners' capital, including the condensed schedule of investments, as of December 31, 2024, and the related statements of operations and changes in partners' capital for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Pacific Asset Management CLO Opportunities Fund, L.P. as of December 31, 2024, and the results of its operations and changes in its partners' capital 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 ("GAAS"). Our responsibilities under those standards are further described in the Auditor's 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 that the financial statements are available to be issued.

Auditor's 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 auditor's 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 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 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.

CohnReznick LLP

Los Angeles, California
March 28, 2025

Pacific Asset Management CLO Opportunities Fund L.P.

(A Delaware Limited Partnership)

STATEMENT OF ASSETS, LIABILITIES, AND PARTNERS' CAPITAL

(Expressed in U.S. Dollars)

AS OF DECEMBER 31, 2024

Assets		
Investments, at fair value (cost $45,578,060)	$	46,297,062
Cash and cash equivalents		648,752
Interest receivable		975,547
Due from related party		10,148
Total assets	**$**	**47,931,509**
Liabilities and Partners' Capital		
Liabilities		
Due to broker	$	1,000,000
Management fee payable		26,892
Accrued expenses and other liabilities		57,766
Total liabilities		1,084,658
Partners' Capital		
General Partners		523,716
Limited Partners		46,323,135
Total partners' capital		46,846,851
Total liabilities and partners' capital	**$**	**47,931,509**

Pacific Asset Management CLO Opportunities Fund L.P.

(A Delaware Limited Partnership)

CONDENSED SCHEDULE OF INVESTMENTS

(Expressed in U.S. Dollars)

AS OF DECEMBER 31, 2024

Description		Principal Amount		Cost		Fair Value	Percentage of Partners' Capital
Structured Finance							
Investments - Collateralized Loan Obligations							
North America							
AIMCO 2015-AA ER3, SOFR +6.35%, October 2034	$	1,000,000	$	1,000,000	$	1,020,417	2.18%
AIMCO 2017-AA ER, SOFR +6.51%, April 2034		475,000		472,857		479,173	1.02%
AIMCO 2017-AA FR, SOFR +8.80%, April 2034		250,000		242,525		250,403	0.53%
AIMCO 2019-10A ERR, SOFR +5.65%, July 2037		550,000		550,000		563,434	1.21%
AIMCO 2019-10A SUB, July 2032*		350,000		267,120		227,019	0.48%
AIMCO 2020-11A ER2, SOFR +5.35%, July 2037		1,000,000		1,000,000		1,021,209	2.18%
AIMCO 2024-22A E, SOFR +6.50%, April 2037		275,000		275,000		284,121	0.61%
		3,900,000		3,807,502		3,845,776	8.21%
ELM14 2022-1A F, SOFR +8.37%, April 2035		250,000		225,970		253,177	0.54%
ELM34 2024-10A E, SOFR +5.35%, October 2037		2,000,000		2,000,000		2,039,991	4.35%
ELM35 2024-11A E, SOFR +5.25%, October 2037		1,000,000		1,000,000		1,018,035	2.17%
ELMW1 2019-1A ERR, SOFR +6.40%, April 2037		500,000		500,000		518,806	1.11%
ELMW8 2021-1A ER, SOFR +6.25%, April 2037		1,500,000		1,546,635		1,540,939	3.30%
ELMW8 2021-1A SUB, January 2034*		250,000		224,875		147,300	0.31%
		5,500,000		5,497,480		5,518,248	11.78%
MAGNE 2015-12A ER, SOFR +5.94%, October 2031		250,000		213,720		251,727	0.54%
MAGNE 2019-23A ER, SOFR +6.56%, January 2035		325,000		325,000		328,617	0.70%
MAGNE 2024-44A E, SOFR +5.25%, October 2037		2,000,000		2,000,000		2,035,237	4.34%
		2,575,000		2,538,720		2,615,581	5.58%
NEUB 2017-16SA ER, SOFR +6.51%, April 2034		1,000,000		1,002,500		1,008,444	2.15%
NEUB 2019-33A ER, SOFR +6.51%, October 2033		500,000		500,000		504,592	1.08%
NEUB 2021-40A E, SOFR +6.11%, April 2033		250,000		215,845		252,139	0.54%
NEUB 2022-49A ER, SOFR +5.50%, July 2035		1,000,000		1,000,000		1,009,154	2.15%
NEUB 2024-54A E, SOFR +6.35%, April 2038		250,000		250,000		257,192	0.55%
		3,000,000		2,968,345		3,031,521	6.47%
OCP 2019-16A ER, SOFR +6.61%, April 2033		500,000		500,000		503,681	1.08%
OCP 2020-19A ER, SOFR +6.76%, October 2034		475,000		475,000		479,360	1.02%
OCP 2021-21A E, SOFR +6.54%, July 2034		1,000,000		999,475		1,010,777	2.16%
OCPA 2023-29A ER, SOFR +5.00%, January 2036		1,000,000		1,000,000		1,000,000	2.13%
		2,975,000		2,974,475		2,993,818	6.39%
OAKC 2017-14A ER, SOFR +5.45%, July 2037		1,000,000		1,000,000		1,022,602	2.18%
OAKC 2017-15A ER, SOFR +6.50%, April 2037		250,000		250,000		257,686	0.55%
OAKC 2018-1A ER, SOFR +6.50%, April 2037		250,000		250,000		257,727	0.55%
OHALF 2016-1A ER2, SOFR +5.70%, July 2037		1,000,000		1,000,000		1,019,498	2.18%
		2,500,000		2,500,000		2,557,513	5.46%
PLMRS 2015-2A DR2, SOFR +6.01%, July 2030		250,000		215,625		250,197	0.53%
PLMRS 2021-1A E, SOFR +7.67%, April 2034		250,000		240,000		247,471	0.53%
PLMRS 2021-4A E, SOFR +6.31%, October 2034		400,000		400,000		403,470	0.87%
PSTAT 2021-2A E, SOFR +7.76%, May 2029		1,000,000		1,008,690		1,008,768	2.15%
PSTAT 2024-3A D, SOFR +5.40%, August 2032		1,000,000		1,000,000		1,008,163	2.15%
		2,900,000		2,864,315		2,918,069	6.23%
Other Collateralized Loan Obligations**		23,010,000		22,427,223		22,816,536	48.71%
Total Investments - Collateralized Loan Obligations	**$**	**46,360,000**	**$**	**45,578,060**	**$**	**46,297,062**	**98.83%**

* Sub note tranche, no interest rate.

** No individual investment constituted greater than 5% of partners' capital.

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

Pacific Asset Management CLO Opportunities Fund L.P.

(A Delaware Limited Partnership)

STATEMENT OF OPERATIONS

(Expressed in U.S. Dollars)

FOR THE YEAR ENDED DECEMBER 31, 2024

Investment income		
Interest income	$	4,680,040
Total investment income		4,680,040
Expenses		
Management fees		278,662
Administrative fees		60,000
Custodian fees		20,000
Professional fees and other		53,740
Total gross expenses		412,402
Management fee rebates		(93,767)
Total net expenses		**318,635**
Net investment income		**4,361,405**
Net realized and unrealized gain (loss) on investments		
Net realized gain on securities		356,018
Net change in unrealized gain on securities		1,356,959
Change in realized and unrealized gain on investments		**1,712,977**
Net increase in Partners' Capital resulting from operations	**$**	**6,074,382**

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

Pacific Asset Management CLO Opportunities Fund L.P.

(A Delaware Limited Partnership)

STATEMENT OF CHANGES IN PARTNERS' CAPITAL

(Expressed in U.S. Dollars)

FOR THE YEAR ENDED DECEMBER 31, 2024

	General Partner	Limited Partner	Total
Partners' capital at December 31, 2023	**$ 522,383**	**$ 35,621,943**	**$ 36,144,326**
Capital contributions	-	5,000,000	5,000,000
Capital withdrawals	(371,857)	-	(371,857)
Net investment income (loss)	19,023	4,342,382	4,361,405
Incentive allocation to General Partner	347,169	(347,169)	-
Net realized gain	1,470	354,548	356,018
Net change in unrealized gain	5,528	1,351,431	1,356,959
Partners' capital at December 31, 2024	**$ 523,716**	**$ 46,323,135**	**$ 46,846,851**

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

1. ORGANIZATION

Pacific Asset Management CLO Opportunities Fund L.P. (the "Fund") is a Delaware limited partnership organized on April 3, 2018 to operate as a private investment fund primarily for the benefit of U.S. investors. The Fund commenced operations on June 1, 2018. PAM CLO Opportunities GP LLC (the "General Partner"), a Delaware limited liability company, serves as the General Partner of the Fund.

Aristotle Pacific Capital, LLC ("Aristotle Pacific" and formerly Pacific Asset Management LLC) serves as the investment manager of the Fund (the "Investment Manager") and provides certain administrative and managerial services to the Fund. Aristotle Pacific's investment team was initially established in 2007 as a business division of Pacific Life Fund Advisors LLC ("PLFA") and conducted its business under the name "Pacific Asset Management".

The Fund's investment objective seeks to provide attractive returns, with a secondary objective of minimizing capital loss. The Fund seeks to achieve its investment objective by investing primarily in a diversified portfolio of Collateralized Loan Obligation (CLO) debt and equity securities. There can be no assurance that the investment objective of the Fund will be achieved.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Fund are as follows:

Basis of Presentation

These financial statements are expressed in U.S. dollars and have been prepared in accordance with the accounting principles generally accepted in the United States of America ("US GAAP"). The Fund qualifies as an investment company under US GAAP and follows the accounting and reporting guidance in Financial Accounting Standards Board Accounting Standards Codification Topic 946, Financial Services – Investment Companies.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires the General Partner to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The General Partner believes that the estimates utilized in preparing its financial statements are reasonable and prudent; however, actual results could differ from these estimates and these differences could be material.

Investment Transactions and Related Investment Income

Securities are accounted for on a trade date basis. Realized gains and losses on investment transactions are determined using cost calculated on a specific identification basis. Interest is recognized on an accrual basis. Discounts and premiums to the face amount of debt securities are accreted and amortized using the effective interest rate method over the lives of the respective debt securities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Valuation of Investments

Securities Valuation

Securities owned that are traded on national securities exchanges are valued at the last reported sales price on the date of determination or, if no sales occurred on such day, at the mean between the bid and asked prices on such day. Investments in securities that are not listed on a national securities exchange are valued at the average of the most recent bid and asked prices on the date of determination or, if no sales occurred on such day, at such value as the General Partner may determine in good faith.

Collateralized Loan Obligations

In valuing the Fund's investments in CLO securities, the General Partner considers a variety of relevant factors such as indicative mid-point quotes provided by independent pricing services, recent trading prices for specific investments, and recent purchases and sales of similar securities. When observable price quotations are not available, fair value is determined based on future cash flow projections. The cash flow projections are subject to assumptions such as future loan default rates, recovery rates, prepayment rates, reinvestment rates, and discount rates. CLO securities are generally categorized in Level 2 of the fair value hierarchy. In instances where significant inputs are unobservable, they are categorized in Level 3 of the fair value hierarchy. There were no CLO securities in Level 3 of the fair value hierarchy as of December 31, 2024.

Cash and Cash Equivalents

Cash and cash equivalents are defined as amounts which are readily converted into cash and highly-liquid investments with a maturity of three months or less when purchased. There were no cash equivalents at the year ended December 31, 2024.

Income Taxes

The Fund is to be treated as a partnership for federal income tax purposes and is not subject to federal income tax. No provision for federal or state income taxes has been made, since all income and losses are allocated to the partners for inclusion in their respective tax returns. The Fund filed an income tax return in the U.S. federal jurisdiction and may file income tax returns in various U.S. states. Generally, the Fund is subject to income tax examinations for the years after 2021.

The Fund reviews and evaluates tax positions in its major jurisdictions and determines whether or not there are uncertain tax positions that require financial statement recognition. The Fund recognizes uncertain tax positions if it is more likely than not to be sustained upon examination by the applicable taxing authority, including the resolution of any related appeals or litigation processes, based on the technical merits of the position. Tax benefits are measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement, which could result in the Fund recording a tax liability that would reduce partners' capital.

Based on its review, the Fund has determined the major tax jurisdictions to be where the Fund is organized and where the Fund makes investments. Such jurisdictions are U.S. federal, and various state and local; however, no liability for uncertain tax positions was recorded for any of the Fund's open tax years. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as a partnership expense in the statement of operations. During the year ended December 31, 2024, the Fund did not incur any interest or penalties.

The Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months. As a result, no other income tax liability or expense has been recorded in the accompanying financial statements.

3. DUE TO BROKER

Due to broker consists of unsettled trade transactions. There were $1,000,000 due to broker as of December 31, 2024.

4. DISCLOSURE OF FAIR VALUE MEASUREMENT

The Fund follows the authoritative guidance for fair value measurements, which establishes a fair value hierarchy and defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. The fair value hierarchy prioritizes and ranks the inputs in valuation techniques to measure fair value. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 — Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access. Valuation adjustments and block discounts are not applied. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 — Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 — Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary from security to security and is affected by a wide variety of factors, including the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Due to the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed.

Accordingly, the degree of judgment exercised by the Fund in determining fair value is greatest for securities categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined by the lowest level input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Fund's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Fund uses prices and inputs that are current as of the measurement date, including during periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may get reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

There were no transfers between the levels of the fair value hierarchy for the year ended December 31, 2024. There were no purchases of Level 3 investments for the year ended December 31, 2024.

The following table presents information about the Fund's assets and liabilities measured at fair value as of December 31, 2024:

4. DISCLOSURE OF FAIR VALUE MEASUREMENT (CONTINUED)

Assets	Level 1	Level 2	Level 3	Total
Investments in securities, at fair value				
Collateralized Loan Obligations	$ -	$ 46,297,062	$ -	$ 46,297,062
Total investments in securities, at fair value	$ -	$ 46,297,062	$ -	$ 46,297,062

5. RISK CONSIDERATIONS

Market risk is the potential loss the Fund may incur as a result of changes in the market or fair value of a particular financial instrument. The rapid fluctuations in the market prices of securities are highly volatile. The market value of financial securities changes in response to interest rate changes and other factors.

The Fund's investments are long-term and may be illiquid and there is no assurance that the Fund will achieve its investment objectives. Due to the illiquidity of some of the investments, valuation of the assets may be difficult, as there generally will be no established market for these assets.

Credit risk represents the risk that a counterparty will be unable to pay amounts in full when due. Changes in a debt security issuer's credit rating or the market's perception of an issuer's creditworthiness may also affect the value of the Fund's investment in that issuer. The degree of credit risk depends on the issuer's financial condition and on the terms of the securities.

The Fund may be exposed to counterparty risk if its counterparties failed to perform pursuant to the terms of their obligations to the Fund, or the risk that an institution or other entity with which the Fund has unsettled or open transactions will default. The Fund's assets are subject to the risk of failure of any of the exchanges on which their positions trade or of their clearing houses, intermediaries or counterparties. Financial assets of counterparties, which potentially expose the Fund to counterparty risk, consist mainly of cash due from counterparties and investments. The Investment Manager may attempt to minimize counterparty risks to the Fund by performing extensive reviews of each counterparty and entering into transactions with counterparties that the Investment Manager believes to be creditworthy at the time of the transaction and requiring the posting of collateral in applicable transactions. These risks are monitored on an ongoing basis and the composition of the portfolio is amended accordingly while adhering to the investment guidelines set forth in the Fund's private placement memorandum.

6. RELATED PARTY TRANSACTIONS

The Fund considers the General Partner and Investment Manager, their principal owners, members of management and members of their families, as well as affiliates, to be related parties to the Fund. Amounts due from and due to related parties are generally settled in the normal course of business without formal payment terms.

Management Fee

Pursuant to an investment management agreement entered into between the Fund and the Investment Manager, the Fund will pay to the Investment Manager a fixed management fee (the "Management Fee") payable monthly (prorated for partial periods), in arrears, equal to the rate of 0.70% per annum of the month-beginning net asset value of each capital account of the Fund (without reduction for the Management Fee payable in such month).

6. RELATED PARTY TRANSACTIONS (CONTINUED)

Management Fee (continued)

The Investment Manager has the right to reduce, waive or calculate differently, from time to time, all or part of the Management Fee attributed to certain Limited Partners, including, without limitation, Limited Partners that are members, partners, affiliates or employees of the General Partner or the Investment Manager, members of the immediate families of such persons and trusts or other entities for their benefit.

For the year ended December 31, 2024, the Management Fee amounted to $278,662, of which, $26,892, was payable at December 31, 2024.

The Investment Manager may, in its sole discretion, establish an annual maximum for expenses, calculated on a monthly basis, as a percentage of the Fund’s net asset value. Expenses above the maximum are treated as Management Fee rebate to the Fund. During the year ended December 31, 2024, the Fund received a Management Fee rebate amounting to $93,767.

Incentive Allocation

At the end of each fiscal year of the Fund, an amount equal to 10% of the net capital appreciation allocated to a Limited Partner’s capital account for such fiscal year after deducting the Management Fee and other expenses, as applicable, debited to such Limited Partner’s capital accounts for such fiscal year, will be reallocated to the capital account of the General Partner (the “Incentive Allocation”); provided, however, that the net capital appreciation upon which the calculation of the Incentive Allocation is based will be reduced to the extent of any unrecovered balance remaining in the loss recovery account maintained on the books and records of the Fund for such Limited Partner’s capital account. Although the Incentive Allocation will only crystalize annually (or upon withdrawal), it will accrue monthly during the year.

The Incentive Allocation will be determined separately with respect to each capital account established for a Limited Partner and will only be applied if such Limited Partner’s capital account achieved an annualized return of 7% during the applicable fiscal year (the “Hurdle Rate”).

In addition, the General Partner may elect to reduce, waive or calculate differently the Incentive Allocation with respect to any Limited Partner, including without limitation, employees of the Investment Manager, their respective immediate family members and trusts or other vehicles established for the benefit of such persons.

For the year ended December 31, 2024, the incentive allocation amounted to $347,169.

(Expressed in U.S. Dollars)

7. ADMINISTRATOR

VP Fund Services, LLC (the "Administrator") serves as the Fund's administrator and performs administrative, registrar and transfer agency services on behalf of the Fund. The Administrator receives an administration fee accrued monthly and payable monthly in arrears, subject to a minimum monthly fee of $5,000 per month. For the year ended December 31, 2024, the administration fee amounted to $60,000, of which, $5,000, was payable at December 31, 2024 and is included in accrued expenses and other liabilities on the Statement of Assets, Liabilities, and Partners' Capital.

8. PARTNERS' CAPITAL

The minimum initial capital contribution by a Limited Partner for Interests in the Fund is $5,000,000 and the minimum additional capital contribution is $500,000, both subject to reduction in the sole discretion of the General Partner. Subject to the limitations on withdrawals set within the Fund's private placement memorandum and upon 90 days' prior written notice, each Limited Partner will have the right as of each quarter occurring on or after the day immediately preceding the first anniversary of the establishment of a capital account and as of the start of each quarter thereafter to withdraw all or a portion of the balance in a capital account that is eligible for withdrawal as of a Withdrawal Date (the balance of a Limited Partner's capital account that is eligible for withdrawal on a particular Withdrawal Date being referred to herein as the Limited Partner's "Withdrawal Date Balance"). A Limited Partner generally is permitted to withdraw up to 25%, 33⅓%, 50% and 100%, respectively, of its Withdrawal Date Balance as of the applicable Withdrawal Date over four out of five consecutive Withdrawal Dates.

9. ALLOCATION OF NET PROFITS AND NET LOSSES

At the end of each accounting period, any net capital appreciation or net capital depreciation will be allocated to all Partners (including the General Partner) in proportion to each Partner's opening capital account balance for such accounting period.

10. FINANCIAL HIGHLIGHTS

The summary of key financial highlights relating to the Limited Partners of the Fund for year ended December 31, 2024, is as follows:

Total return[1]	
Total return before incentive allocation	16.48%
Incentive allocation	(0.95%)
Total Return after incentive allocation	15.53%
Ratio to average Limited Partner's Capital[2]	
Total gross expenses	1.04%
Management fee rebate	(0.24%)
Incentive allocation	0.87%
Total net expenses	1.67%
Net investment income	10.92%

[1] Total return represents the change in value of a theoretical investment by comparing the aggregate beginning and ending values of partner's capital, adjusted for cash flows related to capital contributions or withdrawals during the year.

[2] Average partner's capital was derived from partner's average weighted capital, including the beginning and ending capital for the year, adjusted for cash flows related to capital contributions or withdrawals during the year.

An individual limited partner's return and ratios may vary based on participation in new issues, private investments, different incentive allocation and/or management fee arrangements, and the timing of capital transactions. The net investment income ratios do not reflect the effects of the incentive allocation to the General Partner.

11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 28, 2025, the date the financial statements were available to be issued. Management has determined that there are no material events that would require adjustment to, or disclosure in, the Fund's financial statements.

CohnReznick LLP
cohnreznick.com

CohnReznick

Independent Auditor's Report on Supplementary Information

To the General Partner of
Pacific Asset Management CLO Opportunities Fund, L.P.

We have audited the financial statements of Pacific Asset Management CLO Opportunities Fund, L.P., as of and for the year ended December 31, 2024, and have issued our report thereon dated March 28, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to March 28, 2025.

The supplemental schedule of investments is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

CohnReznick LLP

Los Angeles, California
October 31, 2025

Pacific Asset Management CLO Opportunities Fund L.P.

(A Delaware Limited Partnership)

SCHEDULE OF INVESTMENTS

(Expressed in U.S. Dollars)

AS OF DECEMBER 31, 2024

Description	Principal Amount	Cost	Fair Value	Percentage of Partners' Capital
Structured Finance				
Investments - Collateralized Loan Obligations[1]				
North America				
AIMCO 2015-AA ER3, SOFR +6.35%, October 2034[2]	$ 1,000,000	$ 1,000,000	$ 1,020,417	2.18%
AIMCO 2017-AA ER, SOFR +6.51%, April 2034[2]	475,000	472,857	479,173	1.02%
AIMCO 2017-AA FR, SOFR +8.80%, April 2034[2]	250,000	242,525	250,403	0.53%
AIMCO 2019-10A ERR, SOFR +5.65%, July 2037[2]	550,000	550,000	563,434	1.21%
AIMCO 2019-10A SUB, July 2032[3]	350,000	267,120	227,019	0.48%
AIMCO 2020-11A ER2, SOFR +5.35%, July 2037[2]	1,000,000	1,000,000	1,021,209	2.18%
AIMCO 2024-22A E, SOFR +6.50%, April 2037[2]	275,000	275,000	284,121	0.61%
	3,900,000	3,807,502	3,845,776	8.21%
ARES 2015-2A ER, SOFR +7.11%, April 2033[2]	700,000	693,000	709,930	1.52%
	700,000	693,000	709,930	1.52%
MCCP 2024-2A E, SOFR +7.82%, April 2037[2]	250,000	243,750	262,965	0.56%
	250,000	243,750	262,965	0.56%
BARHN 2024-3A E, SOFR +6.92%, April 2037[2]	1,000,000	995,199	1,045,202	2.23%
	1,000,000	995,199	1,045,202	2.23%
BSP 2019-17A ER2, SOFR +6.15%, October 2037[2]	1,000,000	1,000,000	1,015,606	2.18%
BSP 2020-20A ER, SOFR +7.01%, July 2034[2]	300,000	300,000	302,850	0.65%
BSP 2024-34A E, SOFR +6.70%, July 2037[2]	250,000	250,000	260,044	0.56%
	1,550,000	1,550,000	1,578,500	3.39%
BTNY2 2018-1A D, SOFR +5.91%, April 2031[2]	1,000,000	1,000,000	999,833	2.13%
	1,000,000	1,000,000	999,833	2.13%
BROOKP 2024-1A E, SOFR +6.50%, April 2037[2]	250,000	250,000	257,713	0.55%
	250,000	250,000	257,713	0.55%
CARVL 2018-1A E, SOFR +6.03%, July 2031[2]	250,000	237,125	249,447	0.53%
CARVL 2019-1A FR, SOFR +8.29%, April 2032[2]	275,000	264,000	266,905	0.57%
CARVL 2021-2A E, SOFR +7.01%, October 2034[2]	275,000	268,781	277,624	0.59%
CARVL 2022-1A E, SOFR +7.33%, April 2034[2]	250,000	247,500	252,779	0.54%
CARVL 2023-1A ER, SOFR +6.35%, July 2037[2]	1,000,000	1,000,000	1,018,139	2.17%
	2,050,000	2,017,406	2,064,894	4.40%
CAVU 2021-3A E, SOFR +7.63%, January 2035[2]	350,000	333,058	354,298	0.76%
	350,000	333,058	354,298	0.76%
CIFC 2018-3A E, SOFR +5.76%, July 2031[2]	375,000	375,000	376,539	0.80%
CIFC 2019-FAL E, SOFR +7.67%, January 2033[2]	250,000	249,700	251,581	0.54%
	625,000	624,700	628,120	1.34%

Pacific Asset Management CLO Opportunities Fund L.P.

(A Delaware Limited Partnership)

SCHEDULE OF INVESTMENTS (CONTINUED)

(Expressed in U.S. Dollars)

AS OF DECEMBER 31, 2024

Description	Principal Amount	Cost	Fair Value	Percentage of Partners' Capital
Structured Finance				
Investments - Collateralized Loan Obligations[1] (continued)				
CLVR 2021-1A E, SOFR +6.86%, April 2034[2]	250,000	249,875	253,008	0.54%
CLVR 2021-2A E, SOFR +6.76%, July 2034[2]	400,000	373,918	404,620	0.86%
	650,000	623,793	657,628	1.40%
CRNPT 2020-9A ER, SOFR +6.76%, July 2034[2]	350,000	333,081	353,319	0.75%
	350,000	333,081	353,319	0.75%
DRSLF 2018-60A E, SOFR +5.60%, July 2031[2]	875,000	875,000	876,399	1.87%
	875,000	875,000	876,399	1.87%
ELM14 2022-1A F, SOFR +8.37%, April 2035[2]	250,000	225,970	253,177	0.54%
ELM34 2024-10A E, SOFR +5.35%, October 2037[2]	2,000,000	2,000,000	2,039,991	4.35%
ELM35 2024-11A E, SOFR +5.25%, October 2037[2]	1,000,000	1,000,000	1,018,035	2.17%
ELMW1 2019-1A ERR, SOFR +6.40%, April 2037[2]	500,000	500,000	518,806	1.11%
ELMW8 2021-1A ER, SOFR +6.25%, April 2037[2]	1,500,000	1,546,635	1,540,939	3.30%
ELMW8 2021-1A SUB, January 2034[3]	250,000	224,875	147,300	0.31%
	5,500,000	5,497,480	5,518,248	11.78%
EMPWR 2024-2A E, SOFR +6.05%, July 2037[2]	1,000,000	1,000,000	1,026,449	2.19%
	1,000,000	1,000,000	1,026,449	2.19%
FILPK 2018-1A E, SOFR +5.40%, July 2030[2]	500,000	500,000	502,930	1.07%
	500,000	500,000	502,930	1.07%
FLAT 2020-1A ER, SOFR +6.45%, May 2036[2]	250,000	250,000	255,298	0.54%
FLAT 2021-2A E, SOFR +6.46%, October 2034[2]	300,000	300,000	302,410	0.65%
FLAT 2024-3A E, SOFR +5.10%, October 2037[2]	1,000,000	1,000,000	1,010,264	2.16%
	1,550,000	1,550,000	1,567,972	3.35%
GALXY 2018-27A E, SOFR +6.04%, May 2031[2]	500,000	495,000	503,551	1.07%
	500,000	495,000	503,551	1.07%
GLM 2023-17A E, SOFR +6.50%, July 2036[2]	275,000	267,438	282,665	0.60%
	275,000	267,438	282,665	0.60%
HRPK 2020-1A ER, SOFR +6.66%, April 2034[2]	250,000	250,000	252,751	0.54%
	250,000	250,000	252,751	0.54%
MDPK 2018-29A E, SOFR +5.96%, October 2030[2]	500,000	500,000	503,452	1.07%
	500,000	500,000	503,452	1.07%

Pacific Asset Management CLO Opportunities Fund L.P.

(A Delaware Limited Partnership)

SCHEDULE OF INVESTMENTS (CONTINUED)

(Expressed in U.S. Dollars)

AS OF DECEMBER 31, 2024

Description	Principal Amount	Cost	Fair Value	Percentage of Partners' Capital
Structured Finance				
Investments - Collateralized Loan Obligations[1] (continued)				
MAGNE 2015-12A ER, SOFR +5.94%, October 2031[2]	250,000	213,720	251,727	0.54%
MAGNE 2019-23A ER, SOFR +6.56%, January 2035[2]	325,000	325,000	328,617	0.70%
MAGNE 2024-44A E, SOFR +5.25%, October 2037[2]	2,000,000	2,000,000	2,035,237	4.34%
	2,575,000	2,538,720	2,615,581	5.58%
MSEV 2022-17A ER, SOFR +6.10%, October 2037[2]	1,000,000	1,000,000	1,013,707	2.16%
	1,000,000	1,000,000	1,013,707	2.16%
NEUB 2017-16SA ER, SOFR +6.51%, April 2034[2]	1,000,000	1,002,500	1,008,444	2.15%
NEUB 2019-33A ER, SOFR +6.51%, October 2033[2]	500,000	500,000	504,592	1.08%
NEUB 2021-40A E, SOFR +6.11%, April 2033[2]	250,000	215,845	252,139	0.54%
NEUB 2022-49A ER, SOFR +5.50%, July 2035[2]	1,000,000	1,000,000	1,009,154	2.15%
NEUB 2024-54A E, SOFR +6.35%, April 2038[2]	250,000	250,000	257,192	0.55%
	3,000,000	2,968,345	3,031,521	6.47%
OCP 2019-16A ER, SOFR +6.61%, April 2033[2]	500,000	500,000	503,681	1.08%
OCP 2020-19A ER, SOFR +6.76%, October 2034[2]	475,000	475,000	479,360	1.02%
OCP 2021-21A E, SOFR +6.54%, July 2034[2]	1,000,000	999,475	1,010,777	2.16%
OCPA 2023-29A ER, SOFR +5.00%, January 2036[2]	1,000,000	1,000,000	1,000,000	2.13%
	2,975,000	2,974,475	2,993,818	6.39%
OAKC 2017-14A ER, SOFR +5.45%, July 2037[2]	1,000,000	1,000,000	1,022,602	2.18%
OAKC 2017-15A ER, SOFR +6.50%, April 2037[2]	250,000	250,000	257,686	0.55%
OAKC 2018-1A ER, SOFR +6.50%, April 2037[2]	250,000	250,000	257,727	0.55%
OHALF 2016-1A ER2, SOFR +5.70%, July 2037[2][4]	1,000,000	1,000,000	1,019,498	2.18%
	2,500,000	2,500,000	2,557,513	5.46%
PARL 2021-1A E, SOFR +6.73%, July 2034[2]	300,000	261,354	302,632	0.65%
	300,000	261,354	302,632	0.65%
PIPK 2019-3A ERR, SOFR +6.87%, October 2034[2]	250,000	247,500	252,414	0.54%
PIPK 2020-6A ER2, SOFR +6.69%, May 2034[2]	1,000,000	999,407	1,009,992	2.16%
PIPK 2020-6A FR2, SOFR +8.31%, May 2034[2]	250,000	236,508	249,766	0.53%
PIPK 2021-9A E, SOFR +6.84%, October 2034[2]	350,000	348,250	354,305	0.76%
	1,850,000	1,831,665	1,866,477	3.99%
PLMRS 2015-2A DR2, SOFR +6.01%, July 2030[2]	250,000	215,625	250,197	0.53%
PLMRS 2021-1A E, SOFR +7.67%, April 2034[2]	250,000	240,000	247,471	0.53%
PLMRS 2021-4A E, SOFR +6.31%, October 2034[2]	400,000	400,000	403,470	0.87%
PSTAT 2021-2A E, SOFR +7.76%, May 2029[2]	1,000,000	1,008,690	1,008,768	2.15%
PSTAT 2024-3A D, SOFR +5.40%, August 2032[2]	1,000,000	1,000,000	1,008,163	2.15%
	2,900,000	2,864,315	2,918,069	6.23%

Pacific Asset Management CLO Opportunities Fund L.P.

(A Delaware Limited Partnership)

SCHEDULE OF INVESTMENTS (CONTINUED)

(Expressed in U.S. Dollars)

AS OF DECEMBER 31, 2024

Description	Principal Amount	Cost	Fair Value	Percentage of Partners' Capital
Structured Finance				
Investments - Collateralized Loan Obligations[(1)] (continued)				
RAD 2021-12A E, SOFR +6.61%, October 2034[(2)]	500,000	500,000	504,553	1.08%
RAD 2019-5A E, SOFR +6.96%, July 2032[(2)]	325,000	311,110	327,936	0.70%
RAD 2020-9A E, SOFR +7.85%, January 2034[(2)]	1,000,000	1,006,620	1,012,129	2.16%
	1,825,000	1,817,730	1,844,618	3.94%
RRAM 2023-27A D, SOFR +7.65%, October 2035[(2)]	250,000	245,000	259,024	0.55%
RRAM 2024-30A D, SOFR +5.75%, July 2036[(2)]	1,000,000	1,019,500	1,025,587	2.20%
	1,250,000	1,264,500	1,284,611	2.75%
SAND 2021-1A E, SOFR +7.06%, October 2034[(2)]	625,000	622,812	631,604	1.35%
	625,000	622,812	631,604	1.35%
SIXST 2021-20A E, SOFR +6.41%, October 2034[(2)]	400,000	400,164	404,897	0.86%
	400,000	400,164	404,897	0.86%
SYMP 2021-29A E, SOFR +6.51%, January 2034[(2)]	250,000	246,823	251,913	0.54%
	250,000	246,823	251,913	0.54%
TIA 2018-1A D, SOFR +6.21%, January 2032[(2)]	300,000	300,000	301,788	0.64%
	300,000	300,000	301,788	0.64%
TICP 2019-14A DR, SOFR +6.96%, October 2032[(2)]	250,000	250,000	252,723	0.54%
	250,000	250,000	252,723	0.54%
VOYA 2019-1A SUB, April 2029[(3)]	735,000	330,750	232,995	0.50%
	735,000	330,750	232,995	0.50%
Total Investments - Collateralized Loan Obligations	**$ 46,360,000**	**$ 45,578,060**	**$ 46,297,062**	**98.83%**

(1) All securities presented are exempt from registration under Rule 144A of the Securities Act of 1933. These securities are restricted and may be resold in transactions exempt from registration normally to qualified institutional buyers.

(2) Variable or floating rate security, the interest of which adjusts periodically based on changes in current interest rates. The rate shown represents the rate on December 31, 2024. SOFR is 3 month term Secured Overnight Financing Rate. As of December 31, 2024, the 3 month term SOFR rate was 4.31%.

(3) Sub note tranche, no interest rate.

(4) Non-income producing security.

APPENDIX D—UNAUDITED FINANCIAL STATEMENTS
(PREDECESSOR FUND)
For the period January 1, 2025 through September 30, 2025

Pacific Asset Management CLO Opportunities Fund L.P.

(A Delaware Limited Partnership)

Unaudited Financial Statements

Financial Statements as of and for the
Period ended September 30, 2025

Pacific Asset Management CLO Opportunities Fund L.P.

(A Delaware Limited Partnership)

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Pacific Asset Management CLO Opportunities Fund L.P.

(A Delaware Limited Partnership)

STATEMENT OF ASSETS, LIABILITIES, AND PARTNERS' CAPITAL (unaudited)

(Expressed in U.S. Dollars)

AS OF SEPTEMBER 30, 2025

Assets		
Investments, at fair value (cost $102,171,134)	$	102,406,138
Cash and cash equivalents		2,866,116
Interest receivable		1,754,123
Other receivable		6,141
Total Assets		**107,032,518**
Liabilities and Partners' Capital		
Liabilities		
Due to broker		7,100,000
Management fee payable		57,735
Accrued expenses and other liabilities		48,990
Total Liabilities		7,206,725
Partners' capital		
General Partner		283,679
Limited Partner		99,542,112
Total Partners' Capital		99,825,791
Total Liabilities and Partners' Capital	**$**	**107,032,516**

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

Pacific Asset Management CLO Opportunities Fund L.P.

(A Delaware Limited Partnership)

SCHEDULE OF INVESTMENTS (unaudited)

(Expressed in U.S. Dollars)

AS OF SEPTEMBER 30, 2025

Description	Principal Amount	Cost	Fair Value	Percentage of Partners' Capital
Structured Finance				
Investments - Collateralized Loan Obligations[1]				
North America				
AIMCO 2019-10A ERR, SOFR +5.65%, July 2037[2]	$ 550,000	$ 550,000	$ 558,380	0.56%
AIMCO 2019-10A SUB, July 2032[3]	350,000	267,120	190,211	0.19%
AIMCO 2020-11A ER2, SOFR +5.35%, July 2037[2]	1,000,000	1,000,000	1,016,584	1.02%
AIMCO 2024-22A E, SOFR +6.50%, April 2037[2]	775,000	783,545	789,030	0.79%
	2,675,000	2,600,665	2,554,205	2.56%
APID 2024-48A E, SOFR +5.75%, July 2037[2]	500,000	504,445	507,315	0.51%
	500,000	504,445	507,315	0.51%
BARHN 2024-3A E, SOFR +6.92%, April 2037[2]	1,000,000	995,200	1,016,107	1.02%
	1,000,000	995,200	1,016,107	1.02%
BGCLO 2025-12A SUB, April 2038[3]	1,000,000	1,000,000	1,068,450	1.07%
BGCLO 2025-14A E, SOFR +6.65%, July 2037[2]	1,000,000	1,000,000	1,015,234	1.02%
	2,000,000	2,000,000	2,083,684	2.09%
BROOKP 2024-1A E, SOFR +6.50%, April 2037[2]	250,000	250,000	254,152	0.25%
	250,000	250,000	254,152	0.25%
BRYPK 2023-21A AR, SOFR +1.27%, October 2038[2]	1,500,000	1,500,000	1,500,000	1.50%
BRYPK 2025-27A E, SOFR +5.45%, July 2038[2]	1,000,000	1,000,000	1,006,778	1.01%
	2,500,000	2,500,000	2,506,778	2.51%
BSP 2014-IVA AR5, SOFR +1.25%, October 2038[2]	2,000,000	2,000,000	2,006,000	2.01%
BSP 2019-17A ER2, SOFR +6.15%, October 2037[2]	1,000,000	1,000,000	1,013,584	1.02%
BSP 2021-23A ER, SOFR +5.25%, April 2034[2]	1,000,000	1,000,000	1,010,163	1.01%
BSP 2021-24A ER, SOFR +4.60%, October 2034[2]	1,100,000	1,100,000	1,103,497	1.11%
BSP 2021-25A ER, SOFR +4.60%, January 2035[2]	1,000,000	1,000,000	998,793	1.00%
BSP 2022-27A ER, SOFR +6.15%, October 2037[2]	1,000,000	1,018,590	1,016,960	1.02%
BSP 2024-34A E, SOFR +6.70%, July 2037[2]	250,000	250,000	254,158	0.25%
BSP 2025-41A E, SOFR +4.90%, July 2038[2]	1,250,000	1,250,000	1,259,625	1.26%
	8,600,000	8,618,590	8,662,780	8.68%
CARVL 2019-1A FR, SOFR +8.29%, April 2032[2]	275,000	264,000	265,658	0.27%
CARVL 2021-2A E, SOFR +7.01%, October 2034[2]	275,000	268,781	276,130	0.28%
CARVL 2022-1A E, SOFR +7.33%, April 2034[2]	250,000	247,500	251,055	0.25%
CARVL 2023-1A ER, SOFR +6.35%, July 2037[2]	1,000,000	1,000,000	1,008,323	1.01%
CAVU 2021-3A E, SOFR +7.63%, January 2035[2]	350,000	333,058	351,153	0.35%
	2,150,000	2,113,339	2,152,319	2.16%
CIFC 2019-3A ER2, SOFR +5.00%, January 2038[2]	1,500,000	1,504,874	1,517,160	1.52%
	1,500,000	1,504,874	1,517,160	1.52%
CLVR 2019-1A ERR, SOFR +4.50%, April 2035[2]	2,000,000	2,000,000	1,984,901	1.99%
	2,000,000	2,000,000	1,984,901	1.99%

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

Pacific Asset Management CLO Opportunities Fund L.P.

(A Delaware Limited Partnership)

SCHEDULE OF INVESTMENTS (CONTINUED)

(Expressed in U.S. Dollars)

AS OF SEPTEMBER 30, 2025

Description	Principal Amount	Cost	Fair Value	Percentage of Partners' Capital
Structured Finance				
Investments - Collateralized Loan Obligations[1] (continued)				
CRNPT 2020-9A ER, SOFR +7.02%, July 2034[2]	350,000	333,081	351,385	0.35%
	350,000	333,081	351,385	0.35%
DCLO 2021-1A DR, SOFR +6.15%, October 2037[2]	1,160,000	1,189,985	1,178,536	1.18%
DCLO 2022-3A DR, SOFR +5.25%, January 2038[2]	1,000,000	970,800	1,014,032	1.02%
	2,160,000	2,160,785	2,192,568	2.20%
ELD 2025-1A E, SOFR +5.30%, October 2038[2]	1,000,000	1,000,000	1,000,000	1.00%
	1,000,000	1,000,000	1,000,000	1.00%
ELM25 2024-1A E, SOFR +5.25%, April 2037[2]	1,950,000	1,940,036	1,969,118	1.97%
ELM28 2024-4A E, SOFR +6.00%, April 2037[2]	1,050,000	1,062,788	1,064,482	1.07%
ELM29 2024-5A ER, SOFR +6.40%, April 2037[2]	500,000	505,000	507,392	0.51%
ELM32 2024-8A E, SOFR +5.40%, October 2037[2]	1,250,000	1,260,738	1,269,702	1.27%
ELM34 2024-10A E, SOFR +5.35%, October 2037[2]	2,000,000	2,000,000	2,030,171	2.03%
ELM35 2024-11A E, SOFR +5.25%, October 2037[2]	1,000,000	1,000,000	1,013,786	1.02%
	7,750,000	7,768,562	7,854,651	7.87%
ELMW1 2019-1A ERR, SOFR +6.40%, April 2037[2]	500,000	500,000	505,553	0.51%
ELMW8 2021-1A ER, SOFR +6.25%, April 2037[2]	1,500,000	1,546,635	1,507,324	1.51%
ELMW8 2021-1A SUB, January 2034[3]	250,000	224,875	80,835	0.08%
	2,250,000	2,271,510	2,093,712	2.10%
EMPWR 2024-2A E, SOFR +6.05%, July 2037[2]	1,000,000	1,000,000	1,015,231	1.02%
	1,000,000	1,000,000	1,015,231	1.02%
FILPK 2018-1A E, SOFR +5.40%, July 2030[2]	972,500	975,108	973,100	0.97%
	972,500	975,108	973,100	0.97%
FLAT 2020-1A A1R2, SOFR +1.24%, November 2038[2]	600,000	600,000	600,000	0.60%
FLAT 2020-1A ER, SOFR +6.45%, May 2036[2]	250,000	250,000	250,913	0.25%
FLAT 2023-1A ER, SOFR +4.95%, April 2036[2]	2,500,000	2,500,000	2,517,125	2.52%
FLAT 2024-3A E, SOFR +5.10%, October 2037[2]	1,000,000	1,000,000	1,004,155	1.01%
FLAT 2025-32A E, SOFR +4.90%, October 2038[2]	2,000,000	2,001,206	2,016,063	2.02%
FLAT 2025-32A SUB, October 2038[3]	1,000,000	848,700	833,800	0.84%
	7,350,000	7,199,906	7,222,056	7.24%
GALXY 2023-31A ER, SOFR +5.50%, July 2038[2]	1,500,000	1,500,000	1,524,464	1.53%
	1,500,000	1,500,000	1,524,464	1.53%
GARNET 2025-1A, SOFR +6.25%, July 2037[2]	1,175,000	1,178,238	1,191,743	1.19%
	1,175,000	1,178,238	1,191,743	1.19%
GCBSL 2021-53A ER, SOFR +4.70%, July 2034[2]	1,000,000	986,790	998,909	1.00%
	1,000,000	986,790	998,909	1.00%

(Expressed in U.S. Dollars)

Description	Principal Amount	Cost	Fair Value	Percentage of Partners' Capital
Structured Finance				
Investments - Collateralized Loan Obligations[1] (continued)				
GLM 2017-1A ER3, SOFR +4.50%, April 2034[2]	1,325,000	1,325,000	1,317,796	1.32%
GLM 2019-6A ER2, SOFR +4.50%, April 2035[2]	1,000,000	1,000,000	989,655	0.99%
GLM 2025-25A E, SOFR +5.75%, April 2038[2]	1,500,000	1,500,000	1,533,410	1.54%
	3,825,000	3,825,000	3,840,861	3.85%
GNAPK 2021-2A ER, SOFR +6.00%, July 2038[2]	275,000	275,000	280,072	0.28%
	275,000	275,000	280,072	0.28%
LEWEY 2024-1A E, SOFR +5.55%, October 2037[2]	1,110,000	1,120,828	1,127,019	1.13%
	1,110,000	1,120,828	1,127,019	1.13%
MAGNE 2019-23A ER, SOFR +6.56%, January 2035[2]	325,000	325,000	326,438	0.33%
MAGNE 2019-24A ER, SOFR +6.40%, April 2035[2]	1,000,000	1,006,590	1,004,622	1.01%
MAGNE 2023-39A E1R, SOFR +4.90%, January 2037[2]	887,500	890,686	890,930	0.89%
MAGNE 2024-44A E, SOFR +5.25%, October 2037[2]	2,000,000	2,000,000	2,028,481	2.03%
	4,212,500	4,222,276	4,250,471	4.26%
MCCP 2024-2A E, SOFR +7.82%, April 2037[2]	1,000,000	1,014,563	1,029,018	1.03%
MCCP 2024-3A E, SOFR +6.95%, January 2035[2]	1,600,000	1,619,344	1,618,525	1.62%
MCCP 2025-4A E, SOFR +6.15%, October 2038[2]	1,500,000	1,500,000	1,500,000	1.50%
	4,100,000	4,133,907	4,147,543	4.15%
MDPK 2025-40RA A, SOFR +1.29%, October 2038[2]	1,250,000	1,250,000	1,250,000	1.25%
	1,250,000	1,250,000	1,250,000	1.25%
MSEV 2022-17A ER, SOFR +6.10%, October 2037[2]	1,000,000	1,000,000	1,003,350	1.01%
	1,000,000	1,000,000	1,003,350	1.01%
NEUB 2019-32RA E, SOFR +5.15%, July 2039[2]	1,500,000	1,500,000	1,514,429	1.52%
NEUB 2019-34A ER2, SOFR +5.00%, July 2039[2]	1,000,000	1,000,000	987,633	0.99%
NEUB 2021-43A ER, SOFR +4.60%, July 2036[2]	1,230,000	1,226,263	1,225,792	1.23%
NEUB 2021-44A ER, SOFR +5.15%, October 2035[2]	1,000,000	1,000,000	998,836	1.00%
NEUB 2021-46A ER, SOFR +5.15%, January 2037[2]	1,750,000	1,749,125	1,762,685	1.77%
NEUB 2022-49A ER, SOFR +5.50%, July 2035[2]	1,000,000	1,000,000	1,002,115	1.00%
NEUB 2024-54A E, SOFR +6.35%, April 2038[2]	1,000,000	1,012,255	1,014,856	1.02%
NEUB 2024-56A E, SOFR +5.75%, July 2037[2]	1,075,000	1,091,715	1,093,668	1.10%
NEUB 2025-61A E, SOFR +4.90%, July 2039[2]	1,100,000	1,100,000	1,111,341	1.11%
	10,655,000	10,679,358	10,711,355	10.74%
NWML 2023-2A A1R, SOFR +1.25%, October 2038[2]	1,000,000	1,000,000	1,000,000	1.00%
	1,000,000	1,000,000	1,000,000	1.00%
NYKPK 2021-1A A1R, SOFR +1.23%, October 2038[2]	1,500,000	1,500,000	1,500,000	1.50%
	1,500,000	1,500,000	1,500,000	1.50%

(Expressed in U.S. Dollars)

Description	Principal Amount	Cost	Fair Value	Percentage of Partners' Capital
Structured Finance				
Investments - Collateralized Loan Obligations[1] (continued)				
OCP 2019-16A ER, SOFR +6.61%, April 2033[2]	500,000	500,000	499,131	0.50%
OCP 2025-40A SUB, April 2038[3]	1,000,000	900,000	877,220	0.88%
OCPA 2023-29A ER, SOFR +5.00%, January 2036[2]	1,250,000	1,248,750	1,257,348	1.26%
	2,750,000	2,648,750	2,633,699	2.64%
OAKC 2017-14A ER, SOFR +5.45%, July 2037[2]	1,000,000	1,000,000	1,017,228	1.02%
OAKC 2017-15A ER, SOFR +6.50%, April 2037[2]	250,000	250,000	254,587	0.26%
OAKC 2018-1A ER, SOFR +6.50%, April 2037[2]	250,000	250,000	254,173	0.25%
OAKC 2019-4A ER2, SOFR +4.95%, January 2038[2]	1,745,000	1,753,359	1,749,587	1.75%
OAKC 2025-21A E, SOFR +4.65%, October 2038[2]	1,000,000	1,000,000	1,002,711	1.00%
OAKC 2025-22A E, SOFR +5.55%, July 2038[2]	1,000,000	1,000,000	1,015,270	1.02%
	5,245,000	5,253,359	5,293,556	5.30%
OAKCL 2024-25A E, SOFR +6.59%, April 2037[2]	1,000,000	995,500	1,008,921	1.01%
	1,000,000	995,500	1,008,921	1.01%
OHALF 2016-1A ER2, SOFR +5.70%, July 2037[2]	1,000,000	1,000,000	1,015,823	1.02%
	1,000,000	1,000,000	1,015,823	1.02%
PIPK 2019-3A ERR, SOFR +6.87%, October 2034[2]	250,000	247,500	250,475	0.25%
	250,000	247,500	250,475	0.25%
PLMRS 2025-4A A, SOFR +1.27%, October 2038[2]	2,500,000	2,500,000	2,500,000	2.50%
	2,500,000	2,500,000	2,500,000	2.50%
PPMC 2020-4A A1R2, SOFR +1.33%, March 2038[2]	450,000	450,000	452,032	0.45%
	450,000	450,000	452,032	0.45%
PSTAT 2024-2A D, SOFR +4.70%, January 2033[2]	1,000,000	1,010,500	1,001,828	1.00%
PSTAT 2024-3A D, SOFR +5.40%, August 2032[2]	1,000,000	1,000,000	1,001,805	1.00%
	2,000,000	2,010,500	2,003,633	2.00%
REGT6 2016-1A A1R3, SOFR +1.25%, October 2038[2]	1,350,000	1,350,000	1,354,725	1.36%
	1,350,000	1,350,000	1,354,725	1.36%
RRAM 2023-27A D, SOFR +7.65%, October 2035[2]	250,000	245,000	251,097	0.25%
RRAM 2024-30A D, SOFR +5.75%, July 2036[2]	1,000,000	1,019,500	1,016,292	1.02%
	1,250,000	1,264,500	1,267,389	1.27%

SCHEDULE OF INVESTMENTS (CONTINUED)

(Expressed in U.S. Dollars)

AS OF SEPTEMBER 30, 2025

Description	Principal Amount	Cost	Fair Value	Percentage of Partners' Capital
Structured Finance				
Investments - Collateralized Loan Obligations[1] (continued)				
SAND 2021-1A E, SOFR +7.06%, October 2034[2]	625,000	622,813	627,370	0.63%
	625,000	622,813	627,370	0.63%
SIXST 2025-28A E, SOFR +5.45%, April 2038[2]	1,500,000	1,524,000	1,528,501	1.53%
	1,500,000	1,524,000	1,528,501	1.53%
TCIFC 2023-1A ER, SOFR +4.95%, July 2038[2]	1,500,000	1,500,000	1,511,694	1.51%
	1,500,000	1,500,000	1,511,694	1.51%
TRYSL 2022-1A E, SOFR +6.75%, October 2033[2]	1,000,000	1,006,000	1,003,592	1.01%
	1,000,000	1,006,000	1,003,592	1.01%
VOYA 2019-1A SUB, April 2029[3]	735,000	330,750	184,536	0.18%
	735,000	330,750	184,536	0.18%
WBOX 2025-5A E, SOFR +5.25%, July 2038[2]	1,000,000	1,000,000	1,002,301	1.00%
	1,000,000	1,000,000	1,002,301	1.00%
Total Investments - Collateralized Loan Obligations	**$ 102,765,000**	**$ 102,171,134**	**$ 102,406,138**	**102.59%**

[1] All securities presented are exempt from registration under Rule 144A of the Securities Act of 1933. These securities are restricted and may be resold in transactions exempt from registration normally to qualified institutional buyers.

[2] Variable or floating rate security, the interest of which adjusts periodically based on changes in current interest rates. The rate shown represents the rate on September 30, 2025. SOFR is 3 month term Secured Overnight Financing Rate. As of September 30, 2025, the 3 month term SOFR rate was 3.98%.

[3] Sub note tranche, no interest rate.

Pacific Asset Management CLO Opportunities Fund L.P.

(A Delaware Limited Partnership)

STATEMENT OF OPERATIONS (unaudited)

(Expressed in U.S. Dollars)

FOR THE PERIOD ENDED SEPTEMBER 30, 2025

Investment income		
Interest income	$	4,733,822
Total investment income		4,733,822
Expenses		
Management fees		359,596
Administrative fees		45,000
Custodian fees		15,000
Professional fees and other		43,100
Total gross expenses		462,696
Management fee rebates		(51,595)
Total net expenses		**411,101**
Net investment income		**4,322,721**
Net realized and unrealized gain (loss) on investments		
Net realized gain on securities		640,795
Net change in unrealized loss on securities		(483,998)
Change in realized and unrealized gain on investments		**156,797**
Net increase in Partners' Capital resulting from operations	**$**	**4,479,518**

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

Pacific Asset Management CLO Opportunities Fund L.P.

(A Delaware Limited Partnership)

STATEMENT OF CHANGES IN PARTNERS' CAPITAL (unaudited)

(Expressed in U.S. Dollars)

FOR THE PERIOD ENDED SEPTEMBER 30, 2025

		General Partner		Limited Partner		Total
Partners' capital at December 31, 2024	**$**	**523,716**	**$**	**46,323,135**	**$**	**46,846,851**
Capital contributions		-		48,846,591		48,846,591.00
Capital withdrawals		(347,169)		-		(347,169)
Net investment income (loss)						
Pro rata allocation		12,502		4,310,219		4,322,721
Incentive allocation to General Partner		96,594		(96,594)		-
Net investment income after incentive allocation to General Partner		109,096		4,213,625		4,322,721
Net realized gain		1,463		639,332		640,795
Net change in unrealized loss		(3,427)		(480,571)		(483,998)
Partners' capital at September 30, 2025	**$**	**283,679**	**$**	**99,542,112**	**$**	**99,825,791**

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

1. ORGANIZATION

Pacific Asset Management CLO Opportunities Fund L.P. (the "Fund") is a Delaware limited partnership organized on April 3, 2018 to operate as a private investment fund primarily for the benefit of U.S. investors. The Fund commenced operations on June 1, 2018. PAM CLO Opportunities GP LLC (the "General Partner"), a Delaware limited liability company, serves as the General Partner of the Fund.

Aristotle Pacific Capital, LLC ("Aristotle Pacific" and formerly Pacific Asset Management LLC) serves as the investment manager of the Fund (the "Investment Manager") and provides certain administrative and managerial services to the Fund. Aristotle Pacific's investment team was initially established in 2007 as a business division of Pacific Life Fund Advisors LLC ("PLFA") and conducted its business under the name "Pacific Asset Management".

The Fund's investment objective seeks to provide attractive returns, with a secondary objective of minimizing capital loss. The Fund seeks to achieve its investment objective by investing primarily in a diversified portfolio of Collateralized Loan Obligation (CLO) debt and equity securities. There can be no assurance that the investment objective of the Fund will be achieved.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Fund are as follows:

Basis of Presentation

These financial statements are expressed in U.S. dollars and have been prepared in accordance with the accounting principles generally accepted in the United States of America ("US GAAP"). The Fund qualifies as an investment company under US GAAP and follows the accounting and reporting guidance in Financial Accounting Standards Board Accounting Standards Codification Topic 946, Financial Services – Investment Companies.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires the General Partner to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The General Partner believes that the estimates utilized in preparing its financial statements are reasonable and prudent; however, actual results could differ from these estimates and these differences could be material.

Investment Transactions and Related Investment Income

Securities are accounted for on a trade date basis. Realized gains and losses on investment transactions are determined using cost calculated on a specific identification basis. Interest is recognized on an accrual basis. Discounts and premiums to the face amount of debt securities are accreted and amortized using the effective interest rate method over the lives of the respective debt securities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Valuation of Investments

Securities Valuation

Securities owned that are traded on national securities exchanges are valued at the last reported sales price on the date of determination or, if no sales occurred on such day, at the mean between the bid and asked prices on such day. Investments in securities that are not listed on a national securities exchange are valued at the average of the most recent bid and asked prices on the date of determination or, if no sales occurred on such day, at such value as the General Partner may determine in good faith.

Collateralized Loan Obligations

In valuing the Fund's investments in CLO securities, the General Partner considers a variety of relevant factors such as indicative mid-point quotes provided by independent pricing services, recent trading prices for specific investments, and recent purchases and sales of similar securities. When observable price quotations are not available, fair value is determined based on future cash flow projections. The cash flow projections are subject to assumptions such as future loan default rates, recovery rates, prepayment rates, reinvestment rates, and discount rates. CLO securities are generally categorized in Level 2 of the fair value hierarchy. In instances where significant inputs are unobservable, they are categorized in Level 3 of the fair value hierarchy. There were no CLO securities in Level 3 of the fair value hierarchy as of September 30, 2025.

Cash and Cash Equivalents

Cash and cash equivalents are defined as amounts which are readily converted into cash and highly-liquid investments with a maturity of three months or less when purchased. There were no cash equivalents at the period ended September 30, 2025.

Income Taxes

The Fund is to be treated as a partnership for federal income tax purposes and is not subject to federal income tax. No provision for federal or state income taxes has been made, since all income and losses are allocated to the partners for inclusion in their respective tax returns. The Fund filed an income tax return in the U.S. federal jurisdiction and may file income tax returns in various U.S. states. Generally, the Fund is subject to income tax examinations for the years after 2021.

The Fund reviews and evaluates tax positions in its major jurisdictions and determines whether or not there are uncertain tax positions that require financial statement recognition. The Fund recognizes uncertain tax positions if it is more likely than not to be sustained upon examination by the applicable taxing authority, including the resolution of any related appeals or litigation processes, based on the technical merits of the position. Tax benefits are measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement, which could result in the Fund recording a tax liability that would reduce partners' capital.

Based on its review, the Fund has determined the major tax jurisdictions to be where the Fund is organized and where the Fund makes investments. Such jurisdictions are U.S. federal, and various state and local; however, no liability for uncertain tax positions was recorded for any of the Fund's open tax years. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as a partnership expense in the statement of operations. During the period ended September 30, 2025, the Fund did not incur any interest or penalties.

The Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months. As a result, no other income tax liability or expense has been recorded in the accompanying financial statements.

3. DUE TO BROKER

Due to broker consists of unsettled trade transactions. There were $7,100,000 due to broker as of September 30, 2025.

4. DISCLOSURE OF FAIR VALUE MEASUREMENT

The Fund follows the authoritative guidance for fair value measurements, which establishes a fair value hierarchy and defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. The fair value hierarchy prioritizes and ranks the inputs in valuation techniques to measure fair value. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 — Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access. Valuation adjustments and block discounts are not applied. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 — Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 — Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary from security to security and is affected by a wide variety of factors, including the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Due to the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed.

Accordingly, the degree of judgment exercised by the Fund in determining fair value is greatest for securities categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined by the lowest level input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Fund's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Fund uses prices and inputs that are current as of the measurement date, including during periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may get reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

There were no transfers between the levels of the fair value hierarchy for the period ended September 30, 2025. There were no purchases of Level 3 investments for the period ended September 30, 2025.

The following table presents information about the Fund's assets and liabilities measured at fair value as of September 30, 2025:

4. DISCLOSURE OF FAIR VALUE MEASUREMENT (CONTINUED)

Assets	Level 1	Level 2	Level 3	Total
Investments in securities, at fair value				
Collateralized Loan Obligations	$ -	$ 102,406,138	$ -	$ 102,406,138
Total investments in securities at fair value	$ -	$ 102,406,138	$ -	$ 102,406,138

5. RISK CONSIDERATIONS

Market risk is the potential loss the Fund may incur as a result of changes in the market or fair value of a particular financial instrument. The rapid fluctuations in the market prices of securities are highly volatile. The market value of financial securities changes in response to interest rate changes and other factors.

The Fund’s investments are long-term and may be illiquid and there is no assurance that the Fund will achieve its investment objectives. Due to the illiquidity of some of the investments, valuation of the assets may be difficult, as there generally will be no established market for these assets.

Credit risk represents the risk that a counterparty will be unable to pay amounts in full when due. Changes in a debt security issuer’s credit rating or the market’s perception of an issuer’s creditworthiness may also affect the value of the Fund’s investment in that issuer. The degree of credit risk depends on the issuer’s financial condition and on the terms of the securities.

The Fund may be exposed to counterparty risk if its counterparties failed to perform pursuant to the terms of their obligations to the Fund, or the risk that an institution or other entity with which the Fund has unsettled or open transactions will default. The Fund's assets are subject to the risk of failure of any of the exchanges on which their positions trade or of their clearing houses, intermediaries or counterparties. Financial assets of counterparties, which potentially expose the Fund to counterparty risk, consist mainly of cash due from counterparties and investments. The Investment Manager may attempt to minimize counterparty risks to the Fund by performing extensive reviews of each counterparty and entering into transactions with counterparties that the Investment Manager believes to be creditworthy at the time of the transaction and requiring the posting of collateral in applicable transactions. These risks are monitored on an ongoing basis and the composition of the portfolio is amended accordingly while adhering to the investment guidelines set forth in the Fund's private placement memorandum.

6. RELATED PARTY TRANSACTIONS

The Fund considers the General Partner and Investment Manager, their principal owners, members of management and members of their families, as well as affiliates, to be related parties to the Fund. Amounts due from and due to related parties are generally settled in the normal course of business without formal payment terms.

Management Fee

Pursuant to an investment management agreement entered into between the Fund and the Investment Manager, the Fund will pay to the Investment Manager a fixed management fee (the “Management Fee”) payable monthly (prorated for partial periods), in arrears, equal to the rate of 0.70% per annum of the month-beginning net asset value of each capital account of the Fund (without reduction for the Management Fee payable in such month).

6. RELATED PARTY TRANSACTIONS (CONTINUED)

Management Fee (continued)

The Investment Manager has the right to reduce, waive or calculate differently, from time to time, all or part of the Management Fee attributed to certain Limited Partners, including, without limitation, Limited Partners that are members, partners, affiliates or employees of the General Partner or the Investment Manager, members of the immediate families of such persons and trusts or other entities for their benefit.

For the period ended September 30, 2025, the Management Fee amounted to $359,596, of which, $57,735, was payable at September 30, 2025.

The Investment Manager may, in its sole discretion, establish an annual maximum for expenses, calculated on a monthly basis, as a percentage of the Fund's net asset value. Expenses above the maximum are treated as Management Fee rebate to the Fund. During the period ended September 30, 2025, the Fund received a Management Fee rebate amounting to $51,595.

Incentive Allocation

At the end of each fiscal year of the Fund, an amount equal to 10% of the net capital appreciation allocated to a Limited Partner's capital account for such fiscal year after deducting the Management Fee and other expenses, as applicable, debited to such Limited Partner's capital accounts for such fiscal year, will be reallocated to the capital account of the General Partner (the "Incentive Allocation"); provided, however, that the net capital appreciation upon which the calculation of the Incentive Allocation is based will be reduced to the extent of any unrecovered balance remaining in the loss recovery account maintained on the books and records of the Fund for such Limited Partner's capital account. Although the Incentive Allocation will only crystalize annually (or upon withdrawal), it will accrue monthly during the year.

The Incentive Allocation will be determined separately with respect to each capital account established for a Limited Partner and will only be applied if such Limited Partner's capital account achieved an annualized return of 7% during the applicable fiscal year (the "Hurdle Rate").

In addition, the General Partner may elect to reduce, waive or calculate differently the Incentive Allocation with respect to any Limited Partner, including without limitation, employees of the Investment Manager, their respective immediate family members and trusts or other vehicles established for the benefit of such persons.

For the period ended September 30, 2025, the incentive allocation amounted to $96,594.

7. ADMINISTRATOR

VP Fund Services, LLC (the "Administrator") serves as the Fund's administrator and performs administrative, registrar and transfer agency services on behalf of the Fund. The Administrator receives an administration fee accrued monthly and payable monthly in arrears, subject to a minimum monthly fee of $5,000 per month. For the period ended September 30, 2025, the administration fee amounted to $45,000, of which, $5,000, was payable at September 30, 2025 and is included in accrued expenses and other liabilities on the Statement of Assets, Liabilities, and Partners' Capital.

(Expressed in U.S. Dollars)

8. PARTNERS' CAPITAL

The minimum initial capital contribution by a Limited Partner for Interests in the Fund is $5,000,000 and the minimum additional capital contribution is $500,000, both subject to reduction in the sole discretion of the General Partner. Subject to the limitations on withdrawals set within the Fund's private placement memorandum and upon 90 days' prior written notice, each Limited Partner will have the right as of each quarter occurring on or after the day immediately preceding the first anniversary of the establishment of a capital account and as of the start of each quarter thereafter to withdraw all or a portion of the balance in a capital account that is eligible for withdrawal as of a Withdrawal Date (the balance of a Limited Partner's capital account that is eligible for withdrawal on a particular Withdrawal Date being referred to herein as the Limited Partner's "Withdrawal Date Balance"). A Limited Partner generally is permitted to withdraw up to 25%, 33⅓%, 50% and 100%, respectively, of its Withdrawal Date Balance as of the applicable Withdrawal Date over four out of five consecutive Withdrawal Dates.

9. ALLOCATION OF NET PROFITS AND NET LOSSES

At the end of each accounting period, any net capital appreciation or net capital depreciation will be allocated to all Partners (including the General Partner) in proportion to each Partner's opening capital account balance for such accounting period.

10. FINANCIAL HIGHLIGHTS

The summary of key financial highlights relating to the Limited Partners of the Fund for period ended September 30, 2025, is as follows:

Total return[1]	
Total return before incentive allocation	5.42%
Incentive allocation	(0.11%)
Total Return after incentive allocation	5.31%
Ratio to average Limited Partners' Capital[2][3]	
Total gross expenses	0.98%
Management fee rebate	(0.11%)
Incentive allocation	0.15%
Total net expenses	1.02%
Net Investment income	9.14%

[1] Total return represents the change in value of a theoretical investment by comparing the aggregate beginning and ending values of partner's capital, adjusted for cash flows related to capital contributions or withdrawals during the period.

[2] Average partner's capital was derived from partner's average weighted capital, including the beginning and ending capital for the period, adjusted for cash flows related to capital contributions or withdrawals during the period.

[3] The ratios of expenses and net investment income to average limited partner's capital have been annualized.

An individual limited partner's return and ratios may vary based on participation in new issues, private investments, different incentive allocation and/or management fee arrangements, and the timing of capital transactions. The net investment income ratios do not reflect the effects of the incentive allocation to the General Partner.

11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 27, 2025, the date the financial statements were prepared. Management has determined that there are no material events that would require adjustment to, or disclosure in, the Fund's financial statements.