

1WS Credit Income Fund

299 Park Avenue, 25th Floor
New York, NY 10171
T (212) 957-2500

www.1wscapital.com



1st Quarter Review & Outlook

2026

As Q1 2026 unfolded, the broadly constructive consensus at the start of the year—resilient U.S. growth, range-bound inflation and unemployment, scarce risk premium, and roughly 50 basis points of expected Federal Reserve rate cuts—gave way to a meaningful repricing of risk assets as geopolitical disruption and the accelerating implications of artificial intelligence drove a repricing across markets.

The market's view on artificial intelligence shifted from optimism to existential concern. New AI capabilities introduced in February accelerated fears of SaaS obsolescence and cast doubt on the earnings power of enterprise software companies. This repricing cascaded through the leveraged credit complex, given the disproportionate concentration of technology exposure in broadly syndicated leveraged loans (BSLs) and private credit loans held by many Business Development Companies (BDCs).

Shortly after, the Middle East conflict dominated all market focus, and had a pronounced impact on global commodity markets driving oil prices materially higher. This fueled concerns about a re-acceleration of inflation, pushing Treasury yields higher across the curve and weighing on duration-sensitive fixed income portfolios. Equity multiples compressed, credit spreads widened, and volatility increased as investors reassessed forward growth expectations and tail risks.

In contrast, we remained active across asset-based finance, commercial real estate, and non-dollar strategies and our portfolios held up relatively well, amid broader spread widening. This reinforced our longstanding conviction that disciplined, diversified cross-sector relative value and asset-specific underwriting in structured credit can deliver attractive risk-adjusted returns relative to corporate credit and other risk assets.

Residential mortgage-backed was our strongest performing sector strategy over the quarter. Asset-backed and commercial real estate credit also performed well on stable fundamentals and certain asset-specific pay downs. We have maintained our underweight positioning in collateralized loan obligations—the weakest performing sector.

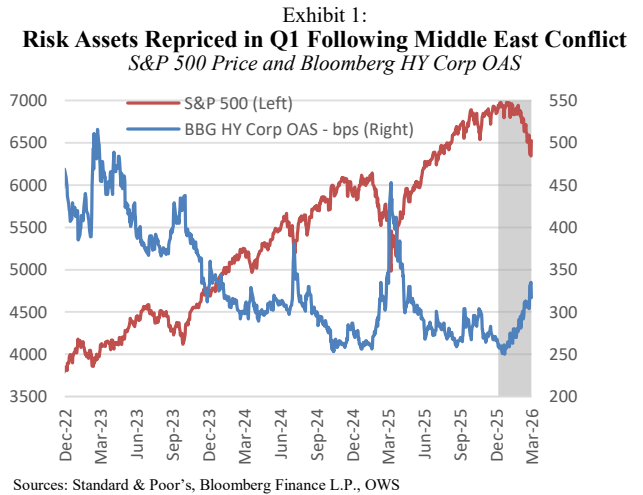
We expect credit sector and asset performance dispersion will likely continue over the near to intermediate term. A prolonged path to clarity and/or resolution in the Middle East, further AI-driven disruption to corporate fundamentals, and a potentially more complex rate environment all warrant careful monitoring. We believe our portfolio construction—oriented toward consumer- and real estate-backed assets with strong structural protections and away from technology-heavy corporate credit—is well-suited to continue navigating the potential for continued volatility and to be tactical when warranted.

Herein, we provide additional context regarding our current approach and positioning as well as some of the sector-relevant policy initiatives, which center around affordability—a credit card interest cap, Fannie Mae & Freddie Mac mortgage-backed securities purchases, restricted institutional buyers of single-family rentals—albeit faded into the background in light of current events.

The 1WS Credit Income Fund (the “Fund”) is a closed-end interval fund launched in March 2019. As of March 31st, 2026, the Fund has gross assets under management of approximately \$1.14 billion (approximately \$879 million net assets). The Fund is a non-diversified, closed-end investment management company with an investment objective seeking attractive risk-adjusted total returns through generating income and capital appreciation by investing primarily in a wide array of predominantly structured credit and securitized debt instruments.

Overview

2026 began with a consensus view that the economic outlook presented a positive backdrop for risk assets to continue to outperform. The U.S. economy remained resilient, with robust activity; inflation and unemployment were expected to remain range-bound, if not improve; and the market was pricing in ~50 basis points (bps) of rate cuts from the Federal Reserve by year-end. However, as the first quarter unfolded, skepticism about the economic outlook has emerged, driving a revaluation of risk assets. The conflict in the Middle East and the uncertainty around how breakthroughs in artificial intelligence (AI) capabilities will ultimately affect corporate profitability, the labor market, and the economy at large, have driven equity multiples to compress, and credit spreads wider (Exhibit 1).



The conflict in the Middle East has effectively brought ~25% of the global seaborne oil trade to a near standstill, as commercial traffic through the Strait of Hormuz remains severely disrupted, according to the UN Conference on Trade and Development. This disruption has tightened global crude supply and pushed oil prices materially higher. As the likelihood of a prolonged conflict increases, so too does uncertainty around the outlook for global growth and inflation.

Furthermore, questions about whether AI themes will be able to deliver on lofty expectations quickly transitioned into the view that AI has closed in on the ability to replicate cognitive, non-redundant workflows, potentially changing the workforce as we know it, and, in turn, disrupting the economy. Anthropic, the creator of the AI assistant Claude, rolled out new AI tools over the course of February, and each day seemed to mark the demise of a different industry. Paired with AI-doomsday articles going

Net Return Performance as of 3/31/26*	MTD	YTD	1 YR	3 YR (Ann.)	5 YR (Ann.)	ITD (3/4/19, Ann.)	ITD (3/4/19)
1WS Credit Income Fund (OWSCX) Class I shares	0.05%	1.09%	7.56%	10.23%	7.42%	7.59%	67.84%
1WS Credit Income Fund (OWSAX) Class A-2 shares	0.05%	0.92%	6.96%	9.57%	6.77%	6.88%	60.29%
Bloomberg U.S. Aggregate Bond Index ¹	-1.76%	-0.05%	4.35%	3.63%	0.31%	1.84%	13.80%
ICE BofAML U.S. High Yield Index ²	-1.19%	-0.55%	6.90%	8.50%	4.19%	5.02%	41.45%

Sources: Bloomberg Finance L.P., Bank of America, OWS

Past performance is not indicative of future returns.

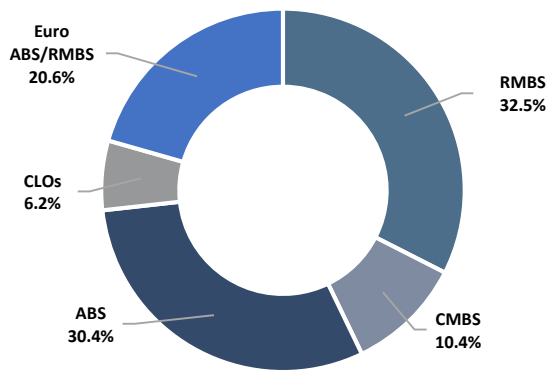
*OWSCX returns are presented net of all fees and expenses, benchmark returns are gross. Please see pp. 10-12 for important risk disclosures and definitions. OWSAX returns prior to May 2021 reflect the performance of Class I shares, adjusted to reflect the distribution and shareholder servicing fees applicable to Class A2 shares. Class I shares are not subject to an upfront sales load. Class A2 shares are subject to a maximum sales load of 3% and a maximum deferred sales load of 1.50%, neither of which are reflected in the returns shown above and, if applied, would lower such returns. Gross Annual Expenses for Class I and Class A2 are 3.74% and 4.34%, respectively, which are based on the expenses shown in the Fund's most recent prospectus, dated February 27, 2026. Actual expenses may differ.

Management Fee: under the Advisory Agreement will be calculated at an annual rate of 1.50% of the daily gross assets of the Fund. "Gross Assets" means the total assets of the Fund prior to deducting liabilities. Derivatives will be valued at market value for purposes of determining "Gross Assets" in the calculation of management fees. Because the Management Fee is based on the Fund's daily gross assets, the Fund's use of leverage, if any, will increase the Management Fee paid to the Adviser. For the initial year of the Fund, the Adviser voluntarily agreed to reduce the Management Fee to .75%. For the one-year period beginning on March 1, 2019, and continuing through the present, the Adviser has voluntarily agreed to reduce the Management Fee to 1.25% of the Fund's daily gross assets. The Adviser's board is under no obligation to continue the fee waiver but may continue to do so.

^{1,2} Please refer to the risk disclosures and definitions on pp. 10-12 for a description of the benchmark indices chosen and the risks associated with comparing IWS Credit Income Fund returns to those of an index. Investors cannot invest directly in an index.

Performance data quoted represents past performance, which is not a guarantee of future results. Current performance may be lower or higher than the performance quoted. The principal value and investment return of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. You can obtain performance data current to the most recent month end by calling (833) 834-4923 or visiting www.1wscapital.com. Investors cannot invest directly in an index. All performance shown assumes reinvestment of dividends and capital gains distribution in percent value. Dividends are not guaranteed and will constitute a return of capital if dividend distributions exceed current-year earnings. Please refer to the Fund's most recent Section 19(a) notice for an estimate of the composition of the Fund's most recent distribution, available at www.1WScapital.com.

Portfolio Composition¹ and Net Return Attribution²



Asset Type

Asset Type	Net Return ² Attribution YTD
Asset-Backed Securities (ABS)	0.45%
Collateralized Loan Obligations (CLOs)	-0.11%
Commercial Mortgage-Backed Securities (CMBS)	0.14%
European ABS & RMBS	0.03%
Residential Mortgage-Backed Securities (RMBS)	0.33%
Other	0.01%
Interest Rate Hedges	0.24%
Total	1.09%

¹ The Portfolio composition as of 3/31/26 differs from the portfolio composition for any point prior to such date and is subject to change at any time.

² Net performance data reflects the deduction of all fees and expenses. Net return attribution represents portfolio PnL by sector divided by the Fund's average net asset value for the period reduced by operating expenses and management fees allocated to the sectors based on the market value of the portfolio for the period. See pages 10-12 for important risk disclosures and definitions.

viral, risk assets repriced lower. This spurred concerns around software as a service (SaaS) obsolescence and called into question the valuation of enterprise software firms, as well as the businesses that have funded them.

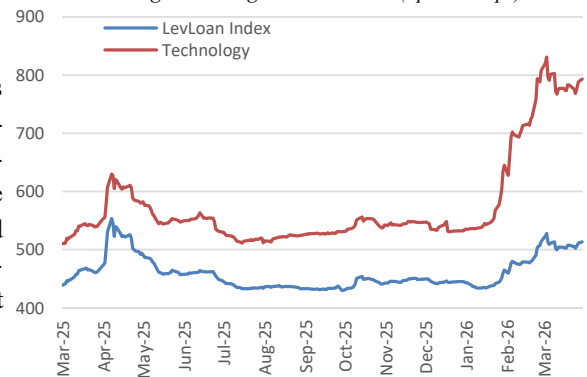
The areas most negatively impacted during the quarter were leveraged loans and BDCs, as software-heavy lenders bore the brunt of the market increasingly questioning how this dynamic will ultimately affect the business models of the enterprise software companies to which they extended credit. The J.P. Morgan's industry-specific technology leveraged loan index widened by ~+256 basis points (bps) during the quarter (Exhibit 2), while the Cliffwater BDC Total Return Index was down by approximately -10% (Exhibit 6).

Business Development Companies (BDCs), which are publicly traded lenders whose portfolios are predominantly private credit—directly originated or privately negotiated loans to middle-market companies, experienced record redemption requests as investors rushed to exit these technology-heavy instruments. Some BDCs have experienced redemption requests in excess of 40%, well above the standard 5% stated quarterly threshold. According to Morgan Stanley estimates, BDCs have the highest exposure to software in leveraged credit, with software comprising ~26% of the sector's exposure (Exhibit 3). More broadly, recent private credit loan origination has been heavily skewed toward technology, with private credit's exposure to the sector increasing by ~40% over the last five years, as measured by the change in global aggregate deal value, according to Preqin data compiled by J.P. Morgan (Exhibit 4).

Whereas leveraged loans and unsecured corporate credit suffered meaningful spread widening over the course of the first quarter, benchmark structured credit indices held up better (Exhibit 5). Across most consumer and real estate sectors, fundamentals have remained stable. Overall, consumer balance sheets remain healthy, and measures of debt, leverage, and interest coverage continue to improve.

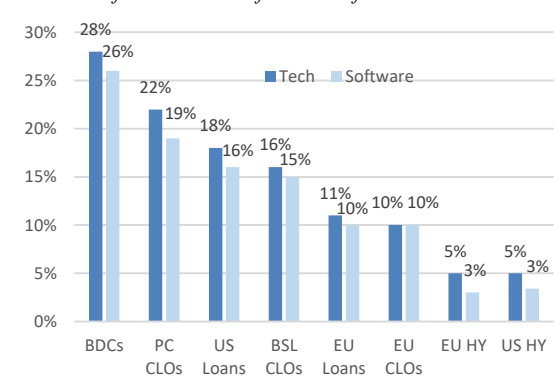
While a prolonged war in the Middle East raises the risk of a material economic slowdown, which could eventually weigh on consumers and, in turn, securitized products, we believe the current repricing in enterprise software is largely unique to sectors exposed to corporate fundamentals.

Exhibit 2:
Software Concerns Trigger Selloff in LevLoans
J.P. Morgan Leveraged Loan Indices (Spread - bps)



Sources: J.P. Morgan, OWS

Exhibit 3:
BDCs¹ Are Heavily Weighted Tech/Software
Software Accounts for ~26% of BDC¹ Universe



Sources: Morgan Stanley Research, Pitchbook | LCD, Morningstar, S&P Global, ICE BoFA, OWS

¹ BDCs are publicly traded lenders whose portfolios are predominantly private credit—directly originated or privately negotiated loans to middle-market companies, most often senior secured and frequently floating-rate. For many BDCs, approximately 84% of their total assets are held in loans, with private credit making up over two-thirds (approx. 67%+) of that specific loan sub-portfolio.

First Quarter Review

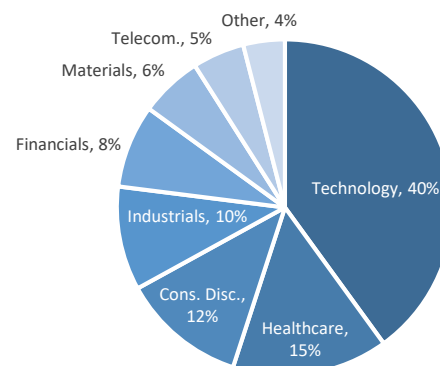
Over the course of the first quarter, uncertainty around the economic outlook—initially driven by concerns about the impact AI may have on enterprise software and later exacerbated by the conflict in the Middle East—caused risk assets to reprice meaningfully. The S&P 500 Index (including dividends) declined approximately -4.33%, while the Bloomberg High-Yield Corporate Credit Index widened by ~+51 bps (Exhibit 6). Oil-driven inflation fears drove Treasury yields higher across the curve, especially at the front end. For long-only fixed income portfolios with meaningful duration exposure, this represented a significant headwind to total returns during the quarter.

Looking ahead, we believe both absolute and relative returns are likely to favor investors with the expertise to identify value in sectors marked by wide performance dispersion. We continue to find what we believe are some of the most attractive opportunities in structured credit, where diversity in collateral, underlying fundamentals, and deal structures gives rise to differentiated risk-return profiles. We believe investors with deep fundamental and structural underwriting expertise will be well positioned to identify security-specific opportunities and capture differentiated risk-adjusted returns.

In our view, disciplined risk management remains essential given the potential for macroeconomic shocks. Economic and geopolitical risks could unsettle market sentiment, revive fundamental uncertainty, widen risk premia, and increase volatility. Central to this uncertainty are the health of the U.S. economy, the outlook for growth, and the path of credit fundamentals.

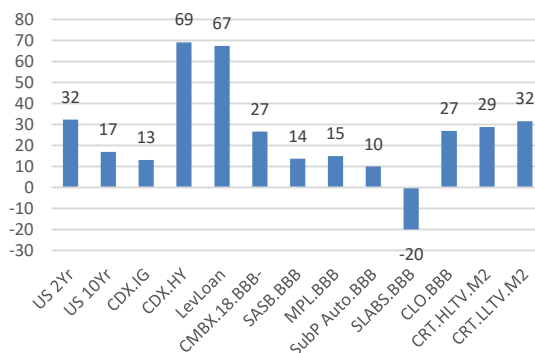
Consumer Outlook - The overall health of the consumer remains of key concern, particularly given the potential headwinds that inflationary pressures and an economic slowdown stemming from a prolonged war in the Middle East would present, especially for lower-end consumers. Overall, we believe consumer fundamentals remain resilient on an aggregate basis, even though idiosyncratic risks have become more pronounced.

Exhibit 4:
Private Credit's Tech Exposure Increased Over Past 5Yrs
% of Global PC Agg Deal Value Over Last Five Years - by Industry



Sources: Preqin, J.P. Morgan Asset Management, OWS
Other includes business services, energy and utilities, real estate and non-classified categories. Data are based on availability as of January 31, 2026.

Exhibit 5:
Structured Credit Did Not Experience the Magnitude of Spread Widening High-Yield Unsecured Corp Did
Q1 2026 Spread Change (bps)



Sources: Bloomberg Finance L.P., J.P. Morgan, OWS

Exhibit 6:
Q1 2026 Benchmark Credit Sector Return Performance - Through March 31, 2026
U.S. Treasury, Equity, BDC, and Corporate Credit Sector Benchmarks

Bloomberg U.S. Treasury Index & Bellwethers			Bloomberg Corporate Credit (Rating Buckets)			Corporate Credit Benchmarks ¹ Bloomberg Cash Indices, Benchmark ETFs & Synthetic CDX				Equity, BDC & Leveraged Loan Indices				
Yld	Chng	Total Rtn %	Sprd	Chng	Total Rtn %	Sprd	Chng	Total Rtn %	Excess ² Rtn %	Prc	Chng	Total Rtn %		
U.S. Trsy Index	4.14	0.25	-0.04%											
2yr	3.79	0.32	0.23%											
5yr	3.95	0.24	-0.14%											
10yr	4.32	0.17	-0.31%											
30yr	4.91	0.08	-0.14%											
			Bloomberg Credit Indices			BB US AGG Index				Equity Indices				
			Aaa	41	7	-0.71%	30	3	-0.05%	-0.08%	MSCI ACWI			
			Aa	55	7	-0.45%	89	11	-0.54%	-0.51%	S&P 500 w/div			
			A	74	10	-0.54%	63	13	-0.22%		CW BDC TR Index			
			Baa	110	13	-0.55%	iTraxx.Main.5YR	71	21	-0.58%	iBoxx LevLoan Index			
			Ba	197	32	-0.28%	BB US HY Index	317	51	-0.50%	-0.73%	Morningstar/LSTA LevLoan Indices		
			B	345	77	-0.65%	CDX.HY	383	69	-1.68%	Index			
			Caa	725	110	-1.26%	iTraxx.Xover.5YR	353	110	-2.43%	BB			
						SOFR Index				B				
						0.92%				94.63 -2.01 -0.55%				
										98.96 -0.49 0.71%				
										95.42 -2.64 -0.90%				

Sources: Standard & Poor's, Bloomberg Finance L.P., iBoxx, MSCI, Markit, J.P. Morgan, OWS

¹ Bloomberg (BB) U.S. Aggregate, U.S. Investment-Grade, and U.S. High-Yield credit indices and 5-year on-the-run IG & HY CDX

² Duration-adjusted or Excess return is a measure of pure credit performance for fixed-rate bonds by adjusting for movements in benchmark interest rates.

With the midterm elections in focus, the Trump Administration has been promoting populist policy initiatives aimed at supporting consumers. Among these proposed policies are a 10% cap on credit card interest rates and a freeze on wage garnishment for defaulted student loan debt that was scheduled to begin in January.

Although the voluntary compliance deadline for credit card originators to enact a 10% credit card interest rate cap passed without any banks or financial institutions implementing the cap voluntarily, some have proposed offerings that could address the demand. According to Bloomberg, Bank of America and Citigroup have signaled a willingness to offer credit cards with a 10% APR, which, they believe, would likely be a reward-lite credit card to compensate for the low rate. We view offerings like these as the most likely solution to the rate cap demand, as a concrete cap on interest rates would require congressional approval. Furthermore, if enacted, we believe the proposed 10% credit card rate cap would likely have the unintended consequence of effectively locking lower-end consumers out of the market, as credit card originators would be less willing to lend to credit segments that tend to exhibit higher charge-off rates. For instance, several low-FICO credit card ABS originators exhibit charge-off rates well in excess of 10% (Exhibit 7). Moreover, the American Bankers Association estimates the proposal “would mean up to 85% of open credit card accounts nationwide would be closed or have their credit lines drastically reduced, including up to 84% of borrowers with credit scores over 600.”

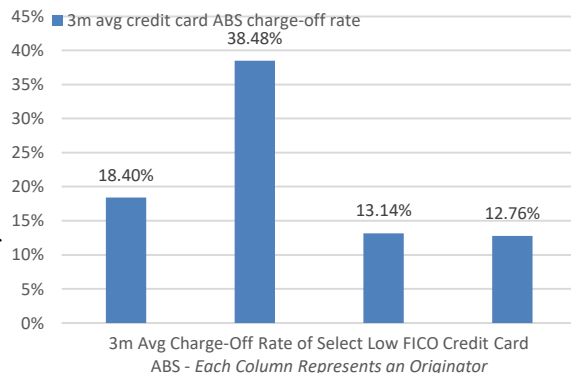
Although we are mindful of the potential headwinds at play, we believe several tailwinds are developing that should be supportive of consumers. The administration’s decision to freeze wage garnishment for defaulted student loan debt which was scheduled to begin this month, will likely provide relief for some consumers, especially the most stressed segments of the consumer population. Additionally, the large potential increase in tax refunds in 1H 2026 should also be supportive of the consumer outlook. According to Morgan Stanley estimates, the average tax refund for those who receive refunds is expected to be ~\$3,500—roughly \$700 more than the average since 2010 (Exhibit 8). This could provide a tailwind for consumer spending and consumer credit fundamentals as the year progresses.

While the aggregate health of the U.S. consumer does not determine the performance of any individual security, it remains a key component of our macro framework. Because many of the assets we target are fundamentally linked to consumer performance, maintaining a rigorous, data-driven view of household financial health is essential. Our trading activity, portfolio positioning, and proprietary analytics across consumer-linked markets give us a differentiated lens through which to formulate and express investment views. Ongoing dispersion in credit quality, both within and across consumer sectors and borrower cohorts, continues to create a rich opportunity set for differentiated, risk-adjusted investing.

At the individual securitization level, we underwrite the credit behavior of the underlying borrowers and collateral pools, evaluating factors such as age, income, FICO scores, total leverage, and debt composition. Just as important are the structural features unique to each transaction. These structural dynamics vary significantly by collateral type and evolve as pools season and deals amortize, continually reshaping the risk profile of individual securities. Through a deep understanding of these dynamics, we aim to identify embedded credit convexity and maximize expected risk-adjusted returns.

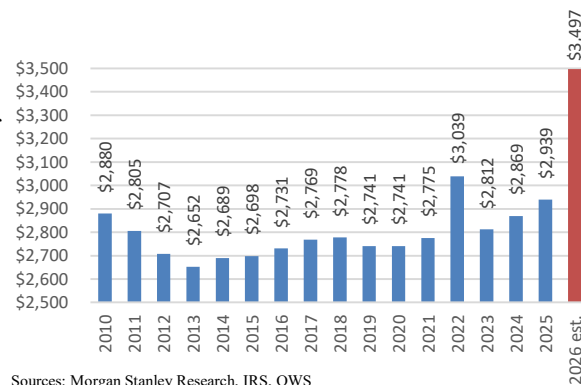
Structured ABS & Asset-Based Financing Opportunities - Our ABS portfolio was among our strongest-performing sector strategies in the first quarter, led by our subprime auto ABS exposures. In a reversal of the weakness exhibited across the sector late last year, subprime auto ABS held up well amid the broader spread widening experienced during first quarter, even in comparison to other structured credit sectors (Exhibit 5).

Exhibit 7:
Credit Card Charge-Offs Can be Well Above 10%
3m Avg Charge-Offs of Select Credit Card ABS Originators



Sources: J.P. Morgan, OWS

Exhibit 8:
Tax Refunds Are Expected to Hit Record Highs
Average Tax Refund Size for Those Who Receive Refunds (\$)



Sources: Morgan Stanley Research, IRS, OWS

While it remains true that, in aggregate, subprime auto ABS delinquencies are at all-time highs, defaults are not and remain near pre-COVID levels (Exhibit 9). Furthermore, when looking at subprime auto ABS roll rates of borrowers who are 60 days delinquent, we see that transitions into 90 days delinquent (i.e., serious delinquency) have been steadily trending downward, while the share remaining 60 days delinquent has been trending upward (Exhibit 10). We believe this indicates that, while borrowers may be finding themselves stretched and incapable of fully catching up on payments to current, they are still making payments and avoiding the worst-case scenario of default and repossession of their vehicles.

Moreover, we are seeing considerable performance dispersion across originators, with some exhibiting increasingly poor fundamental performance, and the weakest in their recent origination history, while others are showing robust performance metrics trending at 10-year records. This dispersion underscores how crucial it is to focus on bottom-up security selection rather than being a generic buyer of subprime auto ABS risk. The profiles of the loans backing any individual securitization can be meaningfully different from those of a different originator, even when originated/issued in the same year. Furthermore, the structural features and performance assumptions embedded in the collateralization are critical to understanding how securities may perform and are a pivotal part of our underwriting process—especially in understanding the total return profile of the security.

While a smaller allocation within our ABS portfolio, our private student loan ABS (SLABS) positions also exhibited strong performance. As we have mentioned in the past, our student loan exposure is focused largely on privately originated rather than government originated student loans. Borrowers backing these securitizations were ineligible for the federal payment moratorium and, accordingly, remained responsible for payment throughout the COVID-era period of leniency. Delinquency rates in private SLABS have historically been significantly lower than those in federal student loans. Accordingly, the sharp increase in federal student loan delinquencies should not necessarily be interpreted as evidence of a similar deterioration in private SLABS performance.

Our SLABS exposure is concentrated in seasoned securitizations, all of which were originated in 2021 or earlier. While some of the more recent vintages have shown signs of weakness, we have found that seasoned vintages have continued to perform well. For instance, we have seen higher rates of cumulative losses in the later vintages than in the pre-2021 vintages (Exhibit 11).

We continued to identify attractive opportunities across both public and private markets during the first quarter. In public markets, across subprime auto and unsecured consumer debt ABS, we identified attractive opportunities to allocate capital to as we experienced paydowns from maturing vintages and sold out of deleveraged exposures where we believed pricing reflected minimal upside relative to less seasoned opportunities coming to market.

In our private asset-based financing strategy, we identified several attractive opportunities within our commercial finance strategies. In our commercial ABF strategy, we closed a senior secured asset-backed loan in the digital infrastructure market. The loan

Exhibit 9:
Subprime Auto DQs Are Elevated, Though Defaults Are Near Pre-COVID Levels...

Subprime Auto ABS - 60+ Days Delinquent & 1m CDR

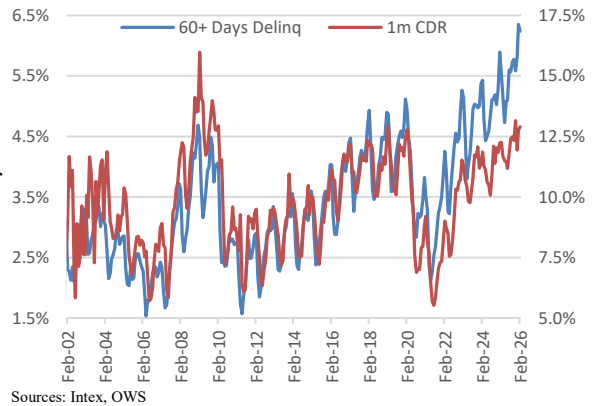


Exhibit 10:
... Roll Rates Are Not Signaling Deterioration

Subprime Auto ABS Roll Rates

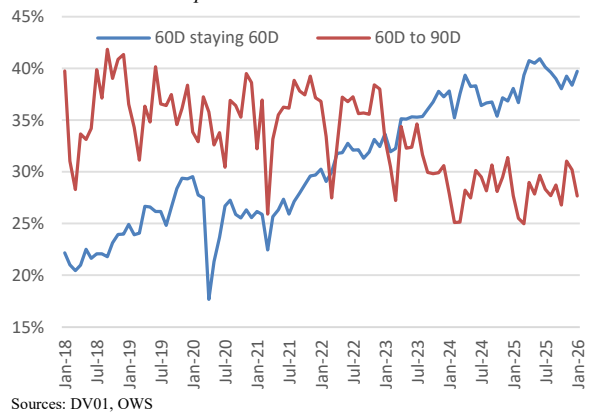
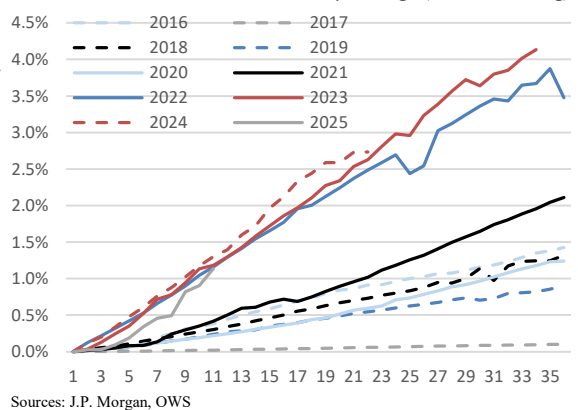


Exhibit 11:
Seasoned Private SLABS Outperformed Recent Issue
Private SLABS - Cumulative Losses by Vintage (Mos Since Orig)

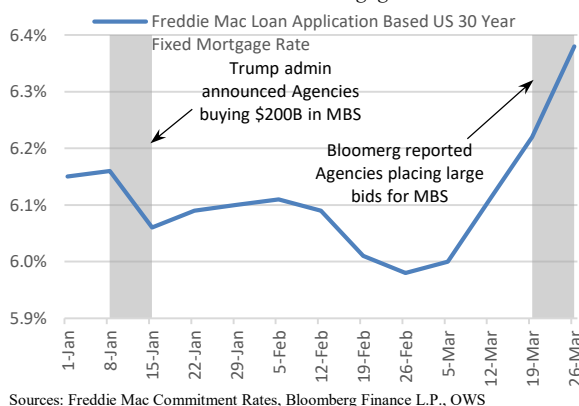


is structured to finance a major fiber-to-the-home (FTTH) expansion across 29 Midwest markets. We view the collateral package as robust, as it includes a first-priority lien on substantially all loan-party assets other than most real estate, a pledge over borrower equity, and guarantees from subsidiaries, including material subsidiaries. Additionally, we closed a senior secured delayed-draw term loan in our litigation finance strategy. The loan is full recourse and secured by a perfected first lien on all borrower assets, plus bad-boy guarantees from the three equity partners.

Residential Mortgage Credit - Headlines have been filled with policy initiatives aimed at improving residential real estate affordability. The Trump Administration announced that it intends to have Fannie Mae and Freddie Mac purchase approximately \$200 billion in mortgage-backed securities (MBS). The administration also announced a desire to restrict institutional purchases of single-family rentals (SFRs).

Initially, 30-year mortgage rates fell ~10 bps in reaction to the news that the agencies would be purchasing MBS, although rates are now well above levels they were before the announcement. Furthermore, there was no market reaction to Bloomberg’s reporting toward the end of March that Fannie Mae and Freddie Mac had begun placing large bids on MBS (Exhibit 12). Generally, we believe this will have only a minimal effect on mortgage rates.

Exhibit 12:
Minor Reaction in Mtg Rates to Agencies Buying MBS
U.S. 30-Year Fixed Mortgage Rate

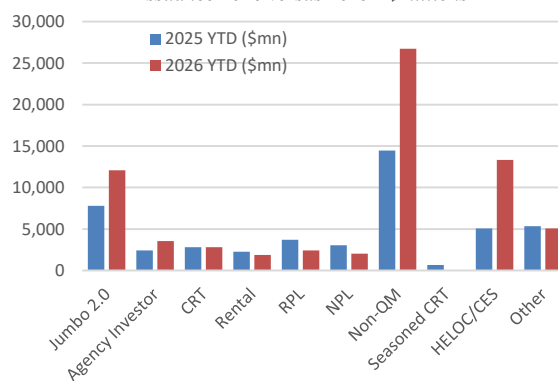


Regarding SFRs, institutional investors generally account for a small share of ownership. Estimates vary depending on how institutions are defined, though largely fall below 1% of all single-family homes. The market is dominated by “mom-and-pop” investors rather than large institutions. Congress is currently in the midst of working out the 21st Century ROAD to Housing Act, which, if passed, would include a ban on institutions with direct or indirect ownership of 350 or more SFRs from purchasing additional single-family homes, subject to a series of exceptions for build-to-rent programs, renovation-to-rent programs, and homeownership facilitation programs. “Mom-and-pop” investors would generally fall outside of the scope of the bill. In aggregate, we believe this would provide minimal relief to the residential supply issue, though it could offer some relief in specific pockets of the residential market. For instance, in a May 2024 study conducted by the U.S. Government Accountability Office, researchers found that large institutions (those that own 1,000 or more homes) had meaningful concentration in certain metro submarkets, with Atlanta, GA, and Jacksonville, FL, seeing institutional ownership rates of single-family rentals above 20%.

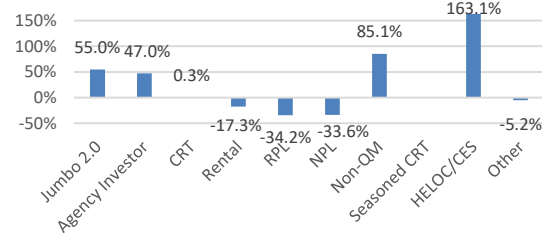
Our residential credit portfolio was our strongest-performing sector strategies over the quarter. Exposures to home equity lines of credit/loans (HELOC/HELOANS) performed well. We continued to identify what we believe are attractive new-issue opportunities within the sector, as HELOC issuance has continued to grow meaningfully, increasing by ~+160% year to date (YTD) versus 2025 YTD issuance and making HELOCs the second-largest product issued in RMBS (Exhibit 13). As we have previously mentioned, elevated home prices, coupled with persistently high mortgage rates, have reinforced borrowers’ preference to remain in their current homes, driving HELOC issuance.

Additionally, our portfolio of seasoned legacy RMBS performed well, as historical home price appreciation (HPA) continues to materially reduce underlying credit risk. Many seasoned loans and securitizations have already benefited from significant credit deleveraging, as rising property values have lowered loan-to-value ratios, enhanced collateral coverage, and improved overall credit quality. This deleveraging should support improved cash flow recoveries in legacy pools with accumulated forbearance-related losses.

Exhibit 13:
HELOC Issuance Continues to Grow in 2026
YTD Issuance 2026 versus 2025 - \$millions



YTD HELOC Issuance Grew by +160% versus 2025 YTD



Sources: J.P. Morgan, Bloomberg Finance L.P., OWS

Commercial Real Estate & CMBS - Our commercial real estate exposures were consistent performers over the quarter. Single-asset single-borrower (SASB) exposures backed by hospitality and office properties were among the strongest-performing sector strategies in our CMBS portfolio, as were seasoned conduit exposures.

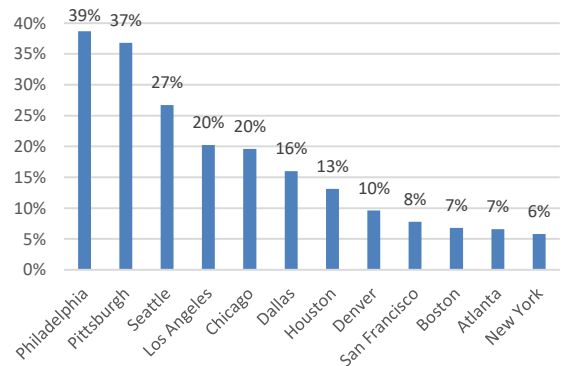
We continue to believe the office sector presents attractive investment opportunities, largely as a function of the elevated uncertainty that persists across the space. Delinquency rates for office properties remain among the highest in the CMBS market relative to other property types, according to Trepp. While this may lead other investors to avoid the sector altogether, we believe the headline data mask substantial dispersion in underlying performance. For example, delinquency rates across central business district (CBD) office submarkets vary meaningfully. While certain Pennsylvania CBDs are experiencing delinquency rates approaching 40%, markets such as New York, Boston, and Atlanta continue to exhibit rates below 10% (Exhibit 14). In our view, successful investing in this segment requires identifying securities backed by properties with improving fundamentals, including NOI growth, solid leasing momentum, committed sponsorship, and strong collateral coverage. Our approach emphasizes rigorous asset-level selection, with a focus on property-specific attributes, market location, sponsor quality, and updated underwriting metrics, all of which remain central to our investment process. We believe the current environment in the office sector offers compelling risk-adjusted return opportunities, particularly for investors with both capital to deploy and the ability to underwrite property-specific fundamentals and transaction structures effectively.

Non-Dollar ABS & RMBS - While European equities started the year outperforming their U.S. counterparts, they sold off meaningfully as the conflict in the Middle East ruptured global markets (Exhibit 15). Despite this, our non-dollar portfolio performed well over the period, with RMBS exposures outperforming ABS within our non-dollar portfolio.

We continued to identify attractive opportunities across European ABS and RMBS. We were active in the ABS market, favoring exposures to unsecured consumer debt ABS. We were generally selling across our RMBS portfolio, looking to reduce exposure to names that we felt had richened meaningfully over the course of February as spreads tightened. We also reduced longer-duration RMBS exposures in favor of shorter-duration profiles as we sought to reduce our sensitivity to a potential prolonged conflict in the Middle East.

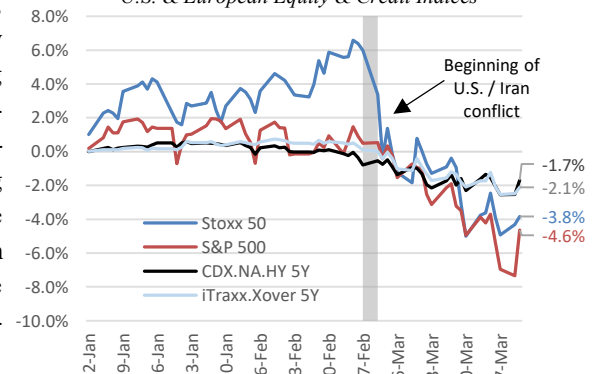
Collateralized Loan Obligations (CLOs) - Consistent with our maintained underweight, our CLO portfolio was the weakest-performing sector relative to other sector strategies. Leveraged loans repriced lower over the course of the first quarter, with median CLO equity returns of approximately -13%, following last year's decline of ~-15%, according to Nomura. The software-heavy sector felt the burden of the market increasingly questioning whether artificial intelligence (AI) will ultimately drive software-as-a-service (SaaS) obsolescence, in turn straining these firms' ability to repay their loans. CLOs tend to be overweight technology loans. For instance, the J.P. Morgan Leveraged Loan Index has ~14% of its constituency in loans to technology companies—its largest sector exposure (Exhibit 16). The indus-

Exhibit 14:
Office DQs Can Vary Meaningfully by Market
Office CMBS Delinquency Rates by CBD Submarket



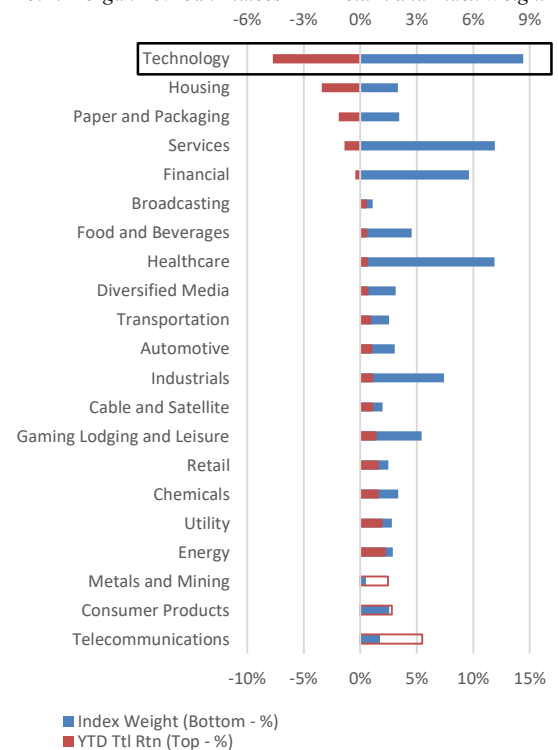
Sources: Trepp, Morgan Stanley Research, OWS

Exhibit 15:
EU Risk Assets Deteriorated Alongside U.S.
U.S. & European Equity & Credit Indices



Sources: STOXX, Standard & Poor's, J.P. Morgan, Bloomberg Finance L.P., OWS
*CDX and iTraxx Indices are representative of unfunded returns.
*Euro Stoxx 50 Index & iTraxx Crossover index returns are not currency-adjusted.

Exhibit 16:
Tech LevLoans Significantly Underperformed
J.P. Morgan LevLoan Indices YTD Return and Index Weight



Sources: J.P. Morgan, OWS

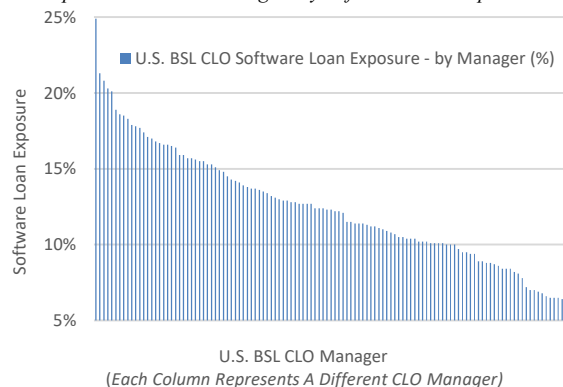
try-specific J.P. Morgan Technology Index was down approximately -4.57%, compared with roughly -0.44% for the broader J.P. Morgan Leveraged Loan Index.

It is important to note that exposure can vary meaningfully by CLO manager, making it critical to monitor each individual CLO’s composition, and to have a view on the quality of each manager and their ability to manage the underlying loan portfolio. For instance, according to data compiled by J.P. Morgan, the platform with the highest percentage of software holdings had ~25% of its loans originated to software companies, whereas the lowest concentration was ~4% (Exhibit 17).

As we have stated in the recent past, we have intentionally maintained an underweight position in CLOs to limit both fundamental credit beta and mark-to-market risk within the portfolio. Although corporate earnings have remained robust, we think concerns about growth and inflation, along with lingering fears around software exposure, will continue to lead investors to scrutinize the riskiest tranches of the CLO capital structure more closely.

We continue to view the convexity profile of CLOs as less compelling than that of other sectors in which we invest. In our view, risks within CLOs remain skewed to the downside, and the sector generally appears rich relative to other opportunities across securitized credit. While benchmark CLOs offer spread pickup over comparable unsecured corporate credit on an absolute basis, we believe the assets underlying CLOs continue to skew toward lower-quality credits.

Exhibit 17:
Software Exposure Varies by CLO Manager
Top U.S. BSL CLO Managers by Software Loan Exposure



Sources: J.P. Morgan, Intex, OWS
 *Excludes static, paid down CLOs, and large CCC bucket CLOs. Excludes CLOs out of reinvestment period (by 2/3/2026), CLOs that have not yet made a first payment (as of 2/3/2026), and CLOs with <80% deal factor. Excludes managers with only 1 CLO. Mapped to JPM Lev Loan Index for industry.

Investing in the Fund may be considered speculative and involves a high degree of risk, including the risk of possible substantial loss of your investment.

Prior to investing, Investors should carefully consider the investment objectives, risks, charges and expenses of the IWS Credit Income Fund. This and other important information about the Fund is contained in the prospectus, which can be obtained by calling (833) 834-4923 or visiting www.IWSCapital.com. The prospectus should be read carefully before investing.

IWS Credit Income Fund is distributed by ALPS Distributors, Inc. ALPS Distributors, Inc. is not affiliated with IWS Capital Advisors, LLC or One William Street Capital Management, L.P.

Net performance data are pre-tax, fund-level, net of operating expenses, management fees, and any applicable shareholder servicing and distribution fees charged to investors. ITD Net return is a linked monthly return. Actual returns experienced by an investor may vary due to these factors, among others.

RISK DISCLOSURES

Past performance is not a guarantee of future results. There is no assurance that the Fund will meet its investment objective.

Limited liquidity is provided to shareholders only through the Fund's quarterly repurchase offers for no less than 5% of the Fund's shares outstanding at net asset value. There is no guarantee that shareholders will be able to sell all of the shares they desire to sell in a quarterly repurchase offer. The Fund is suitable only for investors who can bear the risks associated with the limited liquidity of the Fund and should be viewed as a long-term investment. The Fund's investments may be negatively affected by the broad investment environment in the real estate market, the debt market and/or the equity securities market. The value of the Fund's investments will increase or decrease based on changes in the prices of the investments it holds. This will cause the value of the Fund's shares to increase or decrease. The Fund is "non-diversified" under the Investment Company Act of 1940 and, thus, changes in the financial condition or market value of a single issuer may cause a greater fluctuation in the Fund's net asset value than in a "diversified" fund. Diversification does not eliminate the risk of experiencing investment losses. The Fund is not intended to be a complete investment program. The Fund expects most of its investments to be in securities that are rated below investment grade or would be rated below investment grade if they were rated. Below investment grade instruments or "junk securities" are particularly susceptible to economic downturns compared to higher rated investments. While the Fund may employ hedging techniques to seek to minimize interest rate risk, there can be no assurance that it will engage in such techniques at any given time or that such techniques would be successful. As such, the Fund is subject to interest rate risk and may decline in value as interest rates rise. The Fund may use leverage to achieve its investment objective, which involves risks, including the increased likelihood of net asset value volatility and the increased risk that fluctuations in interest rates on borrowings will reduce the return to investors. In addition to the normal risks associated with investing, investing in international and emerging markets involves risk of capital loss from unfavorable fluctuations in currency values, differences in generally accepted accounting principles or from social, economic or political instability in other nations. The Fund may employ hedging techniques to seek to minimize foreign currency risk. There can be no assurance that it will engage in such techniques at any given time or that such techniques would be successful. The Fund may invest in derivatives, which, depending on market conditions and the type of derivative, are more volatile than other investments and could magnify the Fund's gains or losses. An investment in shares should be considered only by investors who can assess and bear the illiquidity and other risks associated with such an investment.

Market risk may affect a single issuer, sector of the economy, industry or the market as a whole. Mortgage-backed and asset-backed securities are affected by interest rates, financial health of issuers/originators, creditworthiness of entities providing credit enhancements and the value of underlying assets. Fixed-income securities present issuer default risk. Prepayment and extension risk exists because a loan, bond or other investment may be called, prepaid or redeemed before maturity and similar yielding investments may not be available for purchase. Structured finance securities may present risks similar to those of the other types of debt obligations in which the Fund may invest and, in fact, such risks may be of greater significance in the case of structured finance securities. Investing in structured finance securities may be affected by a variety of factors, including priority in the capital structure of the issuer thereof, the availability of any credit enhancement, and the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans or other assets that are being securitized, among others. Market or other (e.g., interest rate) environments may adversely affect the liquidity of Fund investments, negatively impacting their price. Generally, the less liquid the market at the time the Fund sells a holding, the greater the risk of loss or decline of value to the Fund. See the Fund's prospectus for information on these and other risks.

There can be no assurance that the Fund will achieve its investment objective. Many of the Fund's investments may be considered speculative and subject to increased risk. Neither One William Street Capital Management, LP nor IWS Capital Advisors, LLC has managed a 1940-Act registered product prior to managing the fund. Investing in the Fund involves risks, including the risk that you may receive little or no return on your investment or that you may lose part or all of your investment. The ability of the Fund to achieve its investment objective depends, in part, on the ability of the Adviser to allocate effectively the assets of the Fund among the various securities and investments in which the Fund invests. There can be no assurance that the actual allocations or investment selections will be effective in achieving the Fund's investment objective or delivering positive returns.

The information provided is not intended to be a forecast of future events, a guarantee of future results or investment advice, so actual outcomes and results may differ significantly from the views expressed. These views are subject to change at any time based upon economic, market or other conditions and the portfolio manager disclaims any responsibility to update such views. The views expressed in this report reflect the current views of the portfolio manager as of March 31st, 2026.

There are limitations when comparing the IWS Credit Income Fund to indices. Many open-end funds which track these indices offer daily liquidity, while closed-end interval funds offer liquidity on a periodic basis. Deteriorating general market conditions will reduce the value of stock securities. When interest rates rise, the value of bond securities tends to fall. Investing in lower-rated securities involves special risks in addition to the risks

associated with investments in investment grade securities, including a high degree of credit risk. Lower-rated securities may be regarded as predominately speculative with respect to the issuer's continuing ability to meet principal and interest payments. Analysis of the creditworthiness of issuers/issues of lower-rated securities may be more complex than for issuers/issues of higher quality debt securities. There is a risk that issuers will not make payments, resulting in losses to the Fund. In addition, the credit quality of securities may be lowered if an issuer's financial condition changes. Assets and securities contained within indices are different than the assets and securities contained in the IWS Credit Income Fund and will therefore have different risk and reward profiles. An investment cannot be made in an index, which is unmanaged and has returns that do not reflect any trading, management or other costs. Please see definitions for a description of the investment indexes selected.

DEFINITIONS

Aaa Corporate: The Bloomberg Aaa Corporate Index measures the Aaa-rated, fixed-rate, taxable corporate bond market. It includes USD denominated securities publicly issued by US and non-US industrial, utility and financial issuers.

Aa Corporate: The Bloomberg Aa Corporate Index measures the Aa-rated, fixed-rate, taxable corporate bond market. It includes USD denominated securities publicly issued by US and non-US industrial, utility and financial issuers.

A Corporate: The Bloomberg A Corporate Index measures the A-rated, fixed-rate, taxable corporate bond market. It includes USD denominated securities publicly issued by US and non-US industrial, utility and financial issuers.

ABS: Asset-Backed Securities are instruments secured by financial, physical, and/or intangible assets (e.g., receivables or pools of receivables), and investments in any assets/instruments underlying the foregoing structured/secured obligations.

Baa Corporate: The Bloomberg Baa Corporate Index measures the Baa-rated, fixed-rate, taxable corporate bond market. It includes USD denominated securities publicly issued by US and non-US industrial, utility and financial issuers.

Ba U.S. High Yield: The Bloomberg Ba US High Yield Index measures the USD-denominated, Ba-rated, fixed-rate high-yield corporate bond market. Bonds from issuers with an emerging markets country of risk, based on Bloomberg EM country definition, are excluded.

B U.S. High Yield: The Bloomberg B US High Yield Index measures the USD-denominated, B-rated, fixed-rate high-yield corporate bond market. Bonds from issuers with an emerging markets country of risk, based on Bloomberg EM country definition, are excluded.

Basis Points (bps): A basis point is a common unit of measurement for interest rates and credit spreads and is equal to one hundredth of one percent.

Bond Rating Scale:

Moody's	Standard & Poor's	Fitch
Aaa	AAA	AAA
Aa1	AA+	AA+
Aa2	AA	AA
Aa3	AA-	AA-
A1	A+	A+
A2	A	A
A3	A-	A-
Baa1	BBB+	BBB+
Baa2	BBB	BBB
Baa3	BBB-	BBB-
Ba1	BB+	BB+
Ba2	BB	BB
Ba3	BB-	BB-
B1	B+	B+
B2	B	B
B3	B-	B-
Caa	CCC	CCC
Ca	CC	CC
C	C	C

Investment Grade

A bond rating is a letter-based scoring scheme used to judge the quality and creditworthiness of a bond. The three largest private independent rating services are Moody's, Standard & Poor's and Fitch Ratings Inc. The letter-based grading scale for each of these rating agencies is highlighted to the left. The higher a bond's rating, the higher its credit quality. Bonds rated BBB or higher are considered investment grade. Bonds rated BB and below are considered non-investment grade.

Non-Investment Grade

Buy-to-Let (BTL): Buy-to-let mortgages are for landlords who want to buy property to rent it out.

Caa U.S. High Yield: The Bloomberg Caa US High Yield Index measures the USD-denominated, Caa-rated, fixed-rate high-yield corporate bond market. Bonds from issuers with an emerging markets country of risk, based on Bloomberg EM country definition, are excluded.

Capitalization Rate: The capitalization rate (also known as cap rate) is used in the world of commercial real estate to indicate the rate of return that is expected to be generated on a real estate investment property.

CLO: Collateralized Loan Obligations are instruments that represent debt and equity tranches of collateralized loan obligations and collateralized debt obligations.

CDX High Yield Index: An equal-weight index composed of 100 non-investment grade credit default swaps on entities domiciled in North America.

CDX Investment Grade Index: An equal-weight index composed of 125 investment grade credit default swaps on entities domiciled in North America.

CMBS: Commercial Mortgage-Backed Securities are fixed income instruments that are secured by mortgage loans on commercial real property.

CMBX: CMBX indices are synthetic tradable indices referencing a basket of 25 commercial mortgage-backed securities (CMBS).

Convexity: Convexity is a measure of the curvature, or the degree of the curve, in the relationship between bond prices and bond yields.

Credit Enhancement: Credit enhancement is a risk-reduction technique that provides protection, in the form of financial support, to cover losses under stressed scenarios.

Credit Risk Transfer (CRT) Securities: CRT securities effectively transfer a portion of the risk associated with credit losses within pools of residential mortgage loans to investors.

Debt Service Ratio: The household debt service ratio (DSR) is the ratio of total required household debt payments to total disposable income.

Duration-Adjusted: Duration-adjusted or excess return is a measure of pure credit performance for fixed-rate bonds by adjusting for movements in benchmark interest rates.

EURO STOXX 50: The index covers 50 of the leading blue-chip stocks from 11 Eurozone countries.

FICO: The Fico Score is used by lenders to help make accurate, reliable, and fast credit risk decisions across the customer lifecycle.

Financial Obligation Ratio: The financial obligation ratio is the ratio of required household debt payments to total disposable income and includes rent payments on tenant-occupied property, auto lease payments, homeowners' insurance, and property tax payments

Floating-Rate Loans: A floating rate loan has an interest rate which changes periodically based on an underlying index plus a spread.

Forbearance: The temporary suspension of loan repayments due to demonstrated financial hardship on the part of the borrower.

Home Equity Line of Credit / Loan (HELOC / HELOAN): A loan that allows a homeowner to borrow against the equity in their home. A HELOC is a revolving line of credit with a defined draw period, whereas a HELOAN is a loan received upfront in its entire amount.

ICE BofAML US High Yield Master II TR Index: The index tracks the performance of US dollar denominated below investment grade rated corporate debt publically issued in the US domestic market. Investors cannot invest directly in an index.

Interest Rate Hedges: Interest rate hedges include a variety of different products to help protect against interest rate risk. In principle, interest rate hedging products provide greater certainty over future loan repayments.

iTraxx Crossover: An equally weighted index comprised of 75 credit default swaps on the most liquid non-investment grade European corporates.

iTraxx Main: An equally weighted index comprised of 125 credit default swaps on investment grade European corporates.

Loan-to-Value (LTV): Loan-to-value is a measure of the size of a loan relative to the value of an asset.

Mezzanine Tranche: A mezzanine tranche within a securitization lies in the middle of the capital structure, below the senior tranche and above the junior tranche (typically an unrated equity tranche).

Morningstar LSTA US Leveraged Loan Index: A market value weighted index designed to measure the performance of the US leveraged loan market that tracks the performance of more than 1,400 USD denominated loans.

Non-Dollar ABS: Non-Dollar Asset-Backed Securities are instruments secured by financial, physical, and/or intangible assets (e.g., receivables or pools of receivables), and investments in any assets/instruments underlying the foregoing structured/secured obligations outside of the U.S. Non-Dollar Asset-Backed Securities are denominated in currencies other than the U.S. Dollar.

Non-Dollar RMBS: Non-Dollar Residential Mortgage-Backed Securities are securities that may be secured by interests in a single residential mortgage loan or a pool of mortgage loans secured by residential property outside of the U.S. Non-Dollar Residential Mortgage-Backed Securities are denominated in currencies other than the U.S. Dollar.

Non-Performing Loans (NPL): Mortgage loans that are subject to late repayment (i.e., 90 days have passed without the borrower paying the agreed instalments) or are unlikely to be repaid by the borrower.

Non Qualified Mortgages (Non-QM): A non-qualified mortgage — or non-QM — is a home loan that is not required to meet agency-standard documentation requirements as outlined by the Consumer Financial Protection Bureau (CFPB).

Real Capital Analytics (RCA) Property Price Index: The RCA Property Price Indices are transaction based indices that measure property prices at a national level.

Re-performing Loans (RPL): Mortgage loans that were once delinquent but has since returned to performing status.

Residential Transitional Loans (RTL): Mortgage loans, specifically real estate investment loans, that are usually short duration financing for investors pursuing construction, renovation, and other rehabilitation projects on a property.

RMBS: Residential Mortgage-Backed Securities are securities that may be secured by interests in a single residential mortgage loan or a pool of mortgage loans secured by residential property.

Risk-Adjusted: A risk-adjusted return is a calculation of the profit or potential profit from an investment that takes into account the degree of risk that must be accepted in order to achieve it. The risk is measured in comparison to that of a risk-free investment, usually U.S. Treasuries.

Risk Premia: Risk Premia is the investment return an asset is expected to yield in excess of the risk-free rate of return.

SASB: Single Asset Single Borrower (SASB) CMBS transactions involve the securitization of a single loan (SA) or collateralized by a group of assets all owned by the same borrower (SB).

S&P 500 Index: An index that includes 500 leading companies and covers approximately 80% of available market capitalization.

S&P CoreLogic Case-Shiller U.S. National Home Price Index: The index tracks the value of single-family housing within the United States.

Subprime Auto ABS: Auto asset-backed securities (auto ABS) are structured finance securities that are collateralized by auto loans or leases, specifically subprime (poor credit standing) borrowers.

Tranche: Tranches are segments created from a pool of assets - usually debt instruments such as bonds or mortgages - that are divided up by risk, time to maturity, or other characteristics in order to be marketable to different investors.

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