1WS Capital Advisors

1WS Credit Income Fund

Nasdaq:

OWSCX (Class I)

OWSAX (Class A-2)

Annual Report

October 31, 2022

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The 1WS Credit Income Fund (the “Fund”) is a closed-end interval fund launched in March 2019. As of October 31, 2022, the Fund has gross assets under management of approximately $165 million (approximately $112 million net assets). The Fund is a non-diversified, closed-end investment management company. Its investment objective is to seek 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:

Market volatility has defined the investment landscape in 2022, as investors grapple with the implications of an aggressive Fed attempting to slow aggregate demand to contain multi-decade high inflation. Market expectations of the future Fed Funds target rate have steadily increased throughout the year. As a result of the sharp increase in interest rates, market prices across equities, sovereign debt, and fixed income credit have all cheapened in 2022. Year-to-date losses across most sectors are now largely double digits resulting from higher nominal yields and higher market and credit risk premia across sectors.

While much of the market price declines are the result of higher interest rates, in our opinion, risk premia have also increased reflecting higher realized and implied market volatility as well as increasing credit risk across most sectors. Fed activity has lowered near-term growth expectations and many economists have increased their expected probability of a U.S. recession over the coming year. Consequently, credit spreads have widened across fixed-income sectors, lower-rated credits have generally under- performed, on both a nominal and duration-adjusted basis. Rising yields and wider credit spreads have resulted in many fixed income securities now offering among the highest all-in yields since the global financial crisis (GFC), in our opinion.

While fundamental uncertainty has increased, we believe we are starting from a solid base and that aggregate credit fundamentals remain robust across the majority of sectors backing structured credit. We believe that consumer credit fundamentals, in aggregate, are much stronger today than leading up to the global financial crisis (GFC), for instance. Consumer balance sheets were strong prior to COVID, and have continued to improve. Total debt-to-equity ratios are currently near 12%, down from 24% prior to the GFC. Coverage ratios (disposable personal income to total debt payments) are currently near record highs, while they were at record lows prior to GFC. We do, however, expect consumer delinquencies, and losses to rise from the significant relative outperformance we observed during COVID (relative to Pre-COVID expectations). We also expect to see weaker headline performance in many consumer assets based on the quality of the underlying assets and borrower credit characteristics. This has created an environment in which investor expectations of future performance can differ greatly depending on level and sophistication of underwriting. In our opinion, high-level evaluation of historical performance is flawed unless one can identify changes in specific loan-level characteristics and portfolio composition that can affect future performance trends.

Net Return Performance as of 10/31/22*

	MTD	Calendar YTD	ITD (3/4/19)
1WS Credit Income Fund (OWSCX) Class I shares	-0.74%	-3.96%	20.87%
1WS Credit Income Fund (OWSAX) Class A-2 shares	-0.80%	-4.43%	17.86%**
Bloomberg U.S. Aggregate Bond Index[1]	-1.30%	-15.72%	-3.78%
ICE BofAML U.S. High Yield Index[2]	2.85%	-12.19%	5.62%

* *OWSCX and OWSAX returns are presented net of all fees and expenses, benchmark returns are gross. Please see pp. 5-6 for important disclaimers.*

** *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. Additional information on the relevance of Class I performance prior to May 2021 is available upon request by calling the client service number provided at the bottom of this page. Class A2 shares are subject to an upfront sales load of up to 3%, which is not reflected in the returns shown above and, if applied, would lower such returns.*

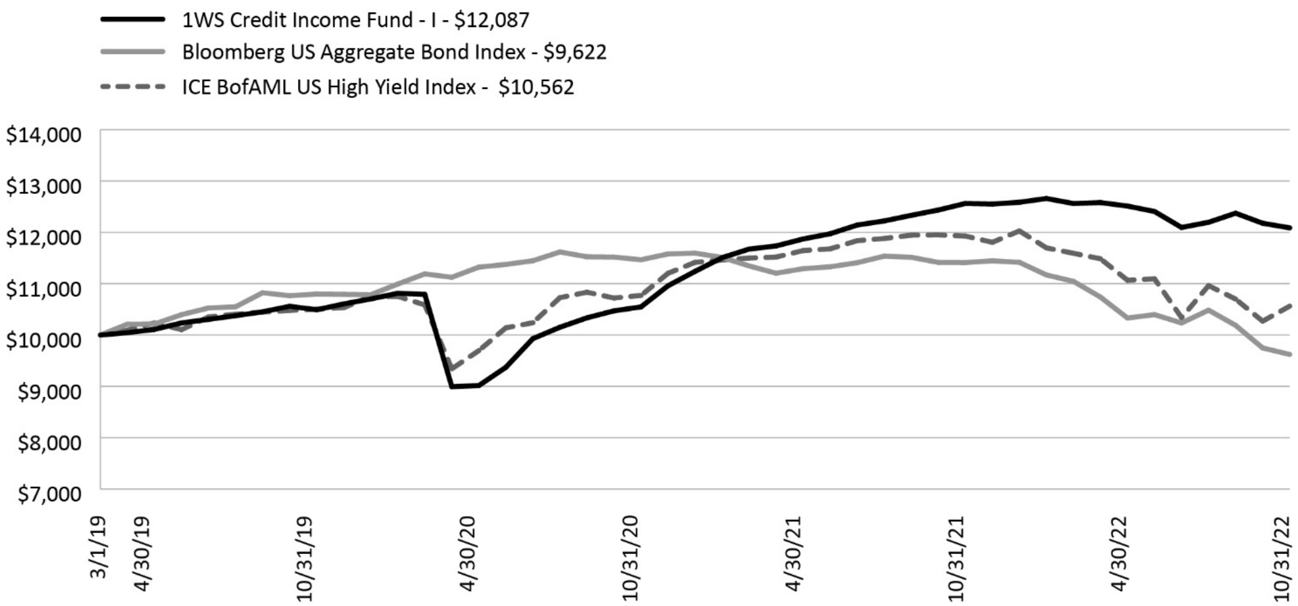
Management Fee: under the Advisory Agreement will be calculated at an annual rate of 1.50% of the daily gross assets of the Fund. "Gross Assets" means the total assets of the Fund prior to deducting liabilities. Derivatives will be valued at market value for purposes of determining "Gross Assets" in 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, 2020, 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. 5-6 for a description of the benchmark indices chosen and the risks associated with comparing 1WS Credit Income Fund returns to those of an index. Investors cannot invest directly in an index.*

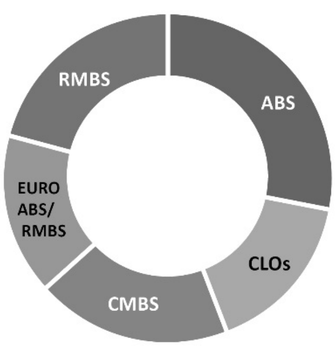
Performance data quoted represents past performance, which is not a guarantee of future results. *Current performance may be lower or higher than the performance quoted. The principal value and investment return of an investment will fluctuate so that your shares, when redeemed, may be worth more or 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.*

Comparison of the Change in Value of a $10,000 Investment



The chart above assumes an initial investment of $10,000 made on March 4, 2019 (commencement of operations). Returns shown include the reinvestment of all dividends. Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or share repurchases. In the absence of fee waivers and reimbursements, when they are necessary to keep expenses at the expense cap, total return would be reduced.

Portfolio Composition[1] and Net Return Attribution[2]



Asset Type	Portfolio Composition 10/31/2022	Net Return Attribution Calendar YTD
Asset-Backed Securities (ABS)	28.2%	-0.46%
Collateralized Loan Obligations (CLOs)	16.1%	-1.83%
Commercial Mortgage-Backed Securities (CMBS)	19.1%	-0.19%
European ABS & RMBS	15.8%	-2.63%
Residential Mortgage-Backed Securities (RMBS)	20.8%	-2.43%
Other	–	1.92%
Interest Rate Hedges	–	4.16%
Total	**100.0%**	**-1.46%**

1 *The Portfolio Composition as of 10/31/22 differs from the portfolio composition for any point prior to such date and is subject to change at any time. Calculation details based on gross data are available by calling the customer service number on page 5.*

2 *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 fee allocated to the sectors based on the market value of the portfolio for the period.*

Portfolio Activity:

With a continued challenging investment environment across capital markets in 2022, we believe the Fund has benefited from a number of targeted exposures and investment strategies we have focused on throughout the year. We have sought to limit market risk exposure while attempting to capitalize on the increase in market volatility through more active relative value trading. We have also sought to favor short-duration fundamental credit profiles when underwritten valuations were supported under deteriorating and stressed economic assumptions. We believe many of our fundamental credit profiles are more seasoned exposures that have already experienced credit deleveraging and are less sensitive to future fundamental uncertainty.

Residential Credit is increasingly a topic of interest given the sharp increase in mortgage interest rates and subsequent decline in housing sales activity in 2022. While acknowledging the potential for future deterioration in mortgage credit fundamentals, we believe we are starting from a solid base with a much stronger outlook today than leading up to the GFC, for instance. We believe the outstanding residential mortgage sector is currently supported by strong consumer balance sheets, recent strength in home price appreciation, and strong borrower credit, with limited mortgage lending to lower-tier credit borrowers following the GFC. We continue to look for opportunities within the seasoned residential mortgage sector. Despite an expectation for home price appreciation (HPA) to moderate or even decline modestly as a result of higher mortgage rates, significant accrued gains in HPA over the past several years have resulted in the majority of seasoned mortgage loans now having LTVs well below the value of the home. This significant deleveraging from improving LTVs and asset coverage should improve cash-flow recoveries in legacy pools with accumulated forbearance losses. We have selectively added some exposure to credit risk-transfer (CRT) securities, given recent market dislocations. We believe these securities have been at the epicenter of the perfect storm, and their performance has been hampered by a combination of wider spreads, higher interest rates, slower prepayments, and heavy supply, in our opinion. Spreads have widened and prices have declined appreciably, in our opinion. We continue to evaluate the sector and may add incremental exposure on further weakness. We have generally favored securities higher in the capital structure, as opposed to first loss exposures, and stress-test each under a number of deteriorating fundamental credit scenarios.

While we recognize investor concerns regarding some broad sectors within commercial real estate (CRE), we believe this has actually increased the attractiveness of many CRE opportunities for fundamental property underwriters. We approach our commercial real estate investments in both the CMBS market as well as our CRE lending business as individual property underwriters. That is why we favor single-asset single-borrower (SASB) securities within CMBS. We want to be able to underwrite our exposures at the property level as opposed to having generic exposure to commercial real estate in general. This allows us to be selective in choosing property type, strength of sponsor, geography, and targeted underwriting metrics. We accomplish this by investing substantial resources in the detailed underwriting of individual assets, markets, and sponsors. Within CMBS we continue to look for opportunities within the SASB sector for short duration, generally one- to two-year max maturity, and well- covered mezzanine securities trading at what we believe to be attractive discounts. We attempt to identify situations in which, notwithstanding broader capital markets challenges or higher interest rates, we believe the underlying sponsor has a potential incentive to refinance the loan or sell the property prior to final maturity, thereby resulting in an attractive total return opportunity. We favor shorter-duration securities higher in the capital structure, where we can capitalize on the recent market repricing while limiting exposure to further spread volatility.

While investors are pricing increasing recession risks into credit sectors, we believe that many consumer ABS are supported by solid fundamentals, and robust structural features/credit support, which will continue to support solid credit performance over the intermediate term. Fundamental performance dispersion will continue to increase across portfolios with different credit characteristics (FICO, Income, LTV, etc). Macro headwinds are affecting different segments to different degrees. In addition, one of the more attractive features of many consumer ABS is their short duration paired with rapidly deleveraging credit profiles that can be found in certain consumer ABS structures. These may limit market risk exposure and longer-term fundamental uncertainty. While consumer credit fundamentals remain relatively strong, in this environment of high inflation, higher volatility, and growing recession fears, investors are demanding greater price tiering across vintages and originators. We believe this has increased relative value opportunities for those with the requisite credit underwriting expertise to differentiate the many collateral and structural nuances across the sector. In addition to capitalizing on increased volatility to upgrade existing positions, we are presently looking for opportunities to begin adding select exposure outright or on a hedged basis relative to such other credit sectors as corporates. In all cases, we focus on underwriting securities to stressed fundamental economic scenarios, as we seek to identify the best risk-adjusted opportunities. In many cases, this is higher in the capital structure given the cheapening of spreads across the capital structure in 2022.

As in the U.S., capital market volatility has exploded in the U.K. and Europe, particularly in the U.K. following surprise fiscal and monetary policy shocks during the third quarter of 2022. European credit spreads have widened as much as 100 bps relative to those in the U.S during 2022. Compounding the increase in capital market volatility, currencies have cheapened meaningfully relative to the U.S. dollar. Of course, we seek to hedge interest rate exposure as we do across all of our portfolios, and we also hedge any non-dollar currency exposure. However, in light of economic uncertainty and rising volatility, we believe there is little risk of a rapid repricing from current levels due to the macro backdrop. Inflation and broader economic risks are, perhaps, greater in the Eurozone than in the U.S. As such, we are being selective with our portfolio trading, looking for opportunities to selectively upgrade existing positions after carefully underwriting credits in the context of a heightened risk environment. Consistent with our overall portfolio positioning, we have favored seeking to limit market risk exposure outright, and favor short-duration fundamental credit profiles when underwritten valuations are supported under deteriorating and stressed economic assumptions. Many of our fundamental credit profiles are seasoned exposures that have already experienced credit deleveraging and are less sensitive to future fundamental uncertainty.

We entered 2022 with a relatively conservative approach to our CLO exposure. Our thesis was that there was a higher potential for credit risk repricing in corporate sectors relative to select structured credit profiles. In addition, when spreads are narrow and prices near par, the convexity profile is less attractive given the callability of the underlying loans. Despite having floating rate coupons and being backed by floating rate loans, leveraged loan prices have not escaped the price volatility witnessed in other credit sectors. As a result, we were generally a net seller of CLOs in 2022. Given the recent market repricing, the convexity profile has improved along with nominal spreads and yields and investment opportunities are becoming more attractive. While we have not yet begun adding exposure to the sector outright we have been actively trading CLOs in an attempt to capture relative value opportunities and upgrade existing positions. If the current market dynamic continues it could lead to interesting investment transaction opportunities. This is, essentially, the dynamic we have been setting up for.

Outlook:

Given the spread expansion across credit sectors in 2022, we believe current valuations are among the cheapest we have seen in years, and attractive investment opportunities have increased significantly. This is true up and down the capital structure, on an absolute and relative basis, creating greater future potential for excess return and optimal portfolio diversification. Credit tiering has returned to many sectors, and we believe the current investment environment favors those with deep credit underwriting experience - particularly across structured credit sectors, where the interplay between credit fundamentals and the many nuanced structural features differentiate structured credit securities. In addition to higher yields, and wider credit spreads, many outstanding securities have been marked down appreciably and now offer upside credit convexity relative to par-priced new issue securities.

That said, risk factors have increased and credit fundamentals will change as the economic outlook evolves. As a result, we believe underwriting to future potential distressed economic outcomes is critical to evaluating security-specific risks and identifying the most attractive risk-adjusted return opportunities available. In our opinion, the current environment's increasing fundamental uncertainty has introduced even more opportunities to leverage our infrastructure to underwrite borrower and collateral fundamentals, and the many nuanced structural characteristics differentiating structured credit relative to other credit sectors. We believe investment opportunities will increasingly arise from sellers less capable of underwriting credit and structure in these uncertain times.

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 1WS 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.1wscapital.com. The prospectus should be read carefully before investing.

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. Actual returns experienced by an investor may vary due to these factors, among others. Inception-to-date (ITD) Net return is a linked monthly return.

1WS Credit Income Fund is distributed by ALPS Distributors, Inc. ALPS Distributors, Inc. is not affiliated with 1WS Capital Advisors, LLC or One William Street Capital Management, L.P.

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 1WS 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 October 31st, 2022.

There are limitations when comparing the 1WS 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 1WS 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

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.*

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.*

Bloomberg U.S. Aggregate Bond Index: *The index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency). Investors cannot invest directly in an index.*

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

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

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.*

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.*

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.*

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).*

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

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).*

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

Description	Rate	Maturity Date[(a)]		Principal Amount		Fair Value
MORTGAGE-BACKED SECURITIES (62.52%)						
Residential (36.99%)						
ACE Securities Corp. Home Equity Loan Trust, Series 2005-HE7, Class M2[(b)(c)]	1M US L + 0.69%	11/25/35	$	513,034	$	419,918
ACE Securities Corp. Home Equity Loan Trust, Series 2006-OP2, Class M1[(b)]	1M US L + 0.25%	08/25/36		653,757		445,928
Ameriquest Mortgage Securities, Inc., Series 2005-R6, Class M6[(b)]	1M US L + 1.73%	08/25/35		607,558		452,266
APS Resecuritization Trust, Series 2014-1, Class 1M[(b)(d)]	1.48%	08/28/54		2,260,676		543,467
Argent Securities, Inc. Pass-Through Certificates, Series 2005-W5, Class M1[(b)]	1M US L + 0.69%	01/25/36		520,946		406,703
Banc of America Funding , Series 2007-5, Class CA8[(b)(e)]	5.35% - 1M US L	07/25/37		2,831,816		263,925
Bear Stearns Mortgage Funding Trust, Series 2006-AR1, Class 1A2[(b)(c)]	1M US L + 0.50%	07/25/36		303,762		320,013
Bear Stearns Mortgage Funding Trust, Series 2006-AR5, Class 2A2[(b)(c)]	1M US L + 0.23%	01/25/37		840,583		751,986
Bellemeade Re 2020-3, Ltd., Series 2020-3A, Class M2[(b)(c)(d)]	1M US L + 4.85%	10/25/30		739,000		747,351
Bellemeade Re, Ltd., Series 2021-1A, Class M2[(b)(c)(d)]	30D US SOFR + 4.85%	03/25/31		647,000		618,726
Carrington Mortgage Loan Trust, Series 2007-FRE1, Class M1[(b)]	1M US L + 0.50%	02/25/37		660,535		475,255
CIT Mortgage Loan Trust, Series 2007-1, Class 1M2[(b)(c)(d)]	1M US L + 1.75%	10/25/37		1,000,000		800,100
Citicorp Residential Mortgage Trust, Series 2006-2, Class M2[(c)(f)]	5.00%	09/25/36		795,000		647,527
Connecticut Avenue Securities Trust, Series 2022-R04, Class 1B1[(b)(d)]	30D US SOFR + 5.25%	03/25/42		500,000		473,250
Connecticut Avenue Securities Trust, Series 2022-R05, Class 2B1[(b)(d)]	30D US SOFR + 4.50%	04/25/42		285,000		257,754
Countrywide Alternative Loan Trust, Series 2005-64CB, Class 1A17	5.50%	12/25/35		211,548		127,965
Countrywide Alternative Loan Trust, Series 2007-17CB, Class 1A6[(b)]	1M US L + 0.50%	08/25/37		834,296		400,212
Countrywide Alternative Loan Trust, Series 2007-21CB, Class 2A2[(b)]	28.40% - 1M US L	09/25/37		34,797		35,764
Countrywide Alternative Loan Trust, Series 2007-21CB, Class 2A3[(b)]	1M US L + 0.50%	09/25/37		1,026,211		385,137
Countrywide Alternative Loan Trust, Series 2007-21CB, Class 2A4[(b)(e)]	5.60% - 1M US L	09/25/37		948,586		91,349
CWABS Asset-Backed Certificates Trust, Series 2005-2, Class M6[(b)]	1M US L + 2.03%	08/25/35		527,918		434,002
CWABS Asset-Backed Certificates Trust 2006-11, Series 2006-12, Class M1[(b)]	1M US L + 0.45%	12/25/36		620,931		419,314
Deutsche Alt-A Securities Mortgage Loan Trust, Series 2007-OA4, Class 2A2[(b)]	1M US L + 0.64%	08/25/47		529,915		380,320
Domi BV, Series 2020-1, Class F[(b)(c)]	3M EUR L + 6.50%	04/15/52	€	500,000		494,817
Domi BV, Series 2020-1, Class X2[(b)(c)]	3M EUR L + 6.75%	04/15/52		500,000		482,315
Domi BV, Series 2021-1, Class E[(b)]	3M EUR L + 6.50%	06/15/26		704,000		563,470
Domi BV, Series 2021-1, Class X2[(b)]	3M EUR L + 6.50%	06/15/26		411,000		367,869
Eagle RE, Ltd., Series 2021-1, Class M2[(b)(c)(d)]	30D US SOFR + 4.45%	10/25/33	$	1,393,000		1,347,449
Fieldstone Mortgage Investment Trust, Series 2005-3, Class M2[(b)]	1M US L + 0.68%	02/25/36		1,626,000		439,508
Finance Ireland Rmbs, Series 3, Class F[(b)]	3M EUR L + 4.23%	06/24/61	€	420,000		400,413
Finsbury Square 2021-2 PLC, Series 2021-2X, Class G[(b)]	3M SONIA IR + 5.25%	12/16/71	£	371,000		407,211
First Franklin Mortgage Loan Trust, Series 2005-FF12, Class M3[(b)(c)]	1M US L + 0.75%	11/25/36	$	1,949,054		1,146,044
First Franklin Mortgage Loan Trust, Series 2006-FFH1, Class M2[(b)]	1M US L + 0.60%	01/25/36		535,862		451,195
Freddie Mac STACR REMIC Trust, Series 2021-HQA4, Class B1[(b)(d)]	30D US SOFR + 3.75%	12/25/41		588,000		505,680
Freddie Mac STACR REMIC Trust, Series 2022-DNA2, Class M2[(b)(c)(d)]	30D US SOFR + 3.75%	02/25/42		714,000		653,239
Freddie Mac STACR REMIC Trust, Series 2022-DNA3, Class B1[(b)(d)]	30D US SOFR + 5.65%	04/25/42		500,000		472,800
Freddie Mac STACR REMIC Trust, Series 2022-DNA6, Class M2[(b)(c)(d)]	30D US SOFR + 5.75%	09/25/42		600,000		595,500
Fremont Home Loan Trust, Series 2004-C, Class M3[(b)]	1M US L + 1.73%	08/25/34		21,266		21,451
GSAA Home Equity Trust, Series 2007-8, Class A4[(b)]	1M US L + 1.20%	08/25/37		547,743		277,213
GSAMP Trust, Series 2005-WMC1, Class M2[(b)(c)]	1M US L + 0.78%	09/25/35		728,787		512,410
Home Equity Mortgage Trust Series INABS, Series 2005-D, Class M2[(b)]	1M US L + 0.71%	03/25/36		455,337		280,533
Home RE, Ltd., Series 2022-1, Class M1C[(b)(d)]	30D US SOFR + 5.50%	10/25/34		500,000		484,200

See Notes to Consolidated Financial Statements.

Description	Rate	Maturity Date[(a)]		Principal Amount		Fair Value
MORTGAGE-BACKED SECURITIES (continued)						
JP Morgan Mortgage Acquisition Corp., Series 2005-OPT2, Class M7[(b)]	1M US L + 2.48%	12/25/35	$	226,567	$	187,915
JP Morgan Mortgage Acquisition Corp., Series 2006-FRE2, Class M3[(b)]	1M US L + 0.56%	02/25/36		878,996		508,323
JP Morgan Mortgage Acquisition Trust, Series 2006-HE2, Class M2[(b)]	1M US L + 0.48%	07/25/36		1,088,588		1,003,787
JP Morgan Mortgage Trust, Series 2005-A5, Class TB1[(b)]	3.28%	08/25/35		57		53
Lansdowne Mortgage Securities No 1 PLC, Series 2006-1, Class M2[(b)(c)]	3M EUR L + 0.84%	06/15/45	€	500,000		328,988
Lehman Mortgage Trust, Series 2006-9, Class 1A5[(b)(c)]	1M US L + 0.60%	01/25/37	$	727,626		445,089
Lehman Mortgage Trust, Series 2007-5, Class 6A1[(b)]	1M US L + 0.32%	10/25/36		731,034		361,497
Miravet Sarl - Compartment, Series 2019-1, Class E[(b)(c)]	3M EUR L + 3.00%	05/26/65	€	500,000		465,663
Miravet Sarl - Compartment, Series 2020-1, Class E[(b)(c)]	3M EUR L + 4.00%	05/26/65		1,000,000		959,195
Nationstar Home Equity Loan Trust, Series 2007-B, Class M2[(b)]	1M US L + 0.47%	04/25/37	$	1,125,006		1,095,194
Oaktown Re VI, Ltd., Series 2021-1A, Class M1C[(b)(d)]	30D US SOFR + 3.00%	10/25/33		520,000		485,368
Oaktown Re VII, Ltd., Series 2021-2, Class M1B[(b)(d)]	30D US SOFR + 2.90%	04/25/34		562,000		501,360
Ownit Mortgage Loan Trust, Series 2005-4, Class M1[(b)(c)]	1M US L + 0.83%	08/25/36		1,110,684		941,083
Polaris PLC, Series 2021-1, Class X2[(b)]	3M SONIA IR + 5.00%	12/23/58	£	336,250		381,101
Polaris PLC, Series 2022-1, Class X2[(b)]	3M SONIA IR + 5.89%	10/23/59		371,000		440,780
Polaris PLC, Series 2022-2, Class E[(b)]	SONIA IR + 5.75%	05/23/59		795,579		871,954
Popular ABS Mortgage Pass-Through Trust, Series 2005-5, Class MF1[(f)]	3.49%	11/25/35	$	395,923		250,501
Popular ABS Mortgage Pass-Through Trust, Series 2005-D, Class M1[(c)(f)]	3.51%	01/25/36		390,064		297,462
Residential Accredit Loans, Inc., Series 2006-Q05, Class 1A2[(b)(c)]	1M US L + 0.19%	05/25/46		879,566		1,007,631
Residential Accredit Loans, Inc., Series 2006-QS9, Class 1A16[(b)(c)]	1M US L + 0.65%	07/25/36		485,375		353,208
Residential Accredit Loans, Inc., Series 2006-QS9, Class 1A5[(b)(c)]	1M US L + 0.70%	07/25/36		715,576		505,196
Residential Asset Securitization Trust, Series 2005-A15, Class 2A10[(b)]	1M US L + 0.45%	02/25/36		1,379,652		462,183
Residential Mortgage Securities 32 PLC, Series 2020-32X, Class F1[(b)(c)]	3M SONIA IR + 6.50%	06/20/70	£	500,000		582,977
Soundview Home Loan Trust, Series 2005-OPT4, Class M2[(b)(c)]	1M US L + 0.83%	12/25/35	$	683,595		511,671
Soundview Home Loan Trust, Series 2006-OPT2, Class M1[(b)]	1M US L + 0.45%	05/25/36		625,084		438,246
Stratton Mortgage Funding, Series 2021-2X, Class X[(b)(c)]	3M SONIA IR + 4.00%	07/20/60	£	264,577		304,328
Stratton Mortgage Funding PLC, Series 2021-3, Class X2[(b)(c)]	3M SONIA IR + 3.50%	06/12/24		497,890		569,496
Structured Asset Investment Loan Trust, Series 2005-8, Class M2[(b)(c)]	1M US L + 0.75%	10/25/35	$	984,544		765,089
Structured Asset Investment Loan Trust, Series 2005-9, Class M2[(b)(c)]	1M US L + 0.68%	11/25/35		1,266,434		1,021,886
Structured Asset Investment Loan Trust, Series 2006-BNC3, Class A4[(b)(c)]	1M US L + 0.31%	09/25/36		1,907,568		964,848
SYON, Series 2020-2, Class E	6.27%	12/17/27	£	1,072,776		1,240,349
Triangle Re, Ltd., Series 2021-2, Class M1C[(b)(c)(d)]	1M US L + 4.50%	10/25/33	$	1,545,000		1,509,311
Twin Bridges PLC, Series 2021-1, Class X2[(b)]	3M SONIA IR + 5.00%	03/12/26	£	363,000		411,835
Twin Bridges PLC, Series 2021-2, Class X2[(b)]	SONIA IR + 4.40%	09/12/26		459,000		501,800
Twin Bridges PLC, Series 2022-1, Class X2[(b)]	3M SONIA IR + 5.00%	06/12/27		377,000		415,656
WaMu Mortgage Pass-Through Certificates, Series 2006-AR3, Class A1C[(b)]	12M US FED + 1.00%	02/25/46	$	342,666		379,400
Total Residential Mortgage Backed Securities					$	41,271,972
Commercial (25.53%)						
Ashford Hospitality Trust, Series 2018-KEYS, Class E[(b)(c)(d)]	1M US L + 4.15%	06/15/35	$	2,000,000	$	1,857,800
Atrium Hotel Portfolio Trust, Series 2018-ATRM, Class F[(b)(d)]	1M US L + 4.00%	06/15/35		1,194,000		1,107,316
BAMLL Commercial Mortgage Securities Trust, Series 2021-JACX, Class F[(b)(c)(d)]	1M US L + 5.00%	09/15/23		2,500,000		2,286,250
BBCMS Mortgage Trust, Series 2021-AGW, Class F[(b)(c)(d)]	1M US L + 4.00%	06/15/26		2,000,000		1,858,200
BFLD, Series 2019-DPLO, Class E[(b)(d)]	1M US L + 2.24%	10/15/23		2,000,000		1,880,200
BFLD Trust, Series 2021-FPM, Class D[(b)(c)(d)]	1M US L + 4.65%	06/15/26		500,000		480,400
BPR Trust, Series 2021-WILL, Class E[(b)(c)(d)]	1M US L + 6.75%	06/15/23		500,000		471,300
Citigroup Commercial Mortgage Trust, Series 2013-GC17, Class D[(b)(c)(d)]	5.10%	11/10/23		2,000,000		1,796,400

See Notes to Consolidated Financial Statements.

Description	Rate	Maturity Date(a)	Principal Amount	Fair Value
MORTGAGE-BACKED SECURITIES (continued)				
Citigroup Commercial Mortgage Trust, Series 2014-GC25, Class E(c)(d)	3.30%	10/10/24	$ 564,000	$ 479,626
Citigroup Commercial Mortgage Trust, Series 2016-C1, Class E(b)(c)(d)	4.94%	05/10/26	1,364,000	1,064,738
COMM 2014-CCRE18 Mortgage Trust, Series 2014-CR18, Class E(d)	3.60%	07/15/24	1,000,000	840,100
COMM Mortgage Trust, Series 2015-PC1, Class D(b)(c)	4.29%	06/10/25	656,000	558,912
Commercial Mortgage Trust, Series 2014-FL5, Class KH2(b)(d)	1M US L + 4.50%	08/15/31	243,522	227,620
CSMC, Series 2020-FACT, Class E(b)(d)	1M US L + 4.86%	10/15/25	534,000	505,538
GS Mortgage Securities Corp. Trust, Series 2020-DUNE, Class G(b)(d)	1M US L + 4.00%	12/15/36	839,000	787,821
J.P. Morgan Commercial Mortgage Securities Trust, Series 2017-FL11, Class E(b)(c)(d)	1M US L + 4.02%	10/15/32	134,545	134,612
JPMBB Commercial Mortgage Securities Trust, Series 2013-C15, Class F(d)	3.59%	10/15/23	1,098,000	978,098
Morgan Stanley Bank of America Merrill Lynch Trust, Series 2014-C14, Class E(b)(c)(d)	5.06%	02/15/24	682,000	635,283
Morgan Stanley Bank of America Merrill Lynch Trust, Series 2014-C14, Class F(c)(d)	3.71%	02/15/24	500,000	442,350
Morgan Stanley Bank of America Merrill Lynch Trust, Series 2015-C25, Class E(b)(c)(d)	4.53%	09/15/25	660,000	534,534
Morgan Stanley Bank of America Merrill Lynch Trust, Series 2015-C25, Class G(b)(c)(d)	4.53%	09/15/30	1,500,000	754,200
Morgan Stanley Capital I Trust, Series 2017-ASHF, Class E(b)(d)	1M US L + 3.15%	11/15/34	500,000	475,050
Natixis Commercial Mortgage Securities Trust, Series 2019-FAME, Class C(b)(c)(d)	4.25%	08/15/24	679,000	615,717
Natixis Commercial Mortgage Securities Trust, Series 2019-FAME, Class D(b)(c)(d)	4.40%	08/15/24	378,000	337,214
SLIDE, Series 2018-FUN, Class F(b)(c)(d)	1M US L + 3.25%	06/15/31	513,360	495,752
SMR Mortgage Trust, Series 2022-IND, Class E(b)(c)(d)	1M US SOFR + 5.00%	02/15/24	964,590	904,882
SMR Mortgage Trust, Series 2022-IND, Class F(b)(d)	1M US SOFR + 6.00%	02/15/24	486,154	450,859
Wells Fargo Commercial Mortgage Trust, Series 2015-NXS3, Class E(c)(d)	3.15%	09/15/57	1,311,000	1,018,516
Wells Fargo Commercial Mortgage Trust, Series 2015-NXS3, Class F(c)(d)	3.15%	09/15/57	489,500	351,020
Wells Fargo Commercial Mortgage Trust, Series 2015-NXS3, Class G(c)(d)	3.15%	09/15/57	814,500	554,511
Wells Fargo Commercial Mortgage Trust, Series 2022-ONL, Class E(b)(c)(d)	4.93%	02/15/27	536,000	435,554
Wells Fargo Commercial Mortgage Trust, Series 2022-ONL, Class F(b)(d)	4.93%	02/15/27	559,000	438,368
WFRBS Commercial Mortgage Trust, Series 2013-C11, Class E(b)(c)(d)	4.21%	03/15/45	542,000	495,822
WFRBS Commercial Mortgage Trust, Series 2013-C17, Class E(c)(d)	3.50%	12/15/46	249,000	228,557
Wilmot Plaza Mezz Loan, Class F(g)	11.15%	10/01/31	2,000,000	2,000,000
Total Commercial Mortgage Backed Securities				$ 28,483,120
TOTAL MORTGAGE-BACKED SECURITIES (Cost $74,530,310)				**$ 69,755,092**
ASSET-BACKED SECURITIES (49.90%)				
Ares Lusitani-STC SA / Pelican Finance 2, Series 2021-2, Class E(b)	6.40%	01/25/35	€ 297,323	$ 273,937
Auto Abs Spanish Loans Fondo Titulizacion, Series 2022-1, Class D(b)(c)	1M EUR L + 4.25%	02/28/30	1,000,000	919,072
Autonoria Spain 2021 FT, Series 2021-SP, Class G(b)	5.25%	01/31/39	618,539	555,278
Autonoria Spain 2022 FT, Series 2022-SP, Class E(b)	1M EUR L + 7.00%	01/29/40	500,000	490,567
BL Consumer Credit 2021, Series 2021-1, Class G	5.80%	09/25/38	561,000	500,741
Brignole Co. 2021 SRL, Series 2021-2021, Class F(b)	1M EUR L + 5.90%	07/24/36	424,000	400,832
CFG Investments, Ltd., Series 2021-1, Class A(c)(d)	4.70%	11/20/24	$ 2,027,000	1,944,906
CFG Investments, Ltd., Series 2021-1, Class B(c)(d)	5.82%	10/20/25	2,065,000	2,024,526

See Notes to Consolidated Financial Statements.

Description	Rate	Maturity Date[a]	Principal Amount	Fair Value
ASSET-BACKED SECURITIES (continued)				
CFG Investments, Ltd., Series 2021-1, Class C[c][d]	7.48%	05/20/26	$ 1,499,000	$ 1,424,500
Conn's Receivables Funding LLC, Series 2022-A, Class B[c][d]	9.52%	06/15/24	663,000	660,282
CPS Auto Receivables Trust, Series 2022-C, Class E[d]	9.08%	09/15/26	700,000	677,250
CPS Auto Receivables Trust, Series 2022-D, Class E[d]	12.12%	11/16/26	992,000	1,001,920
Credito Real USA Auto Receivables Trust 2021-1, Series 2021-1A, Class C[d]	4.37%	06/17/24	1,108,000	1,003,294
Dowson PLC, Series 2021-1, Class F[b]	1M SONIA IR + 6.45%	03/20/28	£ 363,000	393,768
Dowson PLC, Series 2021-2, Class F[b]	SONIA IR + 5.30%	10/20/24	461,000	485,377
Dowson PLC, Series 2022-1, Class E[b]	SONIA IR + 4.80%	05/20/25	381,000	403,681
Dowson PLC, Series 2022-1, Class X[b]	SONIA IR + 6.35%	05/20/25	118,760	136,521
Dowson PLC, Series 2022-2, Class E[b]	SONIA IR + 8.00%	05/20/25	651,000	737,311
DT Auto Owner Trust 2022-1, Series 2022-1A, Class E[c][d]	5.53%	11/17/25	$ 500,000	443,400
E-Carat 11 PLC, Series 2020-11, Class G[b][c]	1M SONIA IR + 5.00%	01/18/24	£ 171,751	194,010
Exeter Automobile Receivables Trust 2022-1, Series 2022-1A, Class E[c][d]	5.02%	10/15/26	$ 1,070,000	890,775
Exeter Automobile Receivables Trust 2022-4, Series 2022-4A, Class E[d]	8.23%	03/15/30	1,001,000	935,935
Exeter Automobile Receivables Trust 2022-5, Series 2022-5A, Class E[d]	10.45%	06/15/27	1,507,000	1,498,561
Exeter Automobile Receivables Trust R, Series 2018-2A, Class R[g]	N/A[h]	05/15/30	4,839	1,067,761
FCT Noria 2021, Series 2021-1, Class G	5.95%	10/25/49	€ 1,200,324	1,089,899
FCT Pixel 2021, Series 2021-1, Class G	5.50%	02/25/38	400,000	370,317
Flagship Credit Auto Trust, Series 2021-1, Class R[d][g]	N/A[h]	04/17/28	$ 2,740	484,836
Flagship Credit Auto Trust, Series 2022-2, Class E[c][d]	8.20%	12/15/26	1,250,000	1,175,875
Flagship Credit Auto Trust, Series 2022-4, Class E[d]	12.66%	06/15/27	1,310,000	1,300,182
Fortuna Consumer Loan ABS 2021 DAC, Series 2021-2021, Class E[b]	1M EUR L + 3.50%	10/18/30	€ 500,000	467,195
Frontline Re, Ltd., Series B[b][d][g][i]	3M T-Bill + 0.50%	07/06/26	$ 79,076	–
FTA Santander Consumo 4, Series 2021-4, Class E	4.90%	09/18/32	€ 153,855	147,440
FTA Santander Consumo 4, Series 2021-4, Class F	6.50%	09/18/32	200,000	194,903
GLS Auto Receivables Issuer Trust 2019-1, Series 2019-1A, Class CERT[d][g]	N/A[h]	12/15/25	$ 1,645	222,026
GLS Auto Receivables Issuer Trust 2019-2, Series 2019-2A, Class R[d][g]	N/A[h]	02/17/26	1,091	223,062
GLS Auto Receivables Issuer Trust 2019-3, Series 2019-3A, Class R[d][g]	N/A[h]	08/15/23	882	210,282
GLS Auto Receivables Issuer Trust 2019-4, Series 2019-4A, Class R[d][g]	N/A[h]	08/17/26	941	212,220
GLS Auto Receivables Trust 2018-3, Series 2018-3A, Class R[d][g]	N/A[h]	08/15/25	1,656	218,953
Golden Bar Securitisation Srl, Series 2019-1, Class C	8.25%	07/20/39	€ 469,359	426,412
Hertz Vehicle Financing LLC, Series 2021-1A, Class D[c][d]	3.98%	12/25/24	$ 5,000,000	4,398,500
KeyCorp Student Loan Trust, Series 2006-A, Class 2C[b][c]	3M US L + 1.15%	03/27/42	2,000,000	1,545,000
Lendingpoint Asset Securitization Trust, Series 2022-B, Class C[d]	8.45%	02/17/26	517,000	478,432
Marlette Funding Trust 2021-2, Series 2021-2A, Class R[d][g]	N/A[h]	02/15/26	1,296	231,237
National Collegiate Student Loan Trust, Series 2005-3, Class B[b][c]	1M US L + 0.50%	07/27/37	2,462,000	1,901,649
National Collegiate Student Loan Trust, Series 2007-1, Class A4[b][c]	1M US L + 0.31%	10/25/33	1,131,288	1,038,748
Navient Private Education Refi Loan Trust 2021-B, Series 2021-BA, Class R[d][g]	N/A[h]	07/15/69	3,089	1,718,241
Newday Funding Master Issuer PLC - Series 2021-1, Series 2021-1X, Class E[b]	SONIA IR + 4.05%	03/15/24	£ 452,000	492,696
NOW Trust, Series 2021-1, Class F[b][c]	1M BBSW + 6.40%	06/14/29	AUD 503,124	320,312
Pagaya AI Debt Selection Trust, Series 2020-3, Class CERT[b][d][e][g]	N/A[h]	05/17/27	$ 510,470	104,987
Pagaya AI Debt Selection Trust, Series 2021-1, Class B[c][d]	2.13%	11/15/27	534,780	497,773

See Notes to Consolidated Financial Statements.

Description	Rate	Maturity Date[(a)]		Principal Amount		Fair Value
ASSET-BACKED SECURITIES (continued)						
Pavillion Point of Sale 2021-1, Ltd., Series 2022-1, Class F[(b)]	SONIA IR + 4.30%	12/30/31	£	394,000	$	429,293
PBD Germany Auto Lease Master SA - Comprt 2021-1, Series 2021-GE2, Class E[(b)(c)]	1M EUR L + 3.50%	11/26/30	€	800,000		772,100
PBD Germany Auto Lease Master SA - Comprt 2021-1, Series 2021-GE2, Class F[(b)]	1M EUR L + 4.50%	11/26/30		400,000		385,457
PBD Germany Auto Lease Master SA - Comprt 2021-1, Series 2021-GE2, Class G	6.50%	11/26/30		311,111		300,876
Research-Driven Pagaya Motor Asset Trust VII, Series 2022-3A, Class C[(c)(d)]	10.04%	11/25/30	$	1,000,000		970,900
SAFCO Mezz WH 2021[(g)]	9.00%	06/17/26		1,044,574		1,044,574
Satus PLC, Series 2021-1, Class F[(b)]	1M SONIA IR + 5.40%	08/17/28	£	500,000		553,963
SCF Rahoituspalvelut X DAC, Series 2021-10, Class D	5.35%	10/25/31	€	400,000		343,990
SoFi Consumer Loan Program , Series 2020-1, Class R1[(d)(g)]	N/A[(h)]	01/25/29	$	14,000		115,458
SoFi Consumer Loan Program , Series 2021-1, Class R1[(d)(g)]	N/A[(h)]	09/25/30		28,777		519,094
SoFi Professional Loan Program, Series 2020-A, Class R1[(d)(g)]	N/A[(h)]	05/15/46		14,661		459,299
SoFi Professional Loan Program , Series 2018-D, Class R1[(d)(g)]	N/A[(h)]	02/25/48		21,839		241,712
SoFi Professional Loan Program , Series 2020-B, Class R1[(d)(g)]	N/A[(h)]	05/15/46		10,000		488,869
SoFi Professional Loan Program , Series 2021-A, Class R1[(d)(g)]	N/A[(h)]	08/17/43		19,142		372,652
SoFi Professional Loan Program , Series 2021-B, Class R1[(d)(g)]	N/A[(h)]	02/15/47		11,625		609,419
SoFi Professional Loan Program LLC, Series 2017-D, Class R1[(d)(g)]	N/A[(h)]	09/25/40		16,181		252,009
SoFi Professional Loan Program LLC, Series 2019-B, Class R1[(d)(g)]	N/A[(h)]	08/17/48		56,770		629,152
SoFi Professional Loan Program LLC, Series 2019-B, Class R1[(d)(g)]	N/A[(h)]	08/17/48		78,583		870,894
SoFi Professional Loan Program LLC, Series 2019-A, Class R1[(d)(g)]	N/A[(h)]	06/15/48		32,016		304,919
TAGUS - Sociedade de Titularizacao de Creditos SA/Silk Finance No 5, Series 2020-5, Class D	7.25%	02/25/35	€	450,248		421,063
TAGUS - Sociedade de Titularizacao de Creditos SA/Silk Finance No 5, Series 2020-5, Class E[(c)]	8.00%	02/25/35		140,000		139,102
TAGUS - Sociedade de Titularizacao de Creditos SA/Ulisses Finance No. 2, Series 2021-2, Class F[(b)]	1M EUR L + 5.49%	09/23/38		390,720		371,379
TAGUS - Sociedade de Titularizacao de Creditos SA/Ulisses Finance No. 2, Series 2021-2, Class G[(b)]	1M EUR L + 5.00%	09/23/38		140,000		138,203
Theorem Funding Trust 2022-1, Series 2022-1A, Class B[(d)]	3.10%	02/15/28	$	507,000		467,251
United Auto Credit Securitization Trust, Series 2022-1, Class E[(c)(d)]	5.00%	12/10/25		1,037,000		953,314
United Auto Credit Securitization Trust, Series 2022-2, Class E[(c)(d)]	10.00%	08/10/26		475,000		457,948
Upstart Pass-Through Trust, Series 2020-ST2, Class CERT[(d)(g)]	N/A[(h)]	03/20/28		5,000,000		1,079,476
Upstart Pass-Through Trust, Series 2020-ST4, Class CERT[(d)(g)]	N/A[(h)]	11/20/26		1,000,000		330,090
Upstart Pass-Through Trust, Series 2022-ST1, Class CERT[(d)(g)]	N/A[(h)]	03/20/30		539,000		311,419
Upstart Pass-Through Trust Series, Series 2022-ST2, Class CERT[(d)(g)]	N/A[(h)]	04/20/30		500,000		348,034
Upstart Structured Pass-Through Trust, Series 2022-1A, Class CERT[(d)(g)]	N/A[(h)]	04/15/30		608		768,544
USASF Receivables LLC, Series 2021-1A, Class D[(d)]	4.36%	03/15/27		1,125,000		1,053,000
Zip Master Trust, Series 2021-1, Class D[(b)]	1M BBSW + 3.70%	04/10/24	AUD	500,000		318,899
Zip Master Trust, Series 2021-1, Class E[(b)]	1M BBSW + 5.70%	04/10/24		500,000		318,930
TOTAL ASSET-BACKED SECURITIES (Cost $63,899,521)					**$**	**55,676,664**
COLLATERALIZED LOAN OBLIGATIONS (21.60%)[(b)]						
ARES XLIV CLO, Ltd., Series 2017-44A, Class SUB[(d)(g)]	N/A[(h)]	04/15/34	$	1,308,000	$	444,720
Ares XXXVIII CLO, Ltd., Series 2015-38X, Class SUB[(g)]	N/A[(h)]	04/20/30		735,000		279,300
Barings CLO, Ltd. 2013-I, Series 2017-IA, Class ER[(c)(d)]	3M US L + 5.20%	01/20/28		514,000		468,305

See Notes to Consolidated Financial Statements.

Description	Rate	Maturity Date[a]	Principal Amount	Fair Value
COLLATERALIZED LOAN OBLIGATIONS (continued)				
Battalion Clo XV, Ltd., Series 2020-15A, Class SUB[d][g]	N/A[h]	01/17/33	$ 613,000	$ 429,100
Buttermilk Park CLO, Ltd., Series 2018-1A, Class INC[d][g]	N/A[h]	10/15/31	871,000	374,530
CFIP CLO 2014-1, Ltd., Series 2017-1A, Class ER[c][d]	3M US L + 6.60%	07/13/29	1,833,000	1,580,412
Generate CLO 3, Ltd., Series 2017-3A, Class ER[d]	3M US L + 6.40%	10/20/29	250,000	222,475
KKR CLO 10, Ltd., Series 2017-10, Class ER[c][d]	3M US L + 6.50%	09/15/29	755,000	678,065
KKR CLO 18, Ltd., Series 2021-18, Class BR[d]	3M US L + 1.60%	07/18/30	250,000	238,575
KKR Financial CLO 2013-1, Ltd., Series 2017-1A, Class DR[d]	3M US L + 6.08%	04/15/29	512,000	432,077
Magnetite XVI, Ltd., Series 2018-16A, Class ER[d]	3M US L + 5.00%	01/18/28	549,000	501,896
Mountain View CLO X, Ltd., Series 2015-10A, Class E[c][d]	3M US L + 4.85%	10/13/27	799,000	751,380
OZLM XII, Ltd., Series 2015-12A, Class D[c][d]	3M US L + 5.40%	04/30/27	562,000	546,995
Rockford Tower CLO, Ltd., Series 2019-1A, Class SUB[d][g]	N/A[h]	04/20/34	917,000	614,390
RR 2, Ltd., Series 2017-2A, Class SUB[d][g]	N/A[h]	10/15/17	1,426,000	869,860
Shackleton CLO, Ltd., Series 2017-8A, Class ER[d]	3M US L + 5.34%	10/20/27	1,000,000	894,800
Signal Peak CLO 6, Ltd., Series 2018-6A, Class SUB[d][g]	N/A[h]	07/28/31	3,272,000	1,406,960
Symphony CLO XVII, Ltd., Series 2018-17A, Class ER[d]	3M US L + 5.55%	04/15/28	523,560	478,953
Symphony Static CLO I, Ltd., Series 2021-1A, Class A[c][d]	3M US L + 0.83%	10/25/29	11,998,114	11,762,951
Taberna Preferred Funding II, Ltd., Series 2005-2A, Class B[d]	3M US L + 0.90%	11/05/35	529,000	142,830
Taberna Preferred Funding, Ltd., Series 2005-3X, Class B1[i]	3M US L + 0.80%	02/05/36	706,000	268,280
Venture Xxv Clo, Ltd., Series 2016-25A, Class E[d]	3M US L + 7.20%	04/20/29	900,000	715,860
TOTAL COLLATERALIZED LOAN OBLIGATIONS (Cost $26,252,193)				**$ 24,102,714**

	Shares	Fair Value
PREFERRED STOCKS (0.42%)[b][j]		
New York Mortgage Trust, Inc., Series D	8,071	$ 146,973
New York Mortgage Trust, Inc., Series E	17,808	323,571
TOTAL PREFERRED STOCKS (Cost $482,862)		**$ 470,544**

	7-Day Yield	Shares	Fair Value
MONEY MARKET FUNDS (7.69%)			
BlackRock Liquidity Funds T-Fund, Institutional Class	2.93%	6,559,843	$ 6,559,843
BNY Mellon U.S. Treasury Fund, Institutional Class	2.61%	2,019,208	2,019,208
TOTAL MONEY MARKET FUNDS (Cost $8,579,051)			**$ 8,579,051**

	Fair Value
TOTAL INVESTMENTS (142.13%) (Cost $173,743,937)	**$ 158,584,065**
Liabilities in Excess of Other Assets (-42.13%)[k]	(47,007,980)
NET ASSETS (100.00%)	**$ 111,576,085**

Percentages above are stated as a percentage of net assets as of October 31, 2022

See Notes to Consolidated Financial Statements.

Investment Abbreviations:
LIBOR - London Interbank Offered Rate
EURIBOR - Euro Interbank Offered Rate
SONIA IR - Sterling Over Night Index Average
BBSW - Bank Bill Swap Rate
T-BILL - U.S. Treasury Bill
SOFR - Secured Overnight Financing Rate

Reference Rates:
1M EUR L - 1 Month EURIBOR as of October 31, 2022 was 1.25%
3M EUR L - 3 Month EURIBOR as of October 31, 2022 was 1.70%
1M US L - 1 Month USD LIBOR as of October 31, 2022 was 3.80%
3M US L - 3 Month USD LIBOR as of October 31, 2022 was 4.46%
3M T-Bill - 3 Month Treasury Bill as of October 31, 2022 was 4.11%
1M SONIA IR - 1 Month SONIA as of October 31, 2022 was 2.19%
3M SONIA IR - 3 Month SONIA as of October 31, 2022 was 1.87%
1M BBSW - 1 Month BBSW as of October 31, 2022 was 2.87%
30D US SOFR - 30 Day US SOFR as of October 31, 2022 was 3.04%
12M US FED – 12 Month US FED as of October 31, 2022 was 2.05%

[(a)] *The maturity date for credit investments represents the expected maturity. Many of the instruments are callable through cash flows on the underlying securities or other call features. Expected maturity may be earlier than legal maturity.*

[(b)] *Floating or variable rate security. The Reference Rate is described above. Interest rate shown reflects the rate in effect at October 31, 2022. For securities based on a published reference rate and spread, the reference rate and spread are indicated in the description above. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions. These securities do not indicate a reference rate and spread in their description above.*

[(c)] *On October 31, 2022, all or a portion of these securities were pledged as collateral for reverse repurchase agreements in the amount of $54,883,823.*

[(d)] *Securities not registered under the Securities Act of 1933, as amended (the "Securities Act"). These securities generally involve certain transfer restrictions and may be sold in the ordinary course of business in transactions exempt from registration. As of October 31, 2022, the aggregate market value of those securities was $95,060,305, representing 85.20% of net assets.*

[(e)] *Interest only security.*

[(f)] *Step bond. Coupon changes periodically based upon a predetermined schedule. Interest rate disclosed is that which is in effect at October 31, 2022.*

[(g)] *This security has been classified as level 3 in accordance with ASC 820 as a result of unavailable quoted prices from an active market or the unavailability of other significant observable inputs.*

[(h)] *This security is a residual or equity position that does not have a stated interest rate. This residual or equity position is entitled to recurring distributions which are generally equal to the remaining cash flow of payments made by underlying securities less contractual payments to debt holders and fund expenses.*

[(i)] *Security was in default as of October 31, 2022, and is therefore non-income producing.*

[(j)] *Perpetual maturity.*

[(k)] *Includes cash being held as collateral for derivatives and reverse repurchase agreements.*

DERIVATIVE INSTRUMENTS

CREDIT DEFAULT SWAP CONTRACTS - SELL PROTECTION (OVER THE COUNTER)[(a)]

Reference Obligations	Counterparty	Fixed Deal Receive Rate	Currency	Maturity Date	Implied Credit Spread at October 31, 2022[(b)]	Notional Amount[(c)]	Value	Upfront Premiums Received/(Paid)	Unrealized Appreciation/ (Depreciation)
The Markit CDX High Yield Series 33 Index Tranche 15-25	Morgan Stanley	5.00%	USD	12/20/24	10.95%	10,000,000	$ (901,606)	$ 491,250	$ (410,356)
The Markit CDX High Yield Series 37 Index Tranche 15-25	Morgan Stanley	5.00%	USD	12/20/26	6.73%	1,000,000	(52,334)	158,540	106,206
							$ (953,940)	$ 649,790	$ (304,150)

CREDIT DEFAULT SWAP CONTRACTS ON CREDIT INDICES ISSUE - PURCHASE PROTECTION (CENTRALLY CLEARED)

Reference Obligations	Counterparty	Fixed Deal Receive Rate	Currency	Maturity Date	Implied Credit Spread at October 31, 2022[(b)]	Notional Amount[(c)]	Value	Upfront Premiums Received/(Paid)	Unrealized Appreciation
The Markit CDX High Yield Series 38 Index	Wells Fargo	5.00%	USD	6/20/27	4.71%	6,791,400	$ (50,514)	$ 237,962	$ 187,448
							$ (50,514)	$ 237,962	$ 187,448

Credit default swaps pay quarterly.

(a) *If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.*

(b) *Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements as of year end serve as an indicator of the current status of the payment/performance risk and represent the likelihood or risk of default for the credit derivative. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.*

(c) *The maximum potential amount the Fund could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.*

DERIVATIVE INSTRUMENTS (continued)

INTEREST RATE SWAP CONTRACTS (CENTRALLY CLEARED)

Pay/Receive Floating Rate	Clearing House	Floating Rate	Expiration Date	Notional Amount	Currency	Fixed Rate	Fair Value and Unrealized Appreciation/ (Depreciation)
Receive	LCH Ltd.	SOFRRATE	02/23/2027	300,000	USD	2.27%	$ 28,569
							$ 28,569

FUTURES CONTRACTS - LONG (CENTRALLY CLEARED)

Description	Counterparty	Position	Contracts	Expiration Date	Notional Amount	Fair Value and Unrealized Appreciation/ (Depreciation)
2-YR U.S. TREASURY NOTE	Wells Fargo Securities, LLC	Long	1	Dec 2022	$ 204,383	$ (469)
					$ 204,383	$ (469)

FUTURES CONTRACTS - SHORT (CENTRALLY CLEARED)

Description	Counterparty	Position	Contracts	Expiration Date	Notional Amount	Fair Value and Unrealized Appreciation/ (Depreciation)
10-YR U.S. TREASURY NOTE	Wells Fargo Securities, LLC	Short	35	Dec 2022	$ (3,870,781)	$ 249,102
5-YR U.S. TREASURY NOTE	Wells Fargo Securities, LLC	Short	350	Dec 2022	(37,307,813)	1,495,564
AUD/USD CURRENCY	Wells Fargo Securities, LLC	Short	12	Dec 2022	(768,120)	43,126
EUR/USD CURRENCY	Wells Fargo Securities, LLC	Short	82	Dec 2022	(10,171,588)	122,239
EURO BOBL	Wells Fargo Securities, LLC	Short	11	Dec 2022	(1,300,902)	37,082
GBP/USD CURRENCY	Wells Fargo Securities, LLC	Short	107	Dec 2022	(7,681,262)	63,189
LONG GILT	Wells Fargo Securities, LLC	Short	1	Dec 2022	(117,123)	7,090
					$ (61,217,589)	$ 2,017,392

See Notes to Consolidated Financial Statements.

ASSETS:		
Investments, at fair value (Cost $173,743,937)	$	158,584,065
Cash		17,608
Foreign Currency, at fair value (Cost $824,683)		815,295
Unrealized appreciation on credit default swap contracts		106,206
Receivable on derivative contracts		23,233
Variation margin receivable on Centrally Cleared Swap Contracts		45,815
Variation margin receivable for Futures Contracts		282,999
Interest receivable		719,351
Capital shares sold receivable		129,696
Deposits held with brokers for derivatives and reverse repurchase agreements		4,343,360
Prepaid expenses and other assets		7,787
Total Assets		165,075,415
LIABILITIES:		
Payable for swap contracts premiums		887,753
Payable for investment securities purchased		1,300,182
Payable for reverse repurchase agreements, including accrued interest of $148,236		50,167,245
Unrealized depreciation on credit default swap contracts		410,356
Payable for shareholder servicing and distribution fees		940
Net payable to Adviser for investment advisory fees		195,362
Accrued fund accounting, administration and compliance fees payable		168,404
Other payables and accrued expenses		369,088
Total Liabilities		53,499,330
Net Assets Attributable to Shareholders	$	111,576,085
COMPOSITION OF NET ASSETS ATTRIBUTABLE TO SHARES:		
Paid-in capital	$	117,382,293
Total distributable earnings		(5,806,208)
Net Assets Attributable to Shareholders	$	111,576,085
NET ASSET VALUE		
Class I:		
Net assets	$	110,679,788
Shares outstanding (unlimited shares authorized, par value $0.001 per share)		5,867,411
Net Asset Value per Share	$	18.86
Class A-2:		
Net assets	$	896,297
Shares outstanding (unlimited shares authorized, par value $0.001 per share)		47,972
Net Asset Value per Share	$	18.68

See Notes to Consolidated Financial Statements.

		For the Year Ended October 31, 2022
INVESTMENT INCOME:		
Dividends on short term money market funds	$	102,335
Interest		12,305,136
Total Investment Income		12,407,471
EXPENSES:		
Investment advisory fee		2,476,063
Fund Accounting and Administration fees		599,770
Compliance fees		35,000
Offering costs		59,518
Legal fees		268,829
Audit fees		170,655
Trustees' fees and expenses		76,500
Transfer agent fees		237,091
Interest on reverse repurchase agreements		1,089,000
Distribution and shareholder servicing fees		3,064
Other expenses		217,262
Total Expenses		5,232,752
Less expenses reimbursed by Adviser (See Note 4)		(810,698)
Less advisory fees waived (See Note 4)		(412,677)
Net Expenses		4,009,377
Net Investment Income		8,398,094
REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS:		
Net realized gain/(loss) on:		
Investment securities		(35,812)
Credit default swap contracts		535,201
Interest rate swap contracts		(1,088)
Futures contracts		6,870,376
Foreign currency transactions		(557,058)
Net realized gain		6,811,619
Change in unrealized appreciation/(depreciation) on:		
Investment securities		(20,948,531)
Interest rate swap contracts		28,569
Credit default swap contracts		(79,718)
Futures contracts		1,316,312
Foreign currency transactions		29,430
Net change in unrealized appreciation/(depreciation)		(19,653,938)
Net Realized and Unrealized Loss on Investments		(12,842,319)
Net Decrease in Net Assets Attributable to Shares from Operations	$	(4,444,225)

See Notes to Consolidated Financial Statements.

	For the Year Ended October 31, 2022	For the Year Ended October 31, 2021
FROM OPERATIONS:		
Net investment income	$ 8,398,094	$ 5,374,707
Net realized gain	6,811,619	6,697,803
Net change in unrealized appreciation/(depreciation)	(19,653,938)	5,320,635
Net Increase/(Decrease) in Net Assets Attributable to Shares from Operations	(4,444,225)	17,393,145
DISTRIBUTIONS TO SHAREHOLDERS:		
Class I		
From distributable earnings	(11,259,113)	(6,019,940)
Class A-2[(a)]		
From distributable earnings	(30,080)	(2,876)
Net Decrease in Net Assets from Distributions to Shareholders	(11,289,193)	(6,022,816)
CAPITAL SHARE TRANSACTIONS:		
Class I		
Proceeds from sale of shares	30,079,471	31,875,754
Cost of shares redeemed	(16,626,324)	(20,185,933)
Net asset value of shares issued to shareholders from reinvestment of dividends	2,329,863	721,360
Net Increase from Capital Share Transactions	15,783,010	12,411,181
Class A-2[(a)]		
Proceeds from sale of shares	820,857	100,000
Net asset value of shares issued to shareholders from reinvestment of dividends	30,081	2,876
Net Increase from Capital Share Transactions	850,938	102,876
Net Increase in Net Assets	900,530	23,884,386
NET ASSETS:		
Beginning of year	110,675,555	86,791,169
End of year	$ 111,576,085	$ 110,675,555
OTHER INFORMATION:		
Capital Share Transactions:		
Class I		
Beginning shares	5,114,015	4,516,582
Shares sold	1,473,760	1,524,787
Shares issued as reinvestment of dividends	116,599	34,393
Shares redeemed	(836,963)	(961,747)
Ending Shares	5,867,411	5,114,015
Class A-2[(a)]		
Beginning shares	4,895	–
Shares sold	41,523	4,759
Shares issued as reinvestment of dividends	1,554	136
Ending Shares	47,972	4,895

[(a)] *The A-2 Class commenced operations on May 1, 2021.*

See Notes to Consolidated Financial Statements.

For the Year Ended October 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:		
Net decrease in net assets from operations	$	(4,444,225)
Adjustments to reconcile net increase/(decrease) in net assets from operations to net cash provided by (used in) operating activities:		
Purchases of investment securities		(152,132,637)
Proceeds from disposition of investment securities		111,898,394
Discounts (accreted)/premiums amortized		3,379,588
Net realized (gain)/loss on:		
Investment securities		35,812
Credit default swap contracts		(535,201)
Net change in unrealized (appreciation)/depreciation on:		
Investment securities		20,948,531
Interest rate swap contracts		(28,569)
Credit default swap contracts		79,718
Net purchase of short-term investments		1,718,869
(Increase)/Decrease in assets:		
Variation margin receivable on centrally cleared swap contracts		(45,815)
Variation margin receivable on futures contracts		(282,999)
Interest receivable		(285,786)
Receivable on credit default swap contracts		4,961
Prepaid expenses and other assets		5,048
Increase/(Decrease) in liabilities:		
Variation margin payable on futures contracts		(125,815)
Payable for swap contracts premiums		705,074
Accrued offering costs		(65,413)
Net payable to adviser for investment advisor fees		98,177
Accrued fund accounting and administration fees payable		76,334
Interest payable on reverse repurchase agreements		108,957
Payable for shareholder servicing and distribution fees		940
Other payables and accrued expenses		287,511
Net Cash Used in Operating Activities	$	(18,598,546)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash payments from reverse repurchase agreements	$	552,503,634
Cash payments for reverse repurchase agreements		(544,564,266)
Proceeds from shares sold		30,800,780
Cost of shared redeemed		(16,626,324)
Distributions paid to shareholders		(8,929,249)
Net Cash Provided by Financing Activities	$	13,184,575
Effect of exchange rates on cash	$	34,811
Net Decrease in Cash, Restricted Cash and Foreign Rates on Cash	$	(5,379,160)
Cash and restricted cash, beginning balance	$	10,555,423
Cash and restricted cash, ending balance	$	5,176,263
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid on interest expense on reverse repurchase agreements	$	980,043
Reinvestment of distributions	$	2,359,944

See Notes to Consolidated Financial Statements.

THE FOLLOWING TABLE PROVIDES A RECONCILIATION OF RESTRICTED CASH AND UNRESTRICTED CASH AND FOREIGN CURRENCY WITHIN THE CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

	October 31, 2022	October 31, 2021
Unrestricted cash and foreign currency	$ 832,903	$ 8,724,361
Restricted cash within Deposits held with brokers for derivatives and reverse repurchase agreements	$ 4,343,360	$ 1,831,062
Unrestricted Cash and Restricted Cash[(a)]	**$ 5,176,263**	**$ 10,555,423**

(a) Restricted cash as of October 31, 2022 includes $1,413,188 of margin posted as collateral on futures contracts and $2,930,172 of margin posted as collateral on credit default and interest rate swap contracts. Restricted cash as of October 31, 2021 includes $1,175,994 of margin posted as collateral on futures contracts, and $655,068 of margin posted as collateral on credit default contracts. All collateral is considered to be restricted cash, which is included in Deposits held with brokers for derivatives and reverse repurchase agreements on the Consolidated Statement of Assets and Liabilities.

See Notes to Consolidated Financial Statements.

Class I	For the Year Ended October 31, 2022	For the Year Ended October 31, 2021	For the Year Ended October 31, 2020	For the Period March 4, 2019 (Commencement of Operations) to October 31, 2019
PER SHARE OPERATING PERFORMANCE:				
Net asset value - beginning of period	$ 21.62	$ 19.22	$ 20.38	$ 20.00
INCOME/(LOSS) FROM INVESTMENT OPERATIONS:				
Net investment income[(a)]	1.47	1.08	0.59	0.35
Net realized and unrealized gain/(loss) on investments	(2.23)	2.52	(0.55)	0.63
Total Income/(Loss) from Investment Operations	(0.76)	3.60	0.04	0.98
DISTRIBUTIONS TO SHAREHOLDERS:				
From net investment income	(1.30)	(1.20)	(0.77)	(0.60)
From net realized gains	(0.70)	–	–	–
From tax return of capital	–	–	(0.43)	–
Total Distributions to Shareholders	(2.00)	(1.20)	(1.20)	(0.60)
Net asset value per share - end of period	$ 18.86	$ 21.62	$ 19.22	$ 20.38
Total Investment Return - Net Asset Value[(b)]	(3.78%)	19.10%	0.53%	4.92%
RATIOS AND SUPPLEMENTAL DATA:				
Net assets attributable to shares, end of period (000s)	$ 110,680	$ 110,570	$ 86,791	$ 73,602
Ratio of actual expenses to average net assets including fee waivers and reimbursements	3.48%	2.84%	2.55%	1.52%[(c)]
Ratio of actual expenses to average net assets excluding fee waivers and reimbursements	4.54%	3.73%	4.02%	4.11%[(c)(d)]
Ratio of net investment income to average net assets	7.30%	5.17%	3.07%	2.57%[(c)]
Portfolio turnover rate	77.20%	107.74%	79.44%	25.84%[(e)]

(a) *Calculated using average shares outstanding.*

(b) *Total investment return is calculated assuming a purchase of a share at the opening on the first day and a sale at closing on the last day of the period reported. Dividends and distributions are assumed for purposes of this calculation to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions, if any, and are not annualized.*

(c) *These ratios to average net assets have been annualized.*

(d) *These ratios to average net assets have been annualized except the non-recurring organizational expenses which have not been annualized.*

(e) *Percentage represents the results for the period and is not annualized.*

See Notes to Consolidated Financial Statements.

For a Share Outstanding Throughout the Period Presented

Class A-2		For the Year Ended October 31, 2022		For the Period May 1, 2021 (Commencement of Operations) to October 31, 2021
PER SHARE OPERATING PERFORMANCE:				
Net asset value - beginning of period	$	21.55	$	21.01
INCOME/(LOSS) FROM INVESTMENT OPERATIONS:				
Net investment income[(a)]		1.31		0.63
Net realized and unrealized gain/(loss) on investments		(2.18)		0.51
Total Income/(Loss) from Investment Operations		(0.87)		1.14
DISTRIBUTIONS TO SHAREHOLDERS:				
From net investment income		(1.30)		(0.60)
From net realized gains		(0.70)		–
Total Distributions to Shareholders		(2.00)		(0.60)
Net asset value per share - end of period	$	18.68	$	21.55
Total Investment Return - Net Asset Value[(b)]		(4.38%)		5.54%
RATIOS AND SUPPLEMENTAL DATA:				
Net assets attributable to shares, end of period (000s)	$	896	$	106
Ratio of actual expenses to average net assets including fee waivers and reimbursements		4.67%		3.32%[(c)]
Ratio of actual expenses to average net assets excluding fee waivers and reimbursements		5.72%		4.25%[(c)]
Ratio of net investment income to average net assets		6.69%		5.86%[(c)]
Portfolio turnover rate		77.20%		107.74%[(d)]

(a) *Calculated using average shares outstanding.*

(b) *Total investment return is calculated assuming a purchase of a share at the opening on the first day and a sale at closing on the last day of the period reported. Dividends and distributions are assumed for purposes of this calculation to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment return does not reflect brokerage commissions, if any, and are not annualized.*

(c) *These ratios to average net assets have been annualized.*

(d) *Percentage represents the results for the period and is not annualized.*

See Notes to Consolidated Financial Statements.

NOTE 1. ORGANIZATION

1WS Credit Income Fund (“1WS Credit” or the “Fund”) is a 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 shares of beneficial interest (‘‘Shares’’). 1WS Credit operates as an interval fund under Rule 23c-3 of the 1940 Act and, as such, has adopted a policy to make quarterly repurchase offers at a price equal to net asset value (‘‘NAV’’) per Share of at least 5% of outstanding Shares.

1WS Credit’s investment objective is to seek attractive risk-adjusted total returns through generating income and capital appreciation. 1WS Credit will seek to achieve its investment objective by investing primarily in a wide array of structured credit and securitized debt instruments. There can be no assurance that the Fund’s investment objective will be achieved.

1WS Credit was organized as a Delaware statutory trust on July 20, 2018 pursuant to an Agreement and Declaration of Trust governed by the laws of the State of Delaware. 1WS Credit had no operations from that date to March 4, 2019, commencement of operations, other than those related to organizational matters and the registration of its Shares under applicable securities laws. 1WS Credit wholly owns and consolidates 1WSCI Sub I, LLC (the “Cayman Islands SPV”), an exempted company incorporated in the Cayman Islands on February 22, 2019. The Cayman Islands SPV is an investment vehicle formed to make certain investments on behalf of 1WS Credit. 1WS Credit is the managing and sole member of the Cayman Islands SPV pursuant to a limited liability agreement dated March 1, 2019. Where context requires, the “Fund” includes both the Fund and the Cayman Island SPV.

1WS Capital Advisors, LLC (the ‘‘Adviser’’ or ‘‘1WS’’) serves as the investment adviser of the Fund. 1WS is a Delaware limited liability company that is registered as an investment adviser with the Securities and Exchange Commission (the ‘‘SEC’’) under the Investment Advisers Act of 1940 (the ‘‘Advisers Act’’). The Adviser is controlled by its managing member, One William Street Capital Management, L.P. (‘‘OWS’’), which is also registered with the SEC as an investment adviser. The Fund’s portfolio manager and other personnel of the Adviser have substantial experience in managing investments and investment funds, including funds which have investment programs similar to that of the Fund.

The Fund currently offers Institutional (“Class I”) Shares and Brokerage Class ("Class A-2") Shares (collectively, the "Share Classes"). Both Share Classes of the Fund are being offered on a continuous basis at the NAV per Share calculated each day. Class A-2 Shares are offered subject to a maximum sales charge of 3.00% of their offering price and an asset-based distribution/shareholder servicing fee not to exceed 0.75% of its net assets and Class I shares are not subject to any sales load or asset-based distribution fee. Class A-2 Shares purchased without a sales charge may be subject to a 1.50% contingent deferred sales charge ("CDSC"). The Fund received exemptive relief from the SEC to issue multiple classes of Shares and to impose asset-based distribution fees as applicable. Class I and Class A-2 shares commenced operations on March 4, 2019 and May 1, 2021, respectively.

Each class represents an interest in the same assets of the Fund and classes are identical except for differences in their sales charge structures and ongoing service and distribution charges. All classes of shares have equal voting privileges except that each class has exclusive voting rights with respect to its service and/or distribution plans. The Fund's income, expenses (other than class specific service and distribution fees) and realized and unrealized gains and losses are allocated proportionately each day based upon the relative net assets of each class.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and are stated in United States dollars. The Fund is considered an investment company under GAAP and follows the accounting and reporting guidance for investment companies under Financial Accounting Standards Board’s (‘‘FASB’’) Accounting Standards Codification (‘‘ASC’’) 946, *Financial Services-Investment Companies*, including accounting for investments at fair value.

The preparation of these consolidated financial statements in accordance with GAAP requires management to make certain estimates and assumptions that affect the amounts reported in the consolidated financial statement and accompanying notes. The Adviser believes that the estimates utilized in preparing the financial statements are reasonable and prudent; however, actual results could differ from such estimates and the differences could be material.

Consolidation: 1WS Credit consolidates its investment in the Cayman Islands SPV because 1WS Credit is the sole shareholder of this entity. In accordance with ASC 810, *Consolidation*, the accompanying consolidated financial statements include the Cayman Islands SPV’s assets and liabilities and results of operations. All investments held by the Cayman Islands SPV are disclosed in the Consolidated Schedule of Investments. All intercompany accounts and transactions have been eliminated upon consolidation.

Investment Transactions: Investment transactions are accounted for on a trade-date basis for financial reporting purposes and amounts payable or receivable for trades not settled at the time of year end are reflected as liabilities and assets, respectively. Interest is recorded on an accrual basis. Realized gains and losses on investment transactions reflected in the consolidated statement of operations are recorded on a first-in, first-out basis.

Premiums on fixed-income securities and discounts on non-distressed fixed-income securities are amortized and recorded within interest income in the consolidated statement of operations.

The Fund may enter into derivative contracts for hedging purposes or to gain synthetic exposures to certain investments ("Derivatives"). Derivatives are financial instruments whose values are based on an underlying asset, index, or reference rate and include futures, swaps, swaptions, options, or other financial instruments with similar characteristics.

The Board of Trustees (the "Board") has adopted valuation policies and procedures for the Fund and has delegated the day-to-day responsibility for fair value determinations to the Adviser and the Administrator (subject to review and ratification by the Board). The Fund has a valuation committee (the "Valuation Committee") comprised of officers of the Adviser which overseeing the implementation of the Fund's valuation policies and procedures. Effective September 8, 2022, the Adviser has been designated as "Valuation Designee" (as such term is defined in Rule 2a-5 of the 1940 Act) and shall have the day-to-day responsibility for fair valuing Fund portfolio securities.

Fund Valuation: Class I and Class A-2 Shares are offered at NAV. The NAV per share of each class is determined daily. The Fund's NAV per share is calculated by subtracting liabilities (including accrued expenses and indebtedness) from the total assets of the Fund (the value of the investments plus cash or other assets, including interest accrued but not yet received). The Fund's NAV is then allocated pro-rata between the share classes, adjusting for share class specific liabilities. The NAV of each share class is then divided by the total number of Shares outstanding of each share class at each day's end.

NOTE 3. PORTFOLIO VALUATION:

ASC 820 *Fair Value Measurement* defines fair value as an exit price representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value and maximizes the use of observable inputs and minimizes the use of unobservable inputs by prioritizing the use of the most observable input when available.

Valuation inputs broadly refer to the assumptions market participants would use in pricing the asset or liability, including assumptions about risk. ASC 820 distinguishes between: (i) observable inputs, which are based on market data obtained from parties independent of the reporting entity, and (ii) unobservable inputs, which reflect the Adviser's own assumptions about the judgments market participants would use. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is deemed significant to the fair value measurement. When a valuation uses multiple inputs from varying levels of the fair value hierarchy, the hierarchy level is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Level 1— Inputs that are unadjusted, quoted prices in active markets for identical assets or liabilities.

Level 2— Inputs (other than quoted prices included in Level 1) that are observable, either directly or indirectly.

Level 3— Inputs that are unobservable and reflect the Adviser's best estimate of what market participants would use in pricing the asset or liability. This includes situations where there is little, if any, market activity for the asset or liability.

Generally, the Fund expects to be able to obtain pricing from independent third-party sources on many of its investments. However, in certain circumstances where such inputs are difficult or impractical to obtain or such inputs are deemed unreliable, we may fair value certain investments using internal manager marks. As of October 31, 2022, 1.92% of the investments held by the Fund were valued using internal manager marks.

The following factors may be pertinent in determining fair value: security covenants, call protection provisions and information rights; cash flows, the nature and realizable value of any collateral; the debt instrument's ability to make payments; the principal markets and financial environment in which the debt instrument operates; publicly available financial ratios of peer companies; changes in interest rates for similar debt instruments; and enterprise values, among other relevant factors.

Determination of fair value involves subjective judgments and estimates not susceptible to substantiation by auditing procedures. Due to the inherent uncertainty of determining the fair value of investments that do not have readily available market quotations, the fair value of these investments may differ significantly from the values that would have been used had such market quotations existed for such investments, and any such differences could be material. Accordingly, under current accounting standards, the notes to the Fund's consolidated financial statements will refer to the uncertainty with respect to the possible effect of such valuations, and any change in such valuations, on the Fund's financial statements.

The following tables summarize the Fund's financial instruments classified as assets and liabilities measured at fair value by level within the fair value hierarchy as of October 31, 2022:

Investments in Securities at Value	Level 1	Level 2	Level 3	Total
Residential Mortgage-Backed Securities	$ –	$ 41,271,972	$ –	$ 41,271,972
Commercial Mortgage-Backed Securities	–	26,483,120	2,000,000	28,483,120
Asset-Backed Securities	–	42,237,445	13,439,219	55,676,664
Collateralized Loan Obligations	–	19,683,854	4,418,860	24,102,714
Preferred Stocks	470,544	–	–	470,544
Money Market Funds	8,579,051	–	–	8,579,051
Total	$ 9,049,595	$ 129,676,391	$ 19,858,079	$ 158,584,065
Derivative Instruments				
Assets:				
Interest Rate Swap Contracts	$ –	$ 28,569	$ –	$ 28,569
Future Contracts	2,017,392	–	–	2,017,392
Credit Default Swap Contracts	–	293,654	–	293,654
Liabilities:				
Credit Default Swap Contracts	$ –	(410,356)	–	(410,356)
Future Contracts	(469)	–	–	(469)
Total	$ 2,016,923	$ (88,133)	$ –	$ 1,928,790

There were no changes in valuation technique. Certain Asset-Backed Securities were transferred from Level 2 to Level 3 as the market provided less transparency at October 31, 2022 than in the previous year.

The following table discloses the purchase of Level 3 portfolio investments as well as the value of transfers into or out of Level 3 for the year ended October 31, 2022 of the Fund's Level 3 portfolio investments:

	Asset-Backed Securities	Collateralized Loan Obligations	Commercial Mortgage Backed security	Total
Balance as of October 31, 2021	$ 10,591,228	$ 6,161,282	$ 2,000,000	$ 18,752,510
Accrued discount/ premium	(2,626,380)	(388,947)	–	(3,015,327)
Realized Gain/(Loss)	(704,748)	(48,942)	–	(753,690)
Change in Unrealized Appreciation/(Depreciation)	(3,246,267)	(1,263,098)	–	(4,509,365)
Purchases	10,275,264	1,276,304	–	11,551,568
Sales Proceeds	(2,106,436)	(1,317,739)	–	(3,424,175)
Transfer into Level 3	1,256,558	–	–	1,256,558
Transfer out of Level 3	–	–	–	–
Balance as of October 31, 2022	$ 13,439,219	$ 4,418,860	$ 2,000,000	$ 19,858,079
Net change in unrealized appreciation/(depreciation) included in the Statement of Operations attributable to Level 3 investments held at October 31, 2022	$ (3,202,749)	$ (1,267,061)	$ –	$ (4,469,810)

The following table presents additional information about the valuation methodologies and inputs used for investments that are measured at fair value and categorized within Level 3 as of October 31, 2022:

Quantitative Information about Level 3 Fair Value Measurements

Asset Class	Fair Value	Valuation Technique	Unobservable Inputs	Value/Range
Asset-Backed Securities	$ 12,394,646	Broker Pricing	Indicative Quotes	$21-$126,405[1]
Asset-Backed Securities	$ 1,044,573	Internal Model	Loss Severity Analysis	$0[2]-$100[3]
Collateralized Loan Obligations	$ 4,418,860	Broker Pricing	Indicative Quotes	$34-$70
Commercial Mortgage-Backed Securities	$ 2,000,000	Internal Model	Loss Severity Analysis	$100[4]

(1) *Input is based on the total market value of the outstanding loan, of which the Fund owns 0.61-14.25%.*
(2) *Input is due to 100.00% expected loss to be experienced by the investment.*
(3) *Input is due to immaterial delinquencies on the underlying collateral.*
(4) *Input is based on a yield of 12.04%.*

Federal Income Taxes: The Fund has elected to be treated as a regulated investment company under the Internal Revenue Code of 1986, as amended (the ''Code''). The Fund intends to elect to be treated for federal income tax purposes, and intends to qualify annually, as a regulated investment company (a ''RIC'') under Subchapter M of the Internal Revenue Code (the ''Code''). As a RIC, the Fund generally will not have to pay Fund-level federal income taxes on any ordinary income or capital gains that the Fund distributes to shareholders from our tax earnings and profits.

For the year ended October 31, 2022, the Fund did not have a tax liability. The Fund files U.S. federal, state, and local tax returns as required. The Fund's tax returns are subject to examination by the relevant tax authorities until expiration of the applicable statute of limitations which is generally three years after the filing of the tax return for federal purposes and four years for most state returns.

Distributions to Shareholders: The Fund intends to declare and pay substantially all of its net investment income to shareholders in the form of dividends on a quarterly basis. The Fund also intends to distribute substantially all net realized capital gains at least annually.

NOTE 4. FEES AND EXPENSES

Investment Advisory: Under an investment advisory agreement between the Fund and the Adviser (the "Advisory Agreement"), the Fund pays the Adviser a fee at the annualized rate of 1.50% of the daily gross assets of the Fund (the "Management Fee"). For the one-year period beginning on March 1, 2022, the Adviser has voluntarily agreed to reduce the Management Fee to 1.25% of the Fund's daily gross assets.

Expense Limitation and Reimbursement Agreement: Pursuant to an expense limitation and reimbursement agreement (the "Expense Limitation Agreement"), the Adviser agrees to waive the fees payable to it under the Investment Advisory Agreement and/or to pay or absorb operating expenses of the Fund, including, without limitation, organization and offering expenses (excluding brokerage and transactional expenses; borrowing and other investment-related costs and fees including interest and commitment fees; short dividend expense; acquired fund fees; taxes; litigation and indemnification expenses; judgments; and extraordinary expenses not incurred in the ordinary course of the Fund's business – collectively, the "Exclusions"), to the extent necessary to limit the Other Expenses of the Fund (as set forth in the Fund's Prospectus) less the Exclusions to 0.50% per annum of the Fund's daily gross assets. The Expense Limitation Agreement will remain in effect until March 1, 2023, unless and until the Trustees approve its modification or termination.

As of October 31, 2022, the advisor reimbursed fees under the Expense Limitation Agreement which are recoupable as follows:

Expires October 31, 2023	Expires October 31, 2024	Expires October 31, 2025
$775,982	$580,191	$810,698

Officer and Trustee Compensation: The Fund pays each member of the Board of Trustees who is not a director, officer, employee or affiliate of OWS a $25,000 annual retainer, $2,500 per board meeting and $1,000 for each committee meeting. None of the executive officers receive compensation from the Fund.

Distribution and Servicing Fees: The Fund has entered into a distribution agreement (the ''Distribution Agreement'') with ALPS Distributors, Inc. (the ''Distributor''), pursuant to which the Distributor is serving as the Fund's principal underwriter and acts as the distributor of the Fund's Shares on a best efforts basis, subject to various conditions.

Class A-2 Shares of the Fund are subject to ongoing distribution and shareholder servicing fees that may be used to compensate Intermediaries for selling shares of the Fund, and providing, or arranging for the provision of, Shareholder Services (the “Shareholder Servicing Fees”), and ongoing distribution and/or marketing services to the Fund (the “Distribution Fees”). The Distribution Fees and Shareholder Servicing Fees, as applicable, are accrued daily and paid monthly in an amount not to exceed, in the aggregate for Class A-2 Shares, 0.75% (on an annualized basis) of the net asset value of Class A-2 Shares of the Fund. For each class of shares of the Fund, under no circumstances shall Shareholder Servicing Fees exceed 0.25% of the net asset value of such class. The Distribution Fees and Shareholder Servicing Fees will be accrued daily as an expense of the Fund. For the period ended October 31, 2022, Class A-2 shares expensed $3,064 for Shareholder Servicing Fees and Distribution Fees.

Fund Administration and Accounting Fees and Expenses: ALPS Fund Services, Inc. ("ALPS" or the "Administrator") serves as the Fund’s administrator and provides various administration, fund accounting, investor accounting and taxation services to the Fund (which are in addition to the services provided by the Adviser, as described above). In consideration of these services, the Fund pays the Administrator, on a monthly basis. The Fund will reimburse the Administrator for certain out-of-pocket expenses incurred on behalf of the Fund.

Compliance Fees: ALPS Fund Services, Inc. provides Chief Compliance Officer Services to the Fund. Additionally, ALPS provides services in monitoring and testing the policies and procedures of the Fund in conjunction with requirements under Rule 38a-1 under the 1940 Act. ALPS is compensated under the Chief Compliance Officer Services Agreement.

Legal Fees: Kramer Levin Naftalis & Frankel LLP serves as counsel to the Fund.

Audit Fees: Deloitte & Touche LLP acts as independent registered public accountant for the Fund and in such capacity audits the Fund’s annual consolidated financial statements.

Custodian: The Bank of New York Mellon serves as the Fund’s primary custodian.

Transfer Agent: DST Systems, Inc. (“DST”), the parent company of ALPS, serves as the Transfer Agent to the Fund. Under the Transfer Agency Agreement, DST is responsible for maintaining all shareholder records of the Fund. DST is a wholly-owned subsidiary of SS&C Technologies Holdings, Inc. ("SS&C"), a publicly traded company listed on the NASDAQ Global Select Market.

NOTE 5. SECURITIES TRANSACTIONS

Purchases and sales of investments, excluding short-term obligations and including maturities and paydowns, transacted for the year ended October 31, 2022, were as follows:

Cost of Investments Purchased	Proceeds from Investments Sold
$ 151,003,277	$ 108,226,857

NOTE 6. INVESTMENTS

Under normal investment conditions, the Fund will invest at least 80% of its assets (including borrowings for investment purposes) in debt obligations.

The securities/instruments acquired by the Fund may include all types of debt and other obligations (‘‘Credit Investments’’), and may have varying terms with respect to collateralization, seniority or subordination, purchase price, convertibility, interest payments and maturity, and may consist of the following: (i) residential and commercial mortgage-backed securities (‘‘MBS’’), as well as real estate loans or pools of such loans; (ii) asset-backed securities (‘‘ABS’’), or other 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; (iii) debt and equity tranches of collateralized loan obligations (‘‘CLOs’’) and collateralized debt obligations (‘‘CDOs’’); (iv) public and private senior and mezzanine, senior secured or unsecured bonds/loans; and (v) other income producing securities, including investment grade debt, debentures and notes, and deferred interest, payment-in-kind or zero coupon bonds/notes. The Fund may invest without limit in CLOs or CDOs, including the equity tranches of such vehicles.

The Fund may also invest indirectly in any of the foregoing instruments through: (i) investing in other funds, including exchange traded funds (‘‘ETFs’’) and up to 15% of its net assets in funds that are excluded from the definition of ‘‘investment company’’ under the 1940 Act solely by reason of Section 3(c)(1) or Section 3(c)(7) of the 1940 Act, that are primarily invested in Credit Investments (except that investments in MBS, ABS, CLOs or CDOs and other Credit Investments that are not hedge funds or private equity funds are not subject to such 15% limitation); or (ii) entering into derivatives, including long and short positions in credit default swaps, total return swaps, forward contracts, futures and other similar transactions. The Fund may also use derivatives for cash management purposes, to modify interest rate exposure or to hedge positions. The Fund may invest in derivatives without limit, subject to adherence to applicable asset coverage and/or segregation requirements of the 1940 Act. (The Fund counts the foregoing indirect investments in debt obligations towards the Fund's requirement to invest at least 80% of its assets in debt obligations.) Effective August 19, 2022, the Fund may invest in derivatives subject to the limitations set forth in Rule 18f-4 under the 1940 Act.

The Fund anticipates that many Credit Investments will be rated below investment grade by rating agencies or would be rated below investment grade if they were rated. Credit Investments that are rated below investment grade (commonly referred to as ''high yield'' securities or ''junk bonds'') are regarded as having predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal.

In seeking to achieve the Fund's objective, the Fund may also invest a portion of its net assets in (i) U.S. and foreign government obligations, and highly-rated debt instruments (e.g., commercial paper); and (ii) long and short positions in public or private equity securities, which can include ETFs and real estate investment trusts.

The Fund intends to add leverage to its portfolio through direct borrowing and/or through entering into reverse repurchase agreements. Certain of the Fund's investments may require leverage to achieve the desired risk-adjusted return profile deployed by the Fund.

At any given time, a substantial portion of our portfolio may be illiquid, subjecting the Fund to increased credit risk. If a borrower or obligor or other counterparty on an instrument underlying a Credit Investment is unable to make its payments, we may be greatly limited in our ability to recover any outstanding principal and interest (or other applicable amounts) under such Credit Investment. Our Shares therefore should be purchased only by investors who could afford a possible substantial loss of their investment. There is no geographic or currency limitation on the securities or instruments acquired by the Fund. The Fund may purchase debt or equity securities of non-U.S. governments and corporate entities domiciled outside of the United States, including emerging markets issuers.

NOTE 7. DERIVATIVE INSTRUMENTS

The Fund may enter into derivative transactions in connection with its investing activities. These instruments derive their value, primarily or partially, from the underlying asset, indices, reference rate, or a combination of these factors. Derivatives are subject to various risks similar to non-derivative instruments, such as interest, market, and credit risk.

The Fund is subject to interest rate exposures, both directly and indirectly. Direct interest rate exposure can result from holding fixed rate bonds, the value of which may decrease if interest rates rise. Additionally, indirect interest rate exposure can result from certain securitization transactions that contain mismatches between the rate of interest earned on the underlying loans and/or receivables as compared to the rate of interest due on the securities. To hedge this risk for cases in which the Fund deems it effective, the Fund may enter into futures contracts, interest rate swaps, other interest rate options, or securities sold, not yet purchased.

The Fund is also subject to credit risk in the normal course of pursuing its investment objectives. In addition to the specific credit risk, in particular investment securities, the Fund is exposed to broader market credit risk. To hedge this risk, the Fund may enter into a variety of instruments, including credit default swaps, futures, options, and swaptions.

The market value of derivative instruments generally may change in a manner that amplify market movements relative to the underlying asset or reference rate. As a result of adverse market movements, the Fund's derivatives instruments could cause the Fund to suffer losses that magnify the market value changes of the underlying asset or reference rate. This use of embedded leverage allows the Fund to increase its market value exposure relative to its net assets and can substantially increase the volatility of the Fund's performance.

Additionally, in instances where the Fund is using derivatives to hedge risk exposures held by the Fund, there are also risks that those derivatives may not perform as expected relative to the Fund positions intended to be hedged which could result in losses for the hedged positions.

Derivatives are also subject to the risk of possible regulatory changes which could adversely affect the availability and performance of derivative securities, make them more costly and limit or restrict their use by the Fund, which could prevent the Fund from implementing its investment strategies and adversely affect returns.

Futures Contracts: Futures contracts are commitments to either purchase or sell a financial instrument or commodity at a future date for a specified price. Upon entering into futures contracts, the Fund is required to deposit with the broker, either in cash or securities, an initial margin in an amount equal to a certain percentage of the contract amount. Subsequent changes in market value of the contract (which may require additional margin to be deposited) are recorded for financial statement purposes as unrealized gains or losses.

The Fund may use futures contracts to hedge against changes in the value of financial instruments or changes in interest rates. Upon entering into such futures contracts, the Fund bears the risk of interest rates or financial instruments' prices moving adversely to the positions. With futures, counterparty risk is mitigated as these contracts are exchange-traded and the exchange's clearinghouse guarantees against non-performance by the counterparty.

Credit Default Swaps and Credit Default Tranches: In a typical credit default swap, the Fund receives (if a buyer) or provides (if a seller) protection against certain credit events involving one or more specified reference entities. The buyer of a credit default swap is generally obligated to pay the seller a periodic stream of payments over the term of the contract in return for a contingent payment upon the occurrence of a defined credit event on the reference obligation which may be a single security, a basket of securities, or a specified credit index. The applicable credit events are established at the inception of the transaction and generally include bankruptcy, insolvency, and failure to meet payment obligations when due, among other events. After a credit event occurs, the contingent payment payable by the seller to the buyer may be mitigated or reduced by segregated collateral and netting arrangements between the counterparties to the transaction.

A credit default tranche is a type of credit default swap that allows an investor to gain exposure to a particular portion of the loss distribution on a specified credit index. Tranches are defined by attachment and detachment points that specify the range of exposure to which an investor is receiving or providing protection with respect to the specified credit index.

The Fund may enter into credit default swaps or credit default tranches to hedge against changes in the value of, or to gain exposure to, the market, certain sectors of the market, or specific issuers. Upon the occurrence of a defined credit event, the difference between the value of the reference obligation and the swap's notional amount is recorded as realized gain or loss. Upon entering into a credit default swap, as a seller of protection or a buyer of protection, the Fund bears exposure to changes in market pricing of risk related to the reference obligations. Additionally, the Fund is exposed to counterparty risk to the extent the fair value of the credit default swap exceeds the collateral posted. Credit default swaps are either centrally cleared swaps or executed bilaterally under standard form ISDA master agreements entered into with each counterparty.

Any upfront payments made or received upon entering into a credit default swap contract are treated as part of the cost and any fluctuations are reflected as part of the unrealized gain (loss) on valuation. Upon termination of the swap contract, the amount included in the cost is reversed and becomes part of the credit default swap's realized gain (loss). For credit default swap contracts, the upfront payments serve as an indicator of the current status of the payment/performance risk. The fair value of a credit default swap contract represents the amount of upfront payment that would be required to enter into such swap as of a measurement date. Upfront payments vary inversely to the price of debt issued by the reference entity. Increasing fair values for credit default swap contracts, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the market pricing of the reference entity's debt.

The following is a summary of the derivative instruments fair value and the location and effect of derivative instruments held directly by the Fund for the year ended October 31, 2022:

	Consolidated Statement of Assets and Liabilities		Consolidated Statement of Operations	
	Derivative Assets Fair Value[(a)]	Derivative Liabilities Fair Value[(a)]	Net Realized Gain/ (Loss)	Net Change in Unrealized Appreciation / (Depreciation)
Futures contracts	$ 2,017,392	$ (469)	$ 6,870,376	$ 1,316,312
Credit default swap contracts	293,654	(410,356)	535,201	(79,718)
Interest swap contracts	28,569	–	(1,088)	28,569
Total derivatives	$ 2,339,615	$ (410,825)	$ 7,404,489	$ 1,265,163

(a) *Includes the cumulative appreciation/depreciation of futures contracts and swap contracts as reported in the Consolidated Schedule of Investments. Only the current day's variation margin receivable of $282,999 for futures, $45,097 for credit default swaps, and $718 for interest rate swaps are reported within the Consolidated Statement of Assets and Liabilities. Total cumulative appreciation/depreciation on futures contracts as shown on the table above is reported on the Consolidated Statement of Investments.*

The average short notional value and number of short futures contracts outstanding during the year ended October 31, 2022 was $65,406,028 and 549, respectively. The average notional value of credit default swap contracts related to the sale of protection outstanding during the year ended October 31, 2022 was $8,957,338. The average notional value of credit default swap contracts related to the purchase of protection outstanding during the year ended October 31, 2022 was $10,940,295. The average notional value of interest rate swap contracts outstanding during the year ended October 31, 2022 was $207,692.

Offsetting Arrangements: Certain derivative contracts and reverse repurchase agreements are executed under standardized netting agreements. A netting arrangement creates an enforceable right of set-off that becomes effective, and affects the realization of settlement on individual assets, liabilities and collateral amounts, only following a specified event of default or early termination. Default events may include the failure to make payments or deliver securities timely, material adverse changes in financial condition or insolvency, the breach of minimum regulatory capital requirements, or loss of license, charter or other legal authorization necessary to perform under the contract. These agreements mitigate counterparty credit risk by providing for a single net settlement with a counterparty of all financial transactions covered by the agreement in an event of default as defined under such agreement. The Fund invests in futures, interest rate swaps and credit default swaps that are centrally cleared and not subject to master netting agreements, thus are not included on the tables below.

Offsetting of Derivatives and Reverse Repurchase Agreements Assets

October 31, 2022

				Gross Amounts Not Offset in the Consolidated Statements of Assets and Liabilities		
	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Consolidated Statements of Assets and Liabilities	Net Amounts Presented in the Consolidated Statements of Assets and Liabilities	Financial Instruments[(a)]	Cash Collateral Received[(a)]	Net Amount Receivable
Credit default swap contract	$ 106,206	$ –	$ 106,206	$ (106,206)	$ –	$ –
Total	$ 106,206	$ –	$ 106,206	$ (106,206)	$ –	$ –

Offsetting of Derivatives and Reverse Repurchase Agreements Liabilities

October 31, 2022

				Gross Amounts Not Offset in the Consolidated Statement of Assets and Liabilities		
	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Consolidated Statement of Assets and Liabilities	Net Amounts Presented in the Consolidated Statement of Assets and Liabilities	Financial Instruments[(a)]	Cash Collateral Pledged[(a)]	Net Amount Payable
Credit default swap contract	$ 410,356	$ –	$ 410,356	$ (106,206)	$ (304,150)	$ –
Reverse repurchase agreements	50,167,245	–	50,167,245	(50,167,245)	–	–
Total	$ 50,577,601	$ –	$ 50,577,601	$ (50,273,451)	$ (304,150)	$ –

[(a)] *These amounts are limited to the derivatives asset/liability balance and, accordingly, do not include excess collateral received/pledged.*

NOTE 8. LEVERAGE

The Fund may obtain leverage in seeking to achieve its investment objective, including obtaining financing to make investments in Credit Investments. The Fund may obtain leverage through direct borrowing and/or through entering into reverse repurchase agreements.

In a reverse repurchase agreement, the Fund delivers a security in exchange for cash to a financial institution, the counterparty, with a simultaneous agreement to repurchase the same or substantially the same security at an agreed upon price and date. Reverse repurchase agreements are generally recorded at their contractual amounts, including accrued interest, as specified in each respective agreement. Securities sold are held on terms that may permit the counterparty to sell or re-pledge the securities subject to certain limitations. Such securities sold are held as collateral and are generally valued daily by the counterparty. The Fund may be required to deliver additional collateral or may demand the counterparty to return collateral pledged, as deemed necessary to ensure that the fair value of the underlying collateral remains sufficient to cover the contractual amount. Cash received in exchange for securities delivered plus accrued interest payments to be made by the Fund to counterparties are reflected as a liability on the Consolidated Statement of Assets and Liabilities. Interest payments made by the Fund to counterparties are recorded as a component of interest expense on the Consolidated Statement of Operations. The total amount of securities pledged, or partially pledged, at October 31, 2022 was $54,883,823. During the year ended October 31, 2022, the average amount of reverse repurchase agreements outstanding was $47,012,621, at a weighted average interest rate of 2.13%.

The following table indicates the total amount of reverse repurchase agreements, including accrued interest, reconciled to the Fund's liability as of October 31, 2022:

Remaining contractual maturity of the agreements

	Less than 30 days	30-90 days	Greater than 90 days	Total
Residential Mortgage-Backed Securities	$ –	$ 7,410,539	$ 7,142,879	$ 14,553,418
Commerical Mortgage-Backed Securities	–	11,814,406	1,244,275	13,058,681
Asset Backed Securities	–	13,341,651	2,003,206	15,344,857
Collaterlized Loan Obligations	4,531,546	2,678,743	–	7,210,289
Total	$ 4,531,546	$ 35,245,339	$ 10,390,360	$ 50,167,245

* *The total reverse repurchase agreement balance includes $49,837,132 of financing with extendable provisions that automatically renew per the terms of the respective reverse repurchase agreements.*

Leverage can have the effect of magnifying the Fund's exposure to changes in the value of its assets and may also result in increased volatility in the Fund's NAV. This means the Fund will have the potential for greater gains, as well as the potential for greater losses, than if the Fund owned its assets on an unleveraged basis. The value of an investment in the Fund will be more volatile and other risks tend to be compounded if and to the extent that the Fund is exposed to leverage directly or indirectly.

NOTE 9. REPURCHASE OFFERS

The Fund is an interval fund and, as such, has adopted a fundamental policy to make quarterly repurchase offers at a price equal to the NAV per Share as of the Repurchase Pricing Date (i.e., the date that will be used to determine the Fund's NAV applicable to the repurchase offer), of between 5% and 25% of the Shares outstanding. Subject to applicable law and approval of the Board, for each quarterly repurchase offer, the Fund currently expects to offer to repurchase 5% of the Fund's outstanding Shares at NAV, which is the minimum amount permitted. The Fund will make quarterly repurchase offers in the months of March, June, September and December. There is no guarantee that shareholders will be able to sell all of the shares they desire in a repurchase offer because shareholders, in total, may wish to sell more than the percentage of the Fund's Shares being repurchased.

During the year ended October 31, 2022, the Fund completed four quarterly repurchase offers. In each offer, the Fund offered to repurchase no less than 5% of the number of its outstanding Shares as of the Repurchase Pricing Date. No repurchase offers during the year ended October 31, 2022 were oversubscribed. The result of these repurchase offers were as follows:

	Repurchase Offer #1	Repurchase Offer #2	Repurchase Offer #3	Repurchase Offer #4
Repurchase Commencement Date	12/15/2021	03/23/2022	06/22/2022	09/21/2022
Repurchase Request Deadline	01/14/2022	04/14/2022	07/14/2022	10/13/2022
Repurchase Pricing Date	01/14/2022	04/14/2022	07/14/2022	10/13/2022
Repurchased Amount	$6,320,901	$3,589,972	$2,265,593	$4,449,858
Repurchased Shares	306,840	177,546	118,866	233,711

NOTE 10. PRINCIPAL RISKS

In the normal course of business, the Fund invests in financial instruments and enters into financial transactions where risk of potential loss may exist from things such as changes in the market (market risk) or failure or inability of the other party to a transaction to perform (credit and counterparty risk). See below for a detailed description of select principal risks. For a more comprehensive list of potential risks the Fund may be subject to, please refer to the Fund's Prospectus and Statement of Additional Information ("SAI").

Investment and Market Risk: The Fund may invest in credit-sensitive investments. Until such investments are sold or mature, the Fund is exposed to risks, including interest rate and spread risks, as well as credit and structural risks relating to whether the cash flows from the underlying assets will be sufficient in amount and timing to make expected payments on the securities. The Adviser monitors the risk parameters and expected volatility of the Fund's overall portfolio and attempts to manage concentrations of the portfolio in any particular investment holding, strategy, or market. Additionally, the Adviser seeks to control portfolio risks through selective sizing of positions based on a regular evaluation of each investment's risk and reward characteristics. Regular mark-to-market portfolio monitoring helps the Adviser monitor the investments. The Adviser has also developed a proprietary risk management system and uses statistical and cash flow models to monitor portfolio risk, as well as individual position specific risk.

While the Adviser generally seeks to hedge certain portfolio risks, the Adviser will not, in general, attempt to hedge all market, interest rate or other risks in the portfolio, and it may elect to only partially hedge certain risks. Specifically, the Adviser may determine that it is economically unattractive, or otherwise undesirable, to hedge certain risks and instead may rely on diversification to offset such risks.

Repurchase Offers Risk: An investment in the Fund is suitable only for long-term investors who can bear the risks associated with the limited liquidity of the Shares. The Fund is an "interval fund" and, in order to provide liquidity to shareholders, the Fund, subject to applicable law, will conduct repurchase offers of the Fund's outstanding Shares at NAV, subject to approval of the Board. The Fund believes that these repurchase offers are generally beneficial to the Fund's shareholders, and repurchases generally will be funded from available cash, cash from the sale of Shares or sales of portfolio securities. However, repurchase offers and the need to fund repurchase obligations may affect the ability of the Fund to be fully invested or force the Fund to maintain a higher percentage of its assets in liquid investments, which may harm the Fund's investment performance. Moreover, diminution in the size of the Fund through repurchases may result in untimely sales of portfolio securities (with associated imputed transaction costs, which may be significant), and may limit the ability of the Fund to participate in new investment opportunities or to achieve its investment objective. The Fund may accumulate cash by holding back (i.e., not reinvesting) payments received in connection with the Fund's investments and cash from the sale of Shares. The Fund believes that it can meet the maximum potential amount of the Fund's repurchase obligations. If at any time cash and other liquid assets held by the Fund are not sufficient to meet the Fund's repurchase obligations, the Fund intends, if necessary, to sell investments. In addition, if the Fund borrows to finance repurchases, interest on that borrowing will negatively affect shareholders who do not tender their Shares by increasing the Fund's expenses and reducing any net investment income.

Leverage Risk: Under current market conditions, the Fund may utilize leverage in an amount up to 33 ⅓% of the Fund's total assets principally through outstanding senior securities representing indebtedness ("Borrowings"). The Fund may obtain leverage through direct borrowing and/or through entering into reverse repurchase agreements that create leverage. Reverse repurchase agreements are agreements in which a Fund sells a security to a counterparty, such as a bank or broker-dealer, in return for cash and agrees to repurchase that security at a mutually agreed upon price and time. Reverse repurchase agreements carry the risk that the market value of the security sold by the Fund may decline in value, requiring the Fund to post the additional collateral or to repurchase the security. Reverse repurchase agreements also may be viewed as a form of borrowing, and borrowed assets used for investment creates leverage risk. Leverage can create an interest expense that may lower the Fund's overall returns. Leverage presents the opportunity for increased net income and capital gains, but may also exaggerate the Fund's volatility and risk of loss.

Counterparty Credit Risk: The Fund attempts to control credit risk exposure to trading counterparties and brokers through internal monitoring procedures. A significant portion of the Fund's positions, including cash, are held at major financial institutions. All security transactions of the Fund are transacted with approved brokers and cleared through major securities firms. In the event the brokers are unable to fulfill their obligations, the Fund could be subject to credit risk.

A primary difference in risks associated with bilateral OTC contracts and exchange-traded contracts/centrally cleared swaps involves the nature of credit and liquidity risks. Unlike exchange-traded instruments or centrally cleared swaps, in which performance may be backed by the exchange or clearing corporation, bilateral OTC contracts require the performance of a specific counterparty and it's posting of collateral. In the event of a default by such counterparty, the Fund could be exposed to potential losses. The Fund seeks to reduce its credit risk on bilateral OTC contracts by only transacting with high credit-standing counterparties. In addition, the Fund further mitigates the risk of counterparty non- performance by requiring counterparties to pledge cash and/or securities to collateralize unrealized gains on bilateral OTC contracts, in accordance with the terms of International Swaps and Derivatives Association ("ISDA") agreements.

Liquidity Risk: The Fund needs cash liquidity in order to settle trading obligations, meet margin calls on derivatives, meeting margin calls and repayments on maturing financial arrangements, and meet repurchase offers. The Adviser actively monitors and manages the current and future sources of and draws on liquidity (cash and cash equivalents) as well as liquid securities.

Credit Risk: Credit risk is the risk that the value of debt securities in the Fund's portfolio may decline because the issuer may default and fail to pay interest or repay principal when due. Rating agencies assign credit ratings to debt securities to indicate their credit risk. Lower rated or unrated debt securities held by the Fund may present increased credit risk as compared to higher-rated debt securities.

Non-Diversified Fund Risk: The Fund is classified as "non-diversified" under the 1940 Act. As a result, the Fund can invest a greater portion of its assets in obligations of a single issuer than a "diversified" fund. The Fund may therefore be more susceptible than a diversified fund to being adversely affected by any single corporate, economic, political or regulatory occurrence.

Interest Rate Risk: Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments. The Fund may be exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on their financial position and cash flows. The Fund may be exposed to interest rate risk as a result of mismatches or gaps in the amounts of assets and liabilities that mature or reprice in a given period.

The United Kingdom's Financial Conduct Authority, which regulates LIBOR, announced the phase out of LIBOR at the end of 2021 with the exception of USD LIBOR which will phase out in 2023. There remains uncertainty regarding the future utilization of USD LIBOR and the nature of any replacement rate. As an alternative, the U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, intends to replace the USD LIBOR with the Secured Overnight Funding Rate (SOFR), a new index calculated by short-term repurchase agreements, backed by U.S. Treasury securities. Abandonment of or modifications to LIBOR could have adverse impacts and represent a significant risk on newly issued financial instruments and existing financial instruments which reference LIBOR. There could be significant operational challenges for the transition away from LIBOR including, but not limited to, amending existing loan agreements with borrowers on investments that may have not been modified with fallback language and adding effective fallback language to new agreements in the event that LIBOR is discontinued before maturity. While some instruments may contemplate a scenario where LIBOR is no longer available by providing for an alternative rate setting methodology, not all instruments may have such provisions and there is significant uncertainty regarding the effectiveness of any such alternative methodologies. Abandonment of or modifications to LIBOR could lead to significant short-term and long-term uncertainty and market instability.

Foreign Currency Risk: The Fund may invest a portion of its assets in non-U.S. currencies, or in instruments denominated in non-U.S. currencies, the prices of which are determined with reference to currencies other than the U.S. Dollar. The Fund, however, values its securities and other assets in U.S. Dollars. The Fund generally seeks to hedge all or any portion of its foreign currency exposure. To the extent the Fund's investments in foreign currency exposure are not hedged, the value of the Fund's assets will fluctuate with U.S. Dollar exchange rates as well as the price changes of the Fund's investments in the various local markets and currencies.

CDO and CLO Risk: The Fund may invest in CDOs and/or CLOs which are subject to the following risks: (i) distributions from collateral securities will not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or default; (iii) CDOs and/or CLOs typically will have no significant underlying assets other than their underlying debt obligations or loans and payments on the CDOs and/or CLOs are and will be payable solely from the cash flows from such debt obligations and/or loans; (iv) CDOs and/or CLOs are typically highly levered, and therefore the CDO and/or CLO interests that the Fund may invest in are subject to a higher risk of total loss; (v) investments in CDOs and/or CLOs may be riskier and less transparent to the Fund and its shareholders than direct investments in the underlying companies; (vi) the potential for interruption and deferral of cash flow to Fund investments in the equity and junior debt tranches of CDOs and/or CLOs; (vii) interests in CDOs and/or CLOs may be illiquid; (viii) investments in foreign CDOs and/or CLOs may involve significant risks in addition to the risks inherent in U.S. CDOs and/or CLOs; (ix) the

Fund may invest with collateral managers that have no or limited performance or operating history; (x) the inability of a CDO or CLO collateral manager to reinvest the proceeds of any prepayments may adversely affect the Fund; (xi) the loans underlying the CDOs and/or CLOs may be sold and replaced resulting in a loss to the Fund; (xii) the Fund may not have direct rights against the underlying borrowers or obligors comprising the CDOs and/or CLOs' investments or the entities that sponsored the CDOs and/or CLOs; and (xiii) investments in equity and junior debt tranches of CDOs and/or CLOs will likely be subordinate to the other debt tranches of such CDOs and/or CLOs, and are subject to a higher degree of risk of total loss.

Commercial Mortgage-Backed Securities ("CMBS") and Residential Mortgage-Backed Securities ("RMBS") Risk: CMBS and RMBS are mortgage-backed securities that may be secured by interests in a single commercial or residential mortgage loan or a pool of mortgage loans secured by commercial or residential property. CMBS and RMBS may be senior, subordinate, interest-only, principal-only, investment-grade, non-investment grade or unrated. The Fund may acquire CMBS and RMBS from private originators as well as from other mortgage loan investors, including savings and loan associations, mortgage bankers, commercial banks, finance companies and investment banks. The credit quality of any CMBS and RMBS issue depends primarily on the credit quality of the underlying mortgage loans. At any one time, a portfolio of mortgage-backed securities may be backed by commercial or residential mortgage loans with disproportionately large aggregate principal amounts secured by properties in only a few states or regions. As a result, the commercial or residential mortgage loans may be more susceptible to geographic risks relating to such areas, such as adverse economic conditions, adverse events affecting industries located in such areas and natural hazards affecting such areas, than would be the case for a pool of mortgage loans having more diverse property locations.

NOTE 11. TAX BASIS INFORMATION

Distributions are determined in accordance with federal income tax regulations, which differ from GAAP, and, therefore, may differ significantly in amount or character from net investment income and realized gains for financial reporting purposes. The amounts and characteristics of tax basis distributions and composition of distributable earnings/ (accumulated losses) are finalized at the Fund's fiscal year-end.

For the year ended October 31, 2022, the following reclassifications, which had no impact on results of operations or net assets, were recorded to reflect tax character:

Decrease Paid-in Capital	Increase Total Distributable Earnings
$ (59,518)	$ 59,518

The reclassifications were primarily related to non-deductible offering costs

As of October 31, 2022, the components of accumulated earnings/(deficit) on a tax basis were as follows:

Undistributed ordinary income	$ –
Accumulated capital losses	6,100,290
Unrealized appreciation/(depreciation)	(11,865,228)
Other Cumulative effect of timing differences	(41,270)
Total	$ (5,806,208)

The amount of net unrealized appreciation/(depreciation) and the cost of investment securities for tax purposes, including short-term securities at October 31, 2022, were as follows:

Cost of investments for income tax purposes	$	170,352,850
Gross appreciation (excess of value over tax cost)	$	5,494,337
Gross depreciation (excess of tax cost over value)		(17,379,824)
Net appreciation of foreign currency		20,259
Net unrealized appreciation/(depreciation)	$	(11,865,228)

The tax character of distributions paid for the fiscal years ended October 31, 2021 and October 31, 2022 were as follows:

2021		
Distributions Paid From:		
Ordinary Income	$	$6,022,816
Total	$	$6,022,816

2022		
Distributions Paid From:		
Ordinary Income	$	10,560,948
Long-Term Capital Gain		728,245
Total	$	11,289,193

NOTE 12. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, the Fund's management has evaluated events and transactions through the date the consolidated financial statements were issued.

On December 20, 2022, the Fund declared a dividend of $1.15 per share for Class A-2 and Class I investors.

The Fund notified shareholders of a quarterly repurchase offer on December 21, 2022. The Fund intends to complete the quarterly repurchase offer on January 12, 2023.

Management has determined that there were no other subsequent events requiring disclosure.

To the Shareholders and the Board of Trustees of 1WS Credit Income Fund:

Opinion on the Consolidated Financial Statements and Consolidated Financial Highlights

We have audited the accompanying consolidated statement of assets and liabilities of 1WS Credit Income Fund (the "Fund"), including the consolidated schedule of investments, as of October 31, 2022, the related consolidated statements of operations and cash flows for the year then ended, the consolidated statements of changes in net assets for each of the two years in the period then ended, the financial highlights for the periods presented, and the related notes. In our opinion, the consolidated financial statements and consolidated financial highlights present fairly, in all material respects, the consolidated financial position of the Fund as of October 31, 2022, and the results of their operations and their cash flows for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the consolidated financial highlights for the periods presented in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements and consolidated financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's consolidated financial statements and consolidated financial highlights based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and consolidated financial highlights are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements and consolidated financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements and consolidated financial highlights. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and consolidated financial highlights. Our procedures included confirmation of securities owned as of October 31, 2022, by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audit provides a reasonable basis for our opinion.

DELOITTE & TOUCHE LLP

New York, New York
December 29, 2022

We have served as the auditor of 1WS Credit Income Fund since 2018.

At a meeting held on September 29, 2022, the Board of Trustees (the "Board") of 1WS Credit Income Fund, a Delaware statutory trust (the "Fund"), considered and approved the continuation of the investment advisory agreement (the "Advisory Agreement") between the Fund and 1WS Capital Advisors, LLC, a Delaware limited liability company (the "Adviser"), for an additional one-year term. Also, by a unanimous vote, the members of the Board (the "Trustees") who are not "interested persons," as defined by the Investment Company Act of 1940 (the "1940 Act"), of the Fund (the "Independent Trustees"), separately voted to approve the Advisory Agreement.

In considering whether to approve the Advisory Agreement, the Board reviewed various materials from the Adviser, which included: (i) information concerning the services provided to the Fund by the Adviser; (ii) the investment performance of the Fund and Adviser; (iii) the fees and expenses of the Fund, including comparative expense information; (iv) information on the profitability of the Adviser and its affiliates; and (v) other potential benefits to the Adviser from its relationship with the Fund. In particular, the Board considered the following:

(a) The Nature, Extent and Quality of Services Provided by the Adviser

The Trustees reviewed various presentations the Adviser provided to the Board regarding services provided to the Fund. The Trustees noted the importance of the Adviser having adequate resources and, in this regard, noted One William Street Capital Management, L.P.'s, the sole managing member of the Adviser ("OWS"), assets under management, positive earnings and sound capital position. The Trustees also took into account OWS's representation, as the sole managing member of the Adviser, that its current financial condition enables the Adviser to provide quality services to the Fund. In connection with the broad scope of investment advisory services provided to the Fund, the Board discussed, in detail, with representatives of the Adviser, the management of the Fund's investments in accordance with the Fund's stated investment objective and policies. In this regard, the Board also considered the experience of the individuals responsible for the management and operation of the Fund's assets in managing funds and other alternative investment vehicles. The Board noted that the Adviser provided, at its own expense, facilities necessary for the operation of the Fund and it makes certain of its personnel available to serve as the senior officers of the Fund, including the Chief Executive Officer and the Chief Financial Officer. The Board further noted the Adviser's continued services without significant issues during the COVID-19 pandemic, as well as minimal personnel turnover, and the return to work plan in place with most employees working in the office several days of the week. The Board found it was reasonable to expect that the Fund would continue to receive the services required from the Adviser under the Advisory Agreement and that these services would be of high quality.

(b) Investment Performance of the Fund and Adviser

In connection with the evaluation of the services provided by the Adviser, the Trustees reviewed the performance of the Fund. The Trustees observed that, while the Fund had experienced underperformance versus the Fund's benchmarks over the 3-month period, its performance over the year-to-date period and since inception exceeded the Fund's benchmark and that performance was understandable in light of the particular management style involved and the particular market environment for various asset classes in which the Fund is invested.

(c) Cost of the Services Provided and Profits Realized by the Adviser from its Relationship with the Fund

The Trustees reviewed the cost of services provided by the Adviser and the fees paid under the Advisory Agreement. The Trustees considered that under the Advisory Agreement the Fund pays the Adviser a fixed management fee of 1.50% of gross assets per annum, and that, for the one-year period beginning on March 1, 2022, the Adviser has voluntarily agreed to reduce the management fee to 1.25% of the Fund's daily gross assets. The Trustees also considered information showing a comparison of the advisory fees and expense ratio of the Fund compared with fees and expenses of other similar 1940 Act-registered products, as well as the fees of similar funds managed by the Adviser (or its affiliates). The Board noted that the fees and expenses paid under the Advisory Agreement were generally in line with those of other similar closed-end funds, and comparable to those charged by the Adviser to comparable accounts which the Adviser (or its affiliates) manages. It was noted that, unlike other funds managed by the Adviser (or its affiliates), the Fund is not subject to a performance or incentive fee. The Trustees observed that the Fund has in place an agreement with the Adviser under which the Fund benefits from a 50 basis point expense limitation/cap on non-management gross assets. Based on its review, the Board concluded that the level of the management fee for the Fund was fair and reasonable in light of the extent and quality of services provided to the Fund.

In reaching this conclusion, the Trustees also considered the profitability of the Adviser and its affiliates from the relationship with the Fund as well as other factors discussed below. The Trustees observed the lack of meaningful profitability from the Fund during the period, given the relatively small asset size of the Fund and the effect of the expense cap.

(d) Other Benefits

The Trustees then considered the direct and indirect benefits to the Adviser and its affiliates from its relationship with the Fund, including the fees paid pursuant to the Advisory Agreement. The Board concluded that the Fund benefits from those services and that the benefits to the Adviser derived from these relationships seemed fair and reasonable.

(e) Economies of Scale
The Trustees then noted that economies of scale may be realized when a fund's assets increase significantly. The Trustees observed that because the Fund has not yet reached meaningful asset levels, the Trustees did not consider specific information concerning the extent to which economies of scale would be realized as the Fund grows and whether fee levels would reflect such economies of scale, if any.

Conclusion
Based on all of the foregoing, and such other matters as were deemed relevant, the Board found the fee structure under the Advisory Agreement to be fair and reasonable in light of the services provided by the Adviser. No single factor was determinative to the decision of the Board. Based on this determination, all of the Trustees, including all of the Independent Trustees, approved the continuation of the Advisory Agreement for an additional one-year term.

Portfolio Information. The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (the "SEC") for the first and third quarters of each fiscal year on Form N-PORT. The Fund's Forms N-PORT will be available on the Fund's website located at https://www.1wscapital.com or on the SEC's website at https://www.sec.gov.

Proxy Information. The policies and procedures used to determine how to vote proxies relating to securities held by the Fund are available without charge, upon request, by calling 1-833-834-4923, on the Fund's website located at https://www.1wscapital.com, and on the SEC's website at https://www.sec.gov.

Information regarding how the Fund voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30 is available on Form N-PX by August 31 of each year without charge, upon request, by calling 1-833-834-4923, on the Fund's website located at www.1wscapital.com, and on the SEC's website at https://www.sec.gov.

The business and affairs of the Fund are managed under the oversight of the Board. Information concerning the Trustees and officers of the Fund is set forth below. Generally, each Trustee and officer serves an indefinite term or until certain circumstances such as resignation or removal by the Board. Each Trustee's mailing address is c/o 1WS Credit Income Fund, 299 Park Avenue, 25th Floor, New York, New York 10171. The Statement of Additional Information of the Fund includes additional information about the Trustees and officers and is available, without charge, upon request by calling the Fund toll-free at 1-833-834-4923.

INDEPENDENT TRUSTEES

Name and Year of Birth	Position(s) Held 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 During Past 5 Years
Michael M. Knetter Year of Birth: 1960	Trustee (since inception)	President and Chief Executive Officer, University of Wisconsin Foundation, since October 2010; formerly, Dean, School of Business, University of Wisconsin - Madison; formerly, Professor of International Economics and Associate Dean, Amos Tuck School of Business - Dartmouth College, 1998 to 2002.	None(3)	Trustee, Neuberger Berman Mutual Funds (2007 - present); Board Member, American Family Insurance (a mutual company, not publicly traded), since March 2009; formerly, Trustee, Northwestern Mutual Series Fund, Inc., 2007 to 2011; formerly, Director, Wausau Paper, 2005 to 2011; formerly, Director, Great Wolf Resorts, 2004 to 2009.
George W. Morriss Year of Birth: 1947	Trustee (since inception)	Adjunct Professor, Columbia University School of International and Public Affairs, 2012 - 2018; formerly, Executive Vice President and Chief Financial Officer, People's United Bank (currently known as M&T Bank), Connecticut (a financial services company), 1991 to 2001.	None(3)	Trustee, Neuberger Berman Mutual Funds (chair of closed-end fund committee; vice-chair, contract review committee; chair of audit committee from 2010 to 2017; member of executive committee and investment performance committee) (February 2007 – present); trustee and chairman of the board, Thrivent Church Loan and Income Fund (September 2018 – present); formerly, Trustee, Steben Alternative Investment Funds, Steben Select Multi-Strategy Fund, and Steben Select Multi-Strategy Master Fund, 2013 to 2017; formerly, Treasurer, National Association of Corporate Directors, Connecticut Chapter, 2011 to 2015; formerly, Manager, Larch Lane Multi-Strategy Fund complex (which consisted of three funds), 2006 to 2011; formerly, Member, NASDAQ Issuers' Affairs Committee, 1995 to 2003.

INTERESTED TRUSTEES

Name and Year of Birth	Position(s) Held 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 During Past 5 Years
Kurt A. Locher[(4)] Year of Birth: 1966	Trustee and Chief Executive Officer (since inception)	Chief Operating Officer of One William Street Capital Management, L.P. ("OWS"), the managing member of 1WS Capital Advisors, LLC (the "Adviser").	None[(3)]	Director of One William Street Capital Offshore Fund, Ltd. and other affiliated private funds of OWS.

OFFICERS OF THE FUND WHO ARE NOT TRUSTEES

Name and Year of Birth	Position(s) Held and Length of Time Served[(1)]	Principal Occupation(s) During the Past 5 Years
Stephanie Dolan Year of Birth: 1963	Chief Financial Officer and Principal Accounting Officer (since inception)	Chief Financial Officer/Controller of OWS, the managing member of the Adviser

(1) *Each Trustee serves until resignation or removal from the Board.*

(2) *Fund Complex means any two or more registered investment companies that: (i) share the same investment adviser or principal underwriter; and (ii) hold themselves out to investors as related companies for purposes of investment and investor services. Currently, the Fund is not part of any "Fund Complex."*

(3) *Other than the Fund.*

(4) *Mr. Locher is an "interested person" of the Trust, as defined in Section 2(a)(19) of the 1940 Act, due to his position as an officer of the Adviser and an officer of OWS.*

Your privacy is very important to us. This Privacy Notice sets forth the policies of 1WS Credit Income Fund (the "Fund") with respect to non-public personal information of its investors, prospective investors and former investors. These policies apply to all investors and may be changed at any time, provided a notice of such change is given to you.

To the extent you provide us with personal information, such as your address, social security number, assets and/or income information: (i) in a subscription agreement and related documents; and (ii) in correspondence and conversations with the Fund's representatives; and (iii) through transactions in the Fund, please be advised that:

We do not disclose any of this personal information about our investors, prospective investors or former investors to anyone, other than to our affiliates, such as our attorneys, auditors, brokers, regulators and certain service providers, in such case, only as necessary to facilitate the acceptance of your investment and management of the Fund and in accordance with applicable laws. It may be necessary, under anti-money laundering and similar laws, to disclose information about the Fund's investors in order to accept subscriptions from them. We will also release information about you if you direct us to do so, if compelled to do so by law, or in connection with any government or self-regulatory organization request or investigation.

We may also disclose information you provide to us to third party institutions, such as prime brokers. If such a disclosure is made, the Fund will require such third parties to treat your private information with confidentiality.

We seek to carefully safeguard your private information and, to that end, restrict access to non-public personal information about you to those employees and other persons who need to know the information to enable the Fund to provide services to you. We maintain physical, electronic and procedural safeguards to protect your non-public personal information.

1WS Capital Advisors

www.1wscapital.com