1WS Credit Income Fund
Shares of Beneficial Interest

Class A-1 Shares
Class A-2 Shares
Class A-3 Shares
Class ADV Shares
PROSPECTUS
DATED FEBRUARY 28, 2025

The Fund. 1WS Credit Income Fund ("we," "us," or the "Fund") is organized as 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"). We have elected to be treated as a regulated investment company under the Internal Revenue Code of 1986, as amended (the "Code"). The Fund has an interval fund structure pursuant to which the Fund, subject to applicable law, conducts quarterly repurchase offers and currently expects to offer to repurchase 5% of the Fund's outstanding Shares at net asset value ("NAV") per quarter. It is possible that a repurchase offer may be oversubscribed, with the result that shareholders may only be able to have a portion of their Shares repurchased. **There is no assurance that you will be able to tender your Shares when or in the amount that you desire.** See "Periodic Repurchase Offers" below.

Investment Objective. Our investment objective is to seek attractive risk-adjusted total returns through generating income and capital appreciation. The Fund seeks to achieve its investment objective by investing primarily in a wide array of predominantly structured credit and securitized debt instruments. There can be no assurance that our investment objective will be achieved.

Investment Strategies and Policies. Under normal investment conditions, the Fund invests 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, pay-in-kind or zero coupon bonds/notes. The Fund may invest without limit in CLOs or CDOs, including the equity tranches of such vehicles. See "Investment-Related Risks—Asset-Backed Securities And Mortgage-Backed Securities/Securitizations/Structured Finance Securities/CDOs And CLOs" for the heightened risks associated with equity tranche investments.

The Fund may also invest indirectly in any of the foregoing instruments through: (i) investing in other funds, including exchange traded funds ("ETFs"), real estate investment trusts ("REITs") 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 other applicable 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.)

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, REITs and other investments in real estate.

The Fund may add leverage to its portfolio through direct borrowing and/or through entering into reverse repurchase agreements or derivative transactions that create leverage.

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.

Investment Adviser. Our investment adviser is 1WS Capital Advisors, LLC (the "Adviser"). The Adviser is controlled by its sole member, One William Street Capital Management, L.P. ("OWS"). OWS, as well as the Fund's portfolio manager, Mr. David Sherr, 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.

OWS is a 100% employee-owned global credit focused asset management platform. OWS's global investor base is primarily institutional, including pensions and sovereign wealth funds. David Sherr founded OWS, which commenced operations in 2008.

The OWS investment approach is focused on generating attractive risk-adjusted returns across an actively managed portfolio of primarily asset-based and structured credit opportunities. OWS combines an experienced and robust fundamental value approach to security selection applying quantitative risk and return metrics. OWS's investment strategies generally deploy capital in opportunities primarily across a broad portfolio of structured credit and structured finance investments, as well as other financial (consumer loan) and real asset (residential and commercial real estate) debt investments. OWS's investment process is based upon the implementation of a research driven, bottom-up origination capability combined with top-down dynamic portfolio guidelines.

OWS believes its investment approach well positions it to take advantage of what it believes, are compelling market opportunities. OWS partners and many of its senior personnel have a long operating history together through various market cycles. The tenure of OWS's senior personnel add to the specialized skills and expertise needed to invest in complex asset classes.

Over the years, OWS has developed a rigorous and integrated investment process with an emphasis on risk management. This process includes:

- Robust proprietary loan and security level analytics, valuation models and risk systems;
- Fundamental, research-driven security selection combined with top-down portfolio construction;
- Significant investment and resources dedicated to quantitative research and analytics;
- Collaborative investment process across sectors and asset types; and
- Disciplined investment strategy focused on underwriting and risk management.

The Offering. Class A-1, A-2 and A-3 Shares are subject to a front-end sales charge. Unlike these classes, Class ADV Shares of the Fund are not subject to any sales load or a front-end sales charge. Class A-1, A-2 and A-3 Shares are subject to a combined asset-based distribution and shareholder servicing fee. Class ADV Shares are only subject to a shareholder servicing fee. Shares of the Fund are being offered on a continuous basis at the NAV per Share calculated each business day, plus, in the case of Class A-1, A-2 and A-3 Shares (and if applicable), a sales load of up to 3.00% of the amount invested (as described below). The specific amount of the sales load is not fixed and will be determined by the investor and its Intermediary. A separate prospectus covers Class I Shares of the Fund. Presently, only Class I and A-2 Shares are being offered.

Our Shares are continuously offered through ALPS Distributors, Inc. (the "Distributor"). The Fund has authorized one or more intermediaries (e.g., brokers, investment advisers, etc., collectively "Intermediaries") to receive orders on its behalf. The Distributor is not required to sell any specific number or dollar amount of our Shares, but will use its best efforts to sell our Shares. The minimum initial investment amount for Class A-1, A-2, A-3 and ADV Shares is $10,000. Intermediaries make available one or more classes of Shares to their clients. You should inquire of your financial advisor if any of the classes offered in this prospectus are available to you for purchase (including Classes A-1 and ADV, which have lower ongoing fees and expenses than Classes A-2 and A-3); your financial advisor is obligated to make your investment in the class of Shares for which you are eligible that is most suitable and anticipated to be least expensive over time, given your particular investment circumstances. Certain Intermediaries may differentiate the availability of certain of these classes to clients, based on a number of factors, including the amount invested in the Fund and/or the amount of assets of the client held with the Intermediary.

Intermediaries may calculate their sales charges in different ways that may result in different amounts due from the investor (with respect to the classes to which sales loads are subject). In addition, Intermediaries are not required by the Fund or the Distributor to charge any sales load and instead may charge clients transaction fees or other transaction charges in such amounts as they may determine (which may be higher or lower than the stated amount of each class's stated sales load). Transaction fees or other transaction charges will vary among Intermediaries and each Intermediary may vary its level of charges to each investor based on such investor's total account size or on such other basis as determined by the Intermediary.

Class ADV Shares are generally available only (1) to endowments, foundations, pension funds and other institutional investors,(2) through fee-based programs, also known as wrap accounts, that provide access to Class ADV Shares, (3) through participating broker-dealers that have alternative fee arrangements with their clients to provide access to Class ADV Shares, (4) through certain registered investment advisers,(5) through bank trust departments or any other organization or person authorized to act in a fiduciary capacity for its clients or customers, (6) to other categories of investors approved by the Fund, or (7) to our executive officers and directors and their immediate family members, as well as officers and employees of the Adviser, OWS or other affiliates and their immediate family members.

The Fund will make quarterly repurchase offers in the months of March, June, September and December. The date by which Shareholders wishing to tender Shares for repurchase must respond to the repurchase offer, which typically falls 22 days following the commencement of the repurchase offer (or the next business day thereafter if such date is not a business day) (the "Repurchase Request Deadline"). The calculation of the NAV applicable to a repurchase offer is expected to occur as of the close of business on the Repurchase Request Deadline, provided doing so is not likely to result in significant dilution of the price of the shares (the "Repurchase Pricing Date"), which is not presently expected. The Fund expects to distribute payment to Shareholders between one and three business days after the Repurchase Pricing Date. See "Periodic Repurchase Offers" below.

This prospectus contains important information about us that a prospective investor should know before investing in our Shares. Please read this prospectus before investing and keep it for future reference. We have filed with the SEC a statement of additional information dated as of the date of this prospectus, as may be amended ("SAI"), containing additional information about us. The SAI is incorporated by reference in its entirety into this prospectus. We also file annual, semi-annual and quarterly reports, proxy statements and other information about us with the SEC. This information and the SAI are available free of charge by contacting us by telephone at (833) 834-4923. The SAI is available free of charge on the Fund's website at www.1wscapital.com. The SEC also maintains a website at www.sec.gov that contains the SAI, and any amendments thereto, and other information regarding us.

Investing in our Shares may be considered speculative and involves a high degree of risk, including the risk of possible substantial loss of your investment. See "Principal Risks" in this prospectus to read about the risks you should consider before buying our Shares.

- **Our Shares will not be publicly traded and you should not expect to be able to sell your Shares regardless of how we perform.**
- **An investment in the Fund may not be suitable for investors who may need the money they invest in a specific timeframe.**
- **Our Shares are not currently traded on any securities exchange, and we do not expect a secondary market in our Shares to develop in the foreseeable future, if ever.**
- **Even though the Fund makes quarterly repurchase offers for a minimum of 5% of its outstanding Shares, investors should consider Shares of the Fund to be an investment with limited liquidity. See "Periodic Repurchase Offers."**
- **You will have no right to require us to repurchase your Shares or any portion thereof. See "Periodic Repurchase Offers."**
- **Due to the foregoing restrictions, investors should consider an investment in the Fund to be illiquid.**
- **Investing in Shares may be speculative and involves a high degree of risk, including the risk associated with leverage. See "Use of Leverage."**
- **Our distributions may be funded from sources that may not be available in the future and that are unrelated to the Fund's performance, such as from offering proceeds or borrowings, which may constitute a return of capital and reduce the amount of capital available to us for investment. Any capital returned to shareholders through distributions will be distributed after payment of fees and expenses.**
- **We may decline to accept any subscription requests for any reason regardless of the order in which such subscription request was submitted to us.**

Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Our Shares do not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve or any other government agency.

Prospective investors should not construe the contents of this prospectus as legal, tax, financial or other advice. Each prospective investor should consult with his, her or its own professional advisers as to the legal, tax, financial or other matters relevant to the suitability of an investment in the Fund.

The date of this prospectus is February 28, 2025.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the SEC, using a continuous offering process. Periodically, as we make material investments or have other material developments, we will provide a prospectus supplement that may add, update or change information contained in this prospectus.

Any statement that we make in this prospectus will be modified or superseded by any inconsistent statement made by us in a subsequent prospectus supplement. The registration statement we filed with the SEC includes exhibits that provide more detailed descriptions of the matters discussed in this prospectus. You should read this prospectus and the related exhibits filed with the SEC and any prospectus supplement, together with additional information described below under "Available Information."

You should rely only on the information contained in this prospectus. Neither we nor the Distributor have authorized any other person to provide you with different information from that contained in this prospectus. The information contained in this prospectus is complete and accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or sale of our Shares. If there is a material change in the affairs of our Fund, we will amend or supplement this prospectus.

Electronic Reports Disclosure - As permitted by regulations adopted by the U.S. Securities and Exchange Commission, paper copies of the Fund's annual and semi-annual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Fund's website at www.1wscapital.com, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund electronically by calling (833) 834-4923 or by contacting your financial intermediary, such as a broker dealer or bank.

You may elect to receive all future shareholder reports in paper free of charge. If you invest through a financial intermediary, you can contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports. If you invest directly with the Fund, you can call (833)834-4923 to let the Fund know you wish to continue receiving paper copies of your shareholder reports. Your election to receive reports in paper will apply to all funds held in your account if you invest through a financial intermediary.

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PROSPECTUS SUMMARY

This summary highlights some of the information in this prospectus. It is not complete and may not contain all of the information that you may want to consider. To understand this offering fully, you should read the entire prospectus carefully, including the section entitled "Risk Factors," before making a decision to invest in our shares.

Unless otherwise noted, the terms "we," "us," "our," and the "Fund" refer to 1WS Credit Income Fund; the term the "Adviser" refers to 1WS Capital Advisors, LLC; and the "Administrator" refers to ALPS Fund Services, Inc. In addition, in this prospectus, we use the term "day" to refer to a calendar day, and we use the term "business day" to refer to any day that the New York Stock Exchange (NYSE) and the bond markets are open.

1WS Credit Income Fund

The Fund. We are organized as 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. The Fund operates as an interval fund under Rule 23c-3 of the 1940 Act and, as such, has adopted a fundamental policy to make quarterly repurchase offers, at a price equal to the net asset value ("NAV") per Share as of the close of business on the Repurchase Pricing Date (defined below), of no less than 5% of the Shares outstanding. See "Periodic Repurchase Offers" below.

The Offering. Class A-1, A-2 and A-3 Shares are subject to a front-end sales charge. Unlike these classes, Class ADV Shares of the Fund are not subject to any sales load or a front-end sales charge. Class A-1, A-2 and A-3 Shares are subject to an asset-based distribution fee and a shareholder servicing fee. Class ADV Shares are not subject to an asset-based distribution fee, but are subject to a shareholder servicing fee. Shares of the Fund are being offered on a continuous basis at the NAV per Share calculated each business day, plus, in the case of Class A-1, A-2 and A-3 Shares (and if applicable), a sales load of up to 3.00% of the amount invested (as described below). The specific amount of the sales load is not fixed and will be determined by the investor and its Intermediary. A separate prospectus covers Class I Shares of the Fund. Presently, only Class I and A-2 Shares are being offered.

Our Shares are continuously offered through ALPS Distributors, Inc. (the "Distributor"). Our Shares may be purchased only through the Distributor or the Fund. The Distributor is not required to sell any specific number or dollar amount of our Shares, but will use its best efforts to sell our Shares. This is not a "firm commitment" offering in which an underwriter has committed to sell a pre-determined number of shares to investors.

The minimum initial investment amount for Class A-1, A-2, A-3 and ADV Shares is $10,000. Intermediaries make available one or more classes of Shares to their clients. You should inquire of your financial advisor if any of the classes offered in this prospectus are available to you for purchase (including Classes ADV and A-1, which have lower ongoing fees and expenses than Classes A-2 and A-3); your financial advisor is obligated to make your investment in the class of Shares for which you are eligible that is most suitable and anticipated to be least expensive over time, given your particular investment circumstances. Certain Intermediaries may differentiate the availability of certain of these classes to clients, based on a number of factors, including the amount invested in the Fund and/or the amount of assets of the client held with the Intermediary.

Intermediaries may calculate their sales charges in different ways that may result in different amounts due from the investor (with respect to the classes to which sales loads are subject). In addition, Intermediaries are not required by the Fund or the Distributor to charge any sales load and instead may charge clients transaction fees or other transaction charges in such amounts as they may determine (which may be higher or lower than the stated amount of each class's stated sales load). Transaction fees or other transaction charges will vary among Intermediaries and each Intermediary may vary its level of charges to each investor based on such investor's total account size or on such other basis as determined by the Intermediary.

Class ADV Shares are generally available only (1) to endowments, foundations, pension funds and other institutional investors,(2) through fee-based programs, also known as wrap accounts, that provide access to Class ADV Shares, (3) through participating broker-dealers that have alternative fee arrangements with their clients to provide access to Class ADV Shares, (4) through certain registered investment advisers,(5) through bank trust departments or any other organization or person authorized to act in a fiduciary capacity for its clients or customers, (6) to other categories of investors approved by the Fund, or (7) to our executive officers and directors and their immediate family members, as well as officers and employees of the Adviser, OWS or other affiliates and their immediate family members.

All investors must complete and submit the necessary account registration forms in good order. We reserve the right to reject any initial or additional investment and to suspend the offering of Shares. The Fund and the Distributor will have the sole right to accept orders to purchase Shares and reserve the right to reject any order in whole or in part. Holders of our Shares ("Shareholders") who invest in the Fund through an investment adviser should contact the investment adviser regarding purchase procedures.

A purchase of Shares will be made at the NAV per Share next determined following receipt of a purchase order in good order by the Fund, plus a sales load (if applicable). A purchase order is in "good order" when we, the Distributor, an authorized intermediary (if any) or, if applicable, its respective agent or representative, receive all required information, including properly completed and signed documents, and the purchase order is approved by the Fund. Once we accept a purchase order, you may not cancel or revoke it. We reserve the right to cancel any purchase order we receive if we believe that it is in the best interest of the Shareholders to do so.

Our Shares will not be traded on an exchange in the foreseeable future, if at all. It is not anticipated that a secondary market for our Shares will develop unless our Shares are traded on an exchange. Neither the Adviser nor the Distributor intends to make a market in the Fund's Shares. See "Plan of Distribution."

Intermediaries are entitled to charge a sales load to each investor on the purchase price of Class A-1, A-2 and A-3 Shares of up to 3.00%. The specific amount of the sales load paid is not fixed and will be determined by the investor and its Intermediary. (See "How to Buy Shares – Supplemental Information Regarding Class A-2 Sales Charges" for more information.) The sales load is expected to be waived for the Adviser and its affiliates, including its personnel and members of their immediate families. The sales load will neither constitute an investment made by the investor in nor form part of the assets of the Fund. The Intermediaries' receipt of the sales load is subject to the applicable limitations imposed by the rules and regulations of FINRA. See "Supplemental Information Regarding Class A-2 Sales Charges" below.

Intermediaries may calculate their sales charges in different ways that may result in different amounts due from the investor (with respect to the classes to which sales loads are subject). In addition, Intermediaries are not required by the Fund or the Distributor to charge any sales load and instead may charge clients transaction fees or other transaction charges in such amounts as they may determine (which may be higher or lower than the stated amount of each class's stated sales load). Transaction fees or other transaction charges will vary among Intermediaries and each Intermediary may vary its level of charges to each investor based on such investor's total account size or on such other basis as determined by the Intermediary.

Distribution and Shareholder Servicing Fees. Class A-1, A-2 and A-3 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 (as defined in "Additional Financial Intermediary Compensation and Shareholder Servicing Fees"), and ongoing distribution and/or marketing services to the Fund (the "Distribution Fees"). Class ADV Shares of the fund are not subject to Distribution Fees, but are subject to shareholder servicing fees that may be used to compensate Intermediaries for Shareholder Services (the "Shareholder Servicing 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, (i) for Class A-1 Shares, 0.50% (on an annualized basis) of the net asset value of Class A-1 Shares of the Fund, (ii) for Class A-2 Shares, 0.75% (on an annualized basis) of the net asset value of Class A-2 Shares of the Fund, (iii) for Class A-3 Shares, 1.00% (on an annualized basis) of the net asset value of Class A-3 Shares of the Fund, and (iv) for Class ADV Shares (Shareholder Servicing Fees only), 0.25% (on an annualized basis) of the net asset value of Class ADV 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.

Fund Expenses. The Fund bears all expenses incurred in its business and operations, other than those borne by the Adviser or by the Distributor pursuant to their agreements with the Fund, including, but not limited to: all investment related expenses (e.g., costs and expenses directly related to portfolio transactions and positions for the Fund's account such as direct and indirect expenses associated with investments or prospective potential investments, transfer taxes and premiums, taxes withheld on foreign income, brokerage commissions, commitment fees, debit balances and margin fees, borrowing charges on securities sold short, clearing and settlement charges, recordkeeping, interest expenses, dividends on securities sold but not yet purchased, investment-related travel and lodging expenses and research-related expenses, other due diligence expenses, expenses of consultants, investment bankers and other experts); the Management Fee (defined below); the Distribution and Shareholder Servicing Fees; any non-investment related interest expense; organizational and offering expenses; the cost of effecting sales and repurchases of Shares; fees and disbursements of any attorneys and accountants engaged by or for the Fund for any purpose; audit and tax preparation fees and expenses; taxes; administrative, transfer agent or sub-transfer agent expenses and fees; custody and escrow (if any) fees and expenses; insurance costs; fees and expenses associated with marketing efforts; federal and any state registration or notification fees; fees and travel-related expenses of members of the Board who are not employees of the Adviser or any affiliate of the Adviser; expenses related to the Fund's compliance and reporting obligations under the 1940 Act and applicable federal and state securities laws, including compliance with The Sarbanes-Oxley Act of 2002, as amended; costs for obtaining valuation/pricing information or data from third party pricing or valuation services; membership fees for industry-related organizations; all costs and charges for equipment or services used in connection with the Fund's website or communicating information regarding the Fund's transactions among the Adviser and any custodian or other agent engaged by the Fund; fees and expenses relating to software tools, programs or other technology (including risk management software, fees to risk management services providers, third-party software licensing, implementation, data management and recovery services and custom development costs); research and market data (including news and quotation equipment and services, and any computer hardware and connectivity hardware (e.g., telephone and fiber optic lines) incorporated into the cost of obtaining such research and market data); any costs associated with the retention of a chief compliance officer for the Fund that is not employed by the Adviser and costs of any support services provided to the Fund's chief compliance officer; the costs of preparing, filing, printing and mailing Shareholder and other reports and other communications, including quarterly repurchase offer correspondence or similar materials, to Shareholders; costs associated with the use of any proxy solicitation service for the Fund; direct costs such as printing, mailing, long distance telephone and staff costs; any extraordinary Fund expenses, including, without limitation, costs incurred in connection with any claim, litigation, arbitration, mediation, government investigation or similar proceeding and indemnification expenses, including as provided for in the Fund's organizational documents; and such other expenses as may be approved from time to time by the Board. (See "Fees and Expenses.")

Investment Objective. Our investment objective is to seek attractive risk-adjusted total returns through generating income and capital appreciation. The Fund seeks to achieve its investment objective by investing primarily in a wide array of predominantly structured credit and securitized debt instruments. There can be no assurance that our investment objective will be achieved.

Our investment objective and, unless otherwise specified, our investment policies and limitations are not considered to be fundamental by the Fund and can be changed by the Board without a vote of the Shareholders. However, our investment objective may only be changed by our Board if we provide our Shareholders with at least 60 days prior notice. Certain investment restrictions specifically identified as such below and/or in the SAI are considered fundamental and may not be changed without the approval of the holders of a majority of the outstanding voting securities of the Fund, as defined in the 1940 Act.

Investment Strategies and Policies. Under normal investment conditions, the Fund invests 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, pay-in-kind or zero coupon bonds/notes. The Fund may invest without limit in CLOs or CDOs, including the equity tranches of such vehicles. See "Investment-Related Risks—Asset-Backed Securities And Mortgage-Backed Securities/Securitizations/Structured Finance Securities/CDOs And CLOs" for the heightened risks associated with equity tranche investments.

The Fund may also invest indirectly in any of the foregoing instruments through: (i) investing in other funds, including exchange traded funds ("ETFs"), real estate investment trusts ("REITs") 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 other applicable 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.)

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.

The Fund may invest in deferred interest, pay-in-kind or zero coupon bonds/notes. The payment deferral associated with such instruments may, in certain instances, introduce a significantly higher credit risk than current coupon paying bonds/notes.

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, REITs and other investments in real estate.

The Fund may add leverage to its portfolio through direct borrowing and/or through entering into reverse repurchase agreements or derivative transactions that create leverage.

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.

The Fund has received an exemptive order from the Securities and Exchange Commission (the "Order") in order to be able to make certain investments alongside certain of its affiliates. The Order allows the Fund to fully negotiate terms of co-investment transactions with other funds managed by the Adviser or certain affiliates. The Fund may only co-invest with certain entities affiliated with its Adviser in negotiated transactions originated by its Adviser or its affiliates in accordance with such Order or existing regulatory guidance. See "Risk Factors - We are subject to affiliated party and co-investment restrictions."

Investment Adviser. 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 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 registered with the SEC as an investment adviser. OWS, as well as the Fund's portfolio manager, Mr. David Sherr, 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. Under an investment advisory agreement between the Fund and 1WS (the "Advisory Agreement"), we will pay the Adviser a fee at the annualized rate of 1.50% of the daily gross assets of the Fund (the "Management Fee"). Though, for the one-year period beginning on March 1, 2025, the Adviser has voluntarily agreed to reduce the Management Fee to 1.25% of the Fund's daily gross assets. The Adviser may voluntarily reimburse additional fees and expenses but is under no obligation to do so. Any such voluntary reimbursements may be terminated at any time. See "The Adviser."

Investment Philosophy and Process. In selecting the Fund's Credit Investments (many of which are expected to include structured credit and securitized debt instruments), the Adviser employs a disciplined bottom-up research-based approach seeking to identify investment opportunities with attractive risk-adjusted returns. The approach generally includes: (i) developing and maintaining sophisticated econometric models based on data collected from internal and third-party sources; (ii) in-depth analysis of investment structure, including the impact of collateral performance, timing of cash flows, triggers and rating agency analyses; (iii) legal, tax and regulatory frameworks; (iv) valuation analysis of securitization assets, including an assessment of borrowers' ability to repay; and (v) factors believed to influence market pricing, including historical sector performance and pricing, market sentiment, dealer inventory and positioning.

The Adviser may determine to sell an investment under several circumstances, such as when the Adviser believes the investment's target value is realized, the instrument's fundamentals deteriorate, more attractive investment alternatives are identified, or when it wishes to raise cash.

Non-listed Closed-End Fund. We are organized as a closed-end management investment company. Unlike shares of open-end management investment companies (commonly known as mutual funds), which generally are redeemable on a daily basis, our Shares will not be redeemable at an investor's option (other than pursuant to the Fund's repurchase policy) and, unlike traditional listed closed-end funds, our Shares will not be traded on any securities exchange. We do not expect a secondary market in our Shares to develop. Therefore, investors should not expect to be able to sell their Shares regardless of how we perform. As a result of the foregoing, an investment in our Shares may not be suitable for investors that require liquidity, other than liquidity provided through our repurchase policy. An investor may not be able to sell or otherwise liquidate his, her or its Shares whenever such investor would prefer. If and to the extent that a public trading market ever develops, shares of closed-end investment companies frequently trade at a discount from their NAV per share. We may not be suitable for investors who cannot bear the risk of loss of all or part of their investment or who need a reasonable expectation of being able to liquidate all or a portion of their investment in a particular time frame. Although we will make quarterly offers to repurchase our Shares, there can be no assurance that we will repurchase all Shares that are tendered by a Shareholder in connection with any repurchase offer and Shareholders should consider that they may not have access to all of the money they invest in the short term or within a specified timeframe. We are designed for long-term investors and an investment in our Shares, unlike an investment in a traditional listed closed-end fund, should be considered illiquid. See "Non-Listed Closed-End Fund" and "Investor Suitability." See also "Risk Factors-Structural and Market-Related Risks."

Periodic Repurchase Offers. In order to provide limited liquidity to its Shareholders, the Fund will offer to repurchase no less than 5% of its outstanding Shares on a quarterly basis. 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 close of business on the Repurchase Pricing Date (defined below), 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. See "Periodic Repurchase Offers."

Available Information. We file periodic reports and other information with the SEC. This information is available at the SEC's public reference room at 100 F Street, NE, Washington, D.C. 20549 and on the SEC's website at www.sec.gov. The public may obtain information on the operation of the SEC's public reference room by calling the SEC at (202) 551-8090. This information is available free of charge by contacting us by telephone at (833) 834-4923. These reports should not be considered a part of or as incorporated by reference in this prospectus, or the registration statement of which this prospectus is a part.

Distribution Policy. The Fund currently intends to declare and pay dividends/distributions of substantially all net investment income quarterly, but in no event, less frequently than annually. The Fund also intends to distribute substantially all net realized capital gains at least annually. Unless Shareholders specify otherwise, dividends and distributions will be reinvested in Shares of the Fund. The Fund may pay distributions from sources that may not be available in the future and that are unrelated to the Fund's performance, such as from offering proceeds and borrowings. There can be no assurances that the Fund will achieve any level of distributions to its Shareholders.

Dividend Reinvestment Plan. Dividends and capital gains distributions are automatically reinvested in Shares of the Fund, unless otherwise elected. You may notify the Transfer Agent in writing to choose to receive dividends or distributions (or both) in cash; or change the way you currently receive dividends/distributions. The number of Shares that will be distributed in lieu of cash is determined by dividing the dollar amount of the dividends or distribution to be reinvested by the NAV as of the close of business on the day of the dividend or distribution. Your taxable income is the same regardless of which option you choose. For further information about dividend reinvestment, contact the Transfer Agent by telephone at (833) 834-4923.

Use of Leverage. The Fund may obtain leverage in seeking to achieve its investment objective, including obtaining financing to make investments in Credit Investments. The Fund expects that borrowings by the Fund will be secured by Credit Investments held by the Fund. The Fund may obtain leverage through direct borrowing and/or through entering into reverse repurchase agreements or derivative transactions that create leverage.

The 1940 Act requires a closed-end fund like the Fund to maintain asset coverage of not less than 300% of the value of the outstanding amount of senior securities representing indebtedness (as defined in the 1940 Act). This means that the value of the Fund's senior securities representing indebtedness may not exceed one-third of the value of its total assets (including such senior securities), measured at the time the Fund issues the senior securities. In 2022, the SEC adopted rules limiting funds' leverage risk based on value-at-risk ("VaR") and generally limiting the Fund's VaR so as not to exceed 200% of the VaR of a designated reference portfolio. In employing the Fund's investment strategy, these rules may restrict, and/or impose additional costs or other burdens upon, the Fund's otherwise intended participation in derivative transactions, short sales, and other leverage creating transactions which may affect the Fund's ability to achieve its investment objective or make it more costly to do so.

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.

Advisory Fees. Our Adviser is compensated for its services. Under the Advisory Agreement, our Adviser is entitled to a fee at an annualized rate of 1.50% of the Fund's daily gross assets. Though, for the one-year period beginning on March 1, 2025, the Adviser has voluntarily agreed to reduce the Management Fee to 1.25% of the Fund's daily gross assets. In addition, through March 1, 2026, the Adviser has agreed, pursuant to an expense limitation agreement (the "ELA"), to waive the fees payable to it under the Advisory Agreement or to pay or absorb ordinary 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 less the Exclusions to 0.50% of the gross assets as allocated to each class of Shares of the Fund. Pursuant to the ELA, the Adviser shall be permitted to recoup in later periods Fund expenses that the Adviser has paid or otherwise borne (whether through reduction of its Management Fee or otherwise) to the extent that the expenses for the Fund fall below the annual limitation rate in effect at the time of the actual waiver/reimbursement and to the extent that they do not cause the Fund to exceed the annual rate in effect at the time of the recoupment. Under the ELA, the Adviser is not permitted to recoup such expenses beyond three years from the date on which the Adviser reduced a fee or reimbursed an expense. See "The Adviser."

Federal Tax Matters. We have elected to be treated for U.S. federal income tax purposes, and intend to qualify annually, as a regulated investment company (a "RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). As a RIC, we generally will not have to pay Fund-level federal income taxes on any ordinary income or capital gains that we distribute to our Shareholders from our tax earnings and profits. To maintain our RIC tax treatment, we are required to meet specified source-of-income and asset diversification requirements and distribute annually at least 90% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any. See "Material U.S. Federal Income Tax Considerations."

Determination of Net Asset Value. NAV per Share is determined daily on each business day. The Fund's NAV per Share for each class is calculated by subtracting liabilities attributable to the class (including accrued expenses and indebtedness) from total assets attributable to the class (the value of the investments plus cash or other assets, including interest accrued but not yet received) and dividing the result by the total number of Shares of the class outstanding. The Board has appointed the Adviser as the Fund's "Valuation Designee", as such term is defined in Rule 2a-5 under the 1940 Act. The Fund's Valuation Designee has the day-to-day responsibility for overseeing the implementation of the Fund's valuation policies and procedures and fair value determinations. See "Determination of Net Asset Value" for a discussion of how NAV is determined.

Investor Suitability. An investment in the Fund involves substantial risks and may not be suitable for all investors. You may lose a substantial portion of your investment in us. An investment in us is suitable only for investors who can bear the risks associated with the limited liquidity of our Shares and should be viewed as a long-term investment. Before making an investment decision, prospective investors and their financial advisers should (i) consider the suitability of an investment in our Shares with respect to the investor's investment objectives and personal situation, and (ii) consider factors such as personal net worth, income, age, risk tolerance and liquidity needs. We should be considered an illiquid investment. See "Investor Suitability."

Distributor. We have 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. No arrangements have been made to place the proceeds from the sale of the Fund's Shares in an escrow, trust or similar arrangement.

Transfer Agent. We have entered into a transfer agency agreement with SS&C Global Investor & Distribution Solutions, Inc., ("SS&C GIDS, Inc." or the "Transfer Agent") pursuant to which the Transfer Agent provides transfer agency services for the Fund.

Administrator. We have entered into an administration agreement with ALPS Fund Services, Inc. (the "Administrator") pursuant to which the Administrator provides administrative services, fund accounting, investor accounting and taxation services to the Fund (the "Administration Agreement").

Corporate Information. Our principal executive offices are located at 299 Park Avenue, 25th Floor, New York, New York 10171. Information contained on our website is not incorporated by reference into this prospectus, and you should not consider that information to be part of this prospectus.

PRINCIPAL RISKS

You should consider carefully the key risks summarized below, which are described in more detail (as well as the additional risks described) under "Risk Factors" in this prospectus, before investing in our Shares.

Investors should carefully consider our risks and investment objective, as an investment in us may not be appropriate for all investors and is not designed to be a complete investment program. An investment in us involves a high degree of risk. It is possible that investing in us may result in a loss of some or all of the amount invested. The Fund may not achieve its investment objective. Before making an investment/allocation decision, investors should (i) consider the suitability of this investment with respect to an investor's investment objectives and individual situation and (ii) consider factors such as an investor's net worth, income, age and risk tolerance. Investment should be avoided where an investor/client has a short-term investing horizon or cannot bear a substantial loss of investment. An investment in the Fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

The Fund may also be adversely affected by business continuity issues for companies and markets, including as a result of diseases/virus epidemics and pandemics, such as COVID-19; cybersecurity issues, including disruptions to company operations, national and local elections and power supply and generation; natural disasters and ecological damage; and other factors including terrorism and war such as in the Ukraine and in the Middle East.

INVESTMENT-RELATED RISKS—GENERAL:

We are subject to credit risks and risks associated with below investment grade securities.

While the Fund's investments are expected to consist of predominantly structured credit and securitized debt instruments, some of our investments are subject to greater credit risk than others. Credit risk is the risk that an issuer of, or obligor under, a Credit Investment, may be unable or unwilling to make dividend, interest and principal payments when due and the related risk that the value of a Credit Investment may decline because of concerns about the issuer's or obligor's ability or willingness to make such payments. This risk may be especially heightened for certain of our Credit Investments which may be rated below investment grade, as well as Credit Investments that may be of credit quality comparable to securities rated below investment grade by a rating agency. Such below investment grade securities are commonly referred to as "junk" or "high yield" securities. Such securities or Credit Investments of comparable credit quality, while generally offering the potential for higher yields than investment grade securities with similar maturities, involve greater risks, including the possibility of dividend or interest deferral, default or bankruptcy, and are regarded as predominantly speculative with respect to the issuer's capacity to pay dividends or interest and repay principal. In addition, these securities and Credit Investments of comparable credit quality are generally more susceptible to decline in market value due to adverse economic and business developments and are often unsecured and subordinated to other creditors of the issuer. The market values for below investment grade securities or Credit Investments of comparable credit quality tend to be very volatile, and these instruments are generally less liquid than investment grade securities.

We are subject to interest rate risk—Credit Investments may decline in value because of changes in market interest rates.

Interest rate risk is the risk that fixed rate instruments will decline in value because of changes in market interest rates. When market interest rates rise, the market value of such instruments generally will fall. Longer-term fixed rate instruments are generally more sensitive to interest rate changes. Moreover, an increase in interest rates (as we have experienced in recent periods) could negatively affect financial markets generally, increase market volatility and reduce the value and liquidity of Credit Investments in which we may invest. Because the values of lower-rated and comparable unrated fixed rate instruments are more affected both by credit risk and interest rate risk, the price movements of such lower grade instruments in response to changes in interest rates typically have not been highly correlated to the fluctuations of the prices of investment grade quality instruments in response to changes in market interest rates.

Our use of leverage, as described in this prospectus, will tend to increase our interest rate risk. For example, a change in market interest rates could adversely impact our ability to utilize leverage due to an increase in the cost of borrowings, which could reduce our net investment income.

We may employ hedging techniques seeking to minimize interest rate risk, but there can be no assurance that the Fund will engage in hedging transactions at any given time, even under volatile market conditions, or that any hedging transactions the Fund engages in will be successful. Moreover, it may not be possible for the Fund to hedge against an interest rate fluctuation that is so generally anticipated that the Fund is not able to enter into a hedging transaction at a price sufficient to protect its assets from the decline in value of the portfolio positions anticipated as a result of such fluctuation.

We may be subject to risks associated with the discontinuation of the London Interbank Offered Rate ("LIBOR").

Many derivatives and other financial instruments utilize or are permitted to utilize a floating interest rate based on the London Inter-bank Offered Rate (commonly known as LIBOR). A majority of U.S. dollar LIBOR settings ceased publication on June 30, 2023. It is possible that a subset of U.S. dollar LIBOR settings will continue to be published on a "synthetic" basis. Any such publications may be considered non-representative of the underlying market. Uncertainty related to the liquidity impact of changes in reference rates, and how to appropriately adjust these rates at the time of transition, poses risks for the Fund. It is difficult to predict the full impact of the transition away from LIBOR on the Fund until new reference rates and fallbacks for both legacy and new products, instruments and contracts are commercially accepted and market practices become more settled. The Adviser monitors the Fund's LIBOR exposure risks, including the extent to which any derivative and/or debt investments allow for the utilization of alternative rate(s), such as the SOFR, which the U.S. Federal Reserve is promoting as the alternative reference rate to LIBOR.

Credit Investments may have limited or no liquidity.

Many of our investments are subject to liquidity risk, which exists when particular investments of the Fund are difficult to purchase or sell, potentially preventing us from selling such illiquid investments at an advantageous time or price, or possibly requiring us to dispose of other investments at unfavorable times or prices in order to satisfy our obligations. Many Credit Investments are not traded on a reliable secondary market, nor may one ever develop, and, as such, Credit Investments should be considered illiquid. We may not be able to sell any of our Credit Investments even under circumstances when the Adviser believes it would be in our best interests to sell such investments. In such circumstances, the overall returns to us from our Credit Investments may be adversely affected. Moreover, certain Credit Investments are subject to certain additional significant restrictions on transferability.

We may be exposed to risks associated with inadequate collateral of Credit Investments.

To the extent a Credit Investment is secured, there can be no assurance as to the amount of any funds that may be realized from recovering and liquidating any collateral or the timing of such recovery and liquidation and hence there is no assurance that sufficient funds (or, possibly, any funds) will be available to offset any payment defaults that occur under the Credit Investment. For example, with respect to real estate-related loans, the real property security for the loan may decline in value, which could result in the loan amount being greater than the property value and therefore increase the likelihood of borrower default. In addition, if it becomes necessary to recover and liquidate any collateral with respect to a secured Credit Investment, it may be difficult to sell such collateral and there will likely be associated costs that would reduce the amount of funds otherwise available to offset the payments due under the loan.

It is possible that the same collateral could secure multiple obligations of a borrower or obligor. To the extent that collateral secures more than one obligation, the liquidation proceeds of such collateral may not be sufficient to fully cover all such loans.

We may be exposed to risks associated with covenant-lite loans.

Some of the loans in which we may invest directly or indirectly may be "covenant-lite" loans. We use the term "covenant-lite" loans to refer generally to loans that do not have a complete set of financial maintenance covenants. Generally, "covenant-lite" loans provide borrower companies more freedom to negatively impact lenders because their covenants are incurrence-based, which means they are only tested and can only be breached following an affirmative action of the borrower, rather than by a deterioration in the borrower's financial condition. Accordingly, to the extent we invest directly or indirectly in "covenant-lite" loans, we may have fewer rights against a borrower and may have a greater risk of loss on such investments as compared to investments in or exposure to loans with financial maintenance covenants.

If a borrower or obligor is unable to make its payments on a Credit Investment, we may be greatly limited in our ability to recover any outstanding principal and interest thereunder.

Our ability to generate income through our Credit Investments is dependent upon the borrowers or obligors making required payments. If a borrower or obligor is unable to make required payments on a Credit Investment, we may be greatly limited in our ability to recover any outstanding principal and interest.

Certain Credit Investments in which we invest will not be secured by any collateral, will not be guaranteed or insured by a third party and will not be backed by any governmental authority. To the extent a Credit Investment is secured, there can be no assurance as to the amount of any funds that may be realized from recovering and liquidating any collateral or the timing of such recovery and liquidation and hence there is no assurance that sufficient funds (or, possibly, any funds) will be available to offset any payment defaults that occur under the Credit Investment.

If a borrower or obligor files for bankruptcy, further collection action will not be permitted absent court approval and it is possible that a borrower's or obligor's liability under a Credit Investment will be discharged in bankruptcy. In most cases involving the bankruptcy of a borrower with an unsecured loan, unsecured creditors will receive only a fraction of any amount outstanding on the loan, if anything.

If a borrower or obligor is located in a non-U.S. jurisdiction it may be more difficult and costly for the Fund to enforce the terms of its Credit Investment than if the borrower or obligor were located in the U.S. Adverse economic conditions in foreign jurisdictions, as well as foreign exchange rate fluctuations may affect the ability and incentive of foreign obligors to make timely payments of principal and interest on their loans. Collection on Credit Investments may also be affected by economic and political conditions in the country or region in which the obligor is located. Rights and remedies available to enforce loan obligations and any security interest relating thereto will depend on the relevant country's laws, including insolvency laws and laws specifying the priority of payments to creditors, all of which laws may be significantly different from U.S. law. Accordingly, the actual rates of delinquencies, defaults and losses on foreign Credit Investments could be higher than those experienced with Credit Investments located in the U.S.

We may be exposed to geographic concentration risk.

We are not subject to any geographic restrictions when investing in Credit Investments and therefore could be concentrated in a particular region. A geographic concentration of the Credit Investments may expose us to an increased risk of loss due to risks associated with certain regions. Certain regions from time to time will experience weaker economic conditions and, consequently, will likely experience higher rates of delinquency and loss. In addition, natural disasters in specific geographic regions may result in higher rates of delinquency and loss in those areas. In the event that a significant portion of the pool of Credit Investments have underlying borrowers or obligors resident or operating in certain regions, economic conditions, localized weather events, environmental disasters, natural disasters or other factors affecting these regions in particular could adversely impact the delinquency and default rates of the Credit Investments and could impact Fund performance.

Prepayments may reduce the amount of interest we accrue on a given Credit Investment.

Borrowers or obligors under a Credit Investment may decide to prepay all or a portion of the remaining principal amount due at any time, and, in some cases, without penalty (certain Credit Investments may provide for prepayment penalties). In the event of a prepayment of the entire remaining unpaid principal amount due under a Credit Investment, further interest will not accrue after the principal has been paid in full. If the borrower or obligor prepays a portion of the remaining unpaid principal balance, interest will cease to accrue on such prepaid portion, and we will not receive all of the interest payments that the Fund may have originally expected to receive on the loan.

Income from our portfolio will decline if we invest the proceeds from matured, traded or called investments at market interest rates that are below our portfolio's current earnings rate.

Reinvestment risk is the risk that income from our portfolio will decline if we invest the proceeds from matured, traded or called investments at market interest rates that are below our portfolio's current earnings rate. A decline in income could affect the value of our Shares, our overall return and our distributions to Shareholders.

Credit Investment default rates may be significantly affected by economic downturns or general economic conditions.

Default rates of Credit Investments may increase due to factors such as prevailing interest rates, the rate of unemployment, the level of consumer confidence, real estate values, the value of the U.S. dollar, energy prices, changes in consumer spending, the number of bankruptcies, disruptions in the credit markets (including due to COVID-19 and other pandemics), and other factors. A significant downturn in the economy could cause default rates on Credit Investments to increase.

We are subject to risks associated with the manner in which our investments are valued.

Under the 1940 Act, we are required to carry our investments at market value or, if there is no readily available market value, at fair value as determined pursuant to our valuation procedures. Typically, there will not be a public market for many of the investments that we make. Many Credit Investments can be difficult to value by virtue of the fact that they are generally not publicly traded or actively traded on a secondary market but, instead, are traded on a privately negotiated over-the-counter secondary market for institutional investors. In addition, elements of judgment may play a greater role in valuation in such cases than for investments with a more active secondary market because there is less observable market data available. An instrument that is fair valued may be valued at a price higher or lower than the value determined by other funds using their own fair valuation procedures. We will value these securities at fair value as determined in good faith pursuant to our valuation procedures.

Certain factors that may be considered in determining the fair value of our investments include dealer quotes for securities traded on the secondary market for institutional investors, the nature and realizable value of any collateral and estimates of the value of securities and/or assets in which we invest, which will be supplied, directly or indirectly, by banks, other market counterparties or pricing systems or estimates. Such inputs used in the determination of the fair value of our investments may be unaudited or may be subject to little verification or other due diligence. In addition, these entities may not provide estimates of the value of the securities in which we invest on a regular or timely basis or at all with the result that the values of such investments may be estimated by our Adviser on the basis of information available at the time. Because such valuations, and particularly valuations of private securities, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, our determinations of fair value may differ materially from the values that would have been used if a ready market for these non-traded securities existed or if we tried to sell our investments. Due to this uncertainty, our fair value determinations may cause our NAV on a given date to materially understate or overstate the value that we may ultimately realize upon the sale of one or more of our investments.

Significant increases or decreases in unobservable inputs, such as loss adjusted discount rates, projected loss rates or market yield, would result in a decrease or increase, respectively, in the fair value measurement. Because such valuations are inherently uncertain, the valuations may fluctuate significantly over short periods due to changes in current market conditions. Our determinations of fair value of our Credit Investments may differ materially from the values that would have been used if an active market and market quotations existed for these loans. Our returns could be adversely affected if the determinations regarding the fair value of our Credit Investments were materially different than the values that we may realize upon the disposal of such instruments.

In addition to the above general risks associated with Credit Investments, the Fund is subject to various risks specific to particular categories of such instruments, as follows:

INVESTMENT-RELATED RISKS—ASSET BACKED SECURITIES AND MORTGAGE-BACKED SECURITIES/SECURITIZATIONS/STRUCTURED FINANCE SECURITIES/CDOs AND CLOs:

Asset-backed securities and mortgage-backed securities in which we may invest often involve risks that are different from risks associated with other types of debt instruments.

Asset-backed securities. Asset-backed securities often involve risks that are different from risks associated with other types of debt instruments. For instance, asset-backed securities may be particularly sensitive to changes in prevailing interest rates. In addition, the underlying assets may be subject to prepayments that shorten the securities' weighted average maturity and may lower their return. Asset-backed securities are also subject to risks associated with their structure and the nature of the assets underlying the security and the servicing of those assets. Payment of interest and repayment of principal on asset-backed securities is largely dependent upon the cash flows generated by the assets backing the securities and, in certain cases, supported by letters of credit, surety bonds or other credit enhancements. The values of asset-backed securities may be substantially dependent on the servicing of the underlying asset pools, and are therefore subject to risks associated with the negligence by, or defalcation of, their servicers. Furthermore, debtors may be entitled to the protection of a number of state and federal consumer credit laws with respect to the assets underlying these securities, which may give the debtor the right to avoid or reduce payment. In addition, due to their often complicated structures, various asset-backed securities may be difficult to value and may constitute illiquid investments. If many borrowers on the underlying loans or other obligations default, losses could exceed the credit enhancement level and result in losses to investors in asset-backed securities.

An investment in subordinated (residual) classes of asset-backed securities (sometimes referred to as "equity") is typically considered to be an illiquid and highly speculative investment, as losses on the underlying assets are first absorbed by the subordinated classes. The risks associated with an investment in such subordinated classes of asset-backed securities include credit risk and liquidity risk.

Mortgage-backed securities. The investment characteristics of mortgage-backed securities differ from traditional debt securities. Among the major differences are that interest and principal payments are made more frequently, usually monthly, and that the principal may be prepaid at any time because the underlying loans or other assets generally may be prepaid at any time. The frequency at which prepayments (including voluntary prepayments by the obligors and liquidations due to default and foreclosures) occur on loans underlying mortgage-backed securities will be affected by a variety of factors including the prevailing level of interest rates as well as the availability of mortgage credit, the relative economic vitality of the area in which the related properties are located, the servicing of the mortgage loans, possible changes in tax laws, other opportunities for investment, homeowner mobility and other economic, social, geographic, demographic and legal factors. In general, any factors that increase the attractiveness of selling a mortgaged property or refinancing a mortgage loan, enhance a borrower's ability to sell or refinance or increase the likelihood of default under a mortgage loan, would be expected to cause the rate of prepayment in respect of a pool of mortgage loans to accelerate. Particular investments may experience outright losses, as in the case of an interest only security in an environment of faster actual or anticipated prepayments. Also, particular investment may underperform relative to hedges that a portfolio manager may have constructed for these investments, resulting in a loss. In contrast, any factors having an opposite effect would be expected to cause the rate of prepayment of a pool of mortgage loans to slow.

The rate of prepayment on a pool of mortgage loans is likely to be affected by prevailing market interest rates for mortgage loans of a comparable type, term and risk level. When the prevailing market interest rate is below a mortgage coupon, a borrower generally has an increased incentive to refinance its mortgage loan. Even in the case of adjustable rate mortgage loans, as prevailing market interest rates decline, and without regard to whether the mortgage rates on such loans decline in a manner consistent therewith, the related borrowers may have an increased incentive to refinance for purposes of either (i) converting to a fixed rate loan and thereby "locking in" such rate or (ii) taking advantage of a different index, margin or rate cap or floor on another adjustable rate mortgage loan. Therefore, as prevailing market interest rates decline, prepayment speeds would be expected to accelerate.

In the case of a mortgage-backed security related to multifamily or commercial loans, prevailing market interest rates, the outlook for market interest rates and economic conditions generally may cause some borrowers to refinance or sell their properties in order to realize their equity therein, lower their financing costs, to meet cash flow needs or to make other investments. In addition, some borrowers may be motivated by U.S. federal and state tax laws (which are subject to change) to sell their properties prior to the exhaustion of tax depreciation benefits.

Residential Mortgage-Backed Securities ("RMBS"). RMBS are mortgage-backed securities that may be secured by interests in a single residential mortgage loan or a pool of mortgage loans secured by residential property. RMBS may be senior, subordinate, interest-only, principal-only, investment-grade, non-investment grade or unrated. The Fund may acquire 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 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 residential mortgage loans with disproportionately large aggregate principal amounts secured by properties in only a few states or regions. As a result, the 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.

Commercial Mortgage-Backed Securities ("CMBS"). CMBS are fixed income instruments that are secured by mortgage loans on commercial real property. CMBS typically take the form of multi-class debt or pass-through certificates secured by mortgage loans on commercial properties. They generally are structured to provide protection to investors in senior tranches against potential losses on the underlying mortgage loans. Such protection generally is provided by causing holders of subordinated classes of securities ("Subordinated CMBS") to take the first loss in the event of defaults on the underlying commercial mortgage loans. Other protection, which may benefit all of the classes or particular classes, may include issuer guarantees, reserve funds, additional Subordinated CMBS, cross-collateralization and over-collateralization. The Fund may invest in CMBS or Subordinated CMBS.

Mortgage loans on commercial properties underlying mortgage-backed securities often are structured so that a substantial portion of the loan principal is not amortized over the loan term but is payable at maturity and repayment of the loan principal thus often depends upon the future availability of real estate financing from the existing or an alternative lender and/or upon the current value and salability of the real estate. Therefore, the unavailability of real estate financing may lead to default. Most commercial mortgage loans underlying mortgage-backed securities are effectively nonrecourse obligations of the borrower, meaning that there is no recourse against the borrower's assets other than the collateral. If borrowers are not able or willing to refinance or dispose of encumbered property to pay the principal and interest owed on such mortgage loans, payments on the subordinated classes of the related mortgage-backed securities are likely to be adversely affected. The ultimate extent of the loss, if any, to the subordinated classes of mortgage-backed securities may only be determined after a negotiated discounted settlement, restructuring or sale of the mortgage note, or the foreclosure (or deed in lieu of foreclosure) of the mortgage encumbering the property and subsequent liquidation of the property.

Especially in the case of a mortgage-backed security related to commercial mortgage loans, the rate of principal payments on the loans in the related pool will also be affected by the nature and extent of any restrictions on prepayments that are set forth in the mortgage loans, and the extent to which such provisions may be enforced. Such restrictions may include a prohibition on prepayments for specified periods of time and/or requirements that principal prepayments be accompanied by the payment of prepayment penalties or be subject to yield maintenance premiums.

Structured Finance Securities. A portion of the Fund's investments may consist of collateralized mortgage obligations, collateralized bond obligations, collateralized loan obligations, collateralized debt obligations or other asset-backed securities or similar instruments. 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. Moreover, investing in structured finance securities may entail a variety of unique risks. Among other risks, structured finance securities may be subject to prepayment risk. In addition, the performance of a structured finance security will be affected by a variety of factors, including its priority in the capital structure of the issuer thereof, and the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans or other assets that are being securitized, remoteness of those assets from the originator or transferor, the adequacy of and ability to realize upon any related collateral and the capability of the servicer of the securitized assets.

CDO and CLO risks. Our Credit Investments may include 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 senior secured debt obligations or loans and payments on the CDOs and/or CLOs are and will be payable solely from the cash flows from such senior secured debt obligations and/or loans; (iv) the complex structure of the CDOs and/or CLOs and their interests may not be fully understood at the time of investment and may produce disputes with the issuer or unexpected investment results; (v) 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; (vi) investments in CDOs and/or CLOs may be riskier and less transparent to us and our Shareholders than direct investments in the underlying companies; (vii) the potential for interruption and deferral of cash flow to our investments in the equity and junior debt tranches of CDOs and/or CLOs; (viii) interests in CDOs and/or CLOs may be illiquid; (ix) investments in foreign CDOs and/or CLOs may involve significant risks in addition to the risks inherent in U.S. CDOs and/or CLOs; (x) we may invest with collateral managers that have no or limited performance or operating history; (xi) the inability of a CDO or CLO collateral manager to reinvest the proceeds of any prepayments may adversely affect us; (xii) the loans underlying the CDOs and/or CLOS may be sold and replaced resulting in a loss to us; (xiii) we 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 (xiv) 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.

Securitization of our assets subjects us to various risks. We may securitize assets to generate cash for funding new investments. We use the term "securitize" to describe a form of leverage under which a fund such as us (sometimes referred to as an "originator" or "sponsor") transfers income producing assets to a special purpose vehicle ("SPV"), which is established solely for the purpose of holding such assets and entering into a structured finance transaction. The SPV then issues notes secured by such assets. The SPV may issue the notes in the capital markets either publicly or privately to a variety of investors, including banks, non-bank financial institutions and other investors. There may be a single class of notes or multiple classes of notes, the most senior of which carries less credit risk and the most junior of which may carry substantially the same credit risk as the equity of the SPV.

An important aspect of most debt securitization transactions is that the sale or contribution of assets into the SPV be considered a true sale or contribution for accounting purposes and that a reviewing court would not consolidate the SPV with the operations of the originator in the event of the originator's bankruptcy based on equitable principles. Viewed as a whole, a debt securitization seeks to lower risk to the note purchasers by isolating the assets collateralizing the securitization in an SPV that is not subject to the credit and bankruptcy risks of the originator. As a result of this perceived reduction of risk, debt securitization transactions frequently achieve lower overall leverage costs for originators as compared to traditional secured lending transactions.

In accordance with the above description, to securitize loans, we may create a wholly-owned subsidiary and contribute a pool of our assets to such subsidiary. The SPV may be funded with, among other things, whole loans, other receivables or assets or interests from other pools and such loans or other receivables or assets may or may not be rated. The SPV would then sell its notes to purchasers who we would expect to be willing to accept a lower interest rate and the absence of any recourse against us to invest in a pool of income producing assets to which none of our creditors would have access. We would retain all or a portion of the equity in the SPV. An inability to successfully securitize portions of our portfolio or otherwise leverage our portfolio through secured and unsecured borrowings could limit our ability to grow our business and fully execute our business strategy, and could decrease our earnings. However, the successful securitization of portions of our portfolio exposes us to a risk of loss for the equity we retain in the SPV and might expose us to greater risk on our remaining portfolio, because the assets we retain may tend to be those that are riskier and more likely to generate losses. A successful securitization may also impose financial and operating covenants that restrict our business activities and may include limitations that could hinder our ability to finance additional loans and investments or to make the distributions required to maintain our status as a RIC under Subchapter M of the Code. The 1940 Act may also impose restrictions on the structure of any securitizations.

Interests we hold in the SPV, if any, will be subordinated to the other interests issued by the SPV. As such, we will only receive cash distributions on such interests if the SPV has made all interest and other required payments on all other interests it has issued. In addition, our subordinated interests will likely be unsecured and rank behind all of the secured creditors, known or unknown, of the SPV, including the holders of the senior interests it has issued. Consequently, to the extent that the value of the SPV's portfolio of assets has been reduced as a result of conditions in the credit markets, or as a result of defaults, the value of the subordinated interests we retain would be reduced. Securitization imposes on us the same risks as borrowing except that our risk in a securitization is limited to the amount of subordinated interests we retain, whereas in a borrowing or debt issuance by us directly we would be at risk for the entire amount of the borrowing or debt issuance.

Cayman Islands SPV subsidiary risk. We invest in a wholly-owned SPV subsidiary formed under the laws of the Cayman Islands. Such SPV is not registered under the 1940 Act and, unless otherwise noted in this prospectus, is not subject to all of the investor protections of the 1940 Act. Changes in the laws of the United States and/or the Cayman Islands, under which the Fund and the SPV, respectively, are organized, could result in the inability of the Fund and/or the subsidiary to operate as described in this prospectus and could negatively affect the Fund and its Shareholders. For example, Cayman Islands law does not currently impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax on certain entities. If Cayman Islands law changes such that the SPV would be required to pay Cayman Islands governmental authority taxes, Shareholders would likely suffer decreased investment returns. Because the SPV would generally be considered a controlled foreign corporation for U.S. federal income tax purposes, we would be treated as having received certain income of this subsidiary, even if such income is not distributed to us. The Fund complies with the provisions of the 1940 Act governing investment policies (Section 8) and capital structure and leverage (Section 18) on an aggregate basis with the SPV. The SPV also complies with the provisions of the 1940 Act relating to affiliated transactions and custody (Section 17). See also "Material U.S. Federal Income Tax Considerations."

To the extent we securitize our assets, we may be subject to additional risks associated with Regulation AB. We may securitize our assets to create incremental levered returns for our Shareholders. On December 15, 2004, the SEC approved the final regulations covering the registration, disclosure, communications, and reporting requirements for asset-backed securities, or Regulation AB, which became effective January 1, 2006. On August 27, 2014, the SEC adopted revisions to Regulation AB. Regulation AB contains disclosure requirements applicable to registered securitizations, including requirements to provide historical financial data with respect to either prior securitized pools of the same asset class or prior originations and information with respect to the background, experience and roles of the various transaction parties, including those involved in the origination, sale or servicing of the loans in the securitized pool. Moreover, annual assessments of compliance with servicing criteria by servicers and attestation reports from an independent registered public accounting firm must be obtained with respect to securitized pools of loans.

INVESTMENT RELATED RISKS –ACCOUNTS RECEIVABLES:

The Fund may invest in Credit Investments secured by receivables, such as credit card receivables and automobile receivables. The Fund may also invest directly in these investments. Credit card receivables are generally unsecured, and the debtors are entitled to the protection of a number of state and federal consumer credit laws, many of which give debtors the right to set off certain amounts owed on the credit cards, thereby reducing the balance due. If the economy of the United States deteriorates, defaults on securities backed by credit card, automobile and other receivables may increase. In addition, these securities may provide the Fund with a less effective security interest in the related collateral than do mortgage-related securities. Therefore, there is the possibility that recoveries on the underlying collateral may not, in some cases, be available to support payments on these securities.

Most issuers of automobile receivables permit the servicers to retain possession of the underlying obligations. If the servicer were to sell these obligations to another party, there is a risk that the purchaser would acquire an interest superior to that of the holders of the related automobile receivables. In addition, because of the large number of vehicles involved in a typical issuance and technical requirements under state laws, the trustee for the holders of the automobile receivables may not have an effective security interest in all of the obligations backing such receivables. In recent years, certain automobile manufacturers have been granted access to emergency loans from the U.S. Government and have experienced bankruptcy. As a result of these events, the value of securities backed by receivables from the sale or lease of automobiles may be adversely affected.

INVESTMENT RELATED RISKS – SECOND LIEN OR OTHER SUBORDINATED (MEZZANINE) OR UNSECURED LOANS OR DEBT:

The Fund may invest in Credit Investments secured by mezzanine or unsecured loans/debt. The Fund may also invest directly in these instruments. Second lien or other subordinated (mezzanine) or unsecured loans or debt generally are subject to similar risks as those associated with investments in senior loans. In addition, because second lien or other subordinated (mezzanine) or unsecured loans or debt are subordinated in payment and/or lower in lien priority to senior loans, they are subject to additional risk that the cash flow of the borrower and property securing the loan or debt, if any, may be insufficient to meet scheduled payments after giving effect to the senior secured obligations of the borrower. This risk is generally higher for subordinated unsecured loans or debt, which are not backed by a security interest in any specific collateral. Second lien or subordinated loans or debt, both secured and unsecured, may have greater price volatility than senior loans and may be less liquid. There is also a possibility that originators will not be able to sell participations in second lien loans and subordinated loans or debt, both secured and unsecured, which would create greater credit risk exposure. Second lien or other subordinated or unsecured loans or debt of below investment grade quality share risks similar to those associated with investments in other below investment grade securities and obligations.

INVESTMENT-RELATED RISKS—DERIVATIVES

We may be exposed to additional risks associated with derivative investments.

We may engage in derivative transactions in which we may purchase and sell a variety of derivative instruments, including taking long and short positions in exchange-listed and over-the-counter futures, forwards, swaps and similar instruments, credit transactions and credit default swaps. We also may purchase and sell derivative instruments that combine features of these instruments.

Derivatives may involve significant risks. Derivatives are financial instruments with a value in relation to, or derived from, the value of an underlying asset(s) or other reference, such as an index, rate or other economic indicator (each an underlying reference). Derivatives may include those that are privately placed or otherwise exempt from SEC registration, including Rule 144A eligible securities. Derivatives could result in Fund losses if the underlying reference does not perform as anticipated. Use of derivatives is a highly specialized activity that can involve investment techniques, risks, and tax planning different from those associated with more traditional investment instruments. The use of derivatives for other than hedging purposes may be considered a speculative trading practice, and involves greater risks than are involved in hedging. The Fund's derivatives strategy may not be successful and could result in substantial, potentially unlimited, losses to the Fund regardless of the Fund's actual investment. A relatively small movement in the price, rate or other economic indicator associated with the underlying reference may result in substantial loss for the Fund. Derivatives may be more volatile than other types of investments. The value of derivatives may be influenced by a variety of factors, including national and international political and economic developments. Potential changes to the regulation of the derivatives markets may make derivatives more costly, may limit the market for derivatives, or may otherwise adversely affect the value or performance of derivatives. Derivatives can increase the Fund's risk exposure to underlying references and their attendant risks, such as the risk of an adverse credit event associated with the underlying reference (credit risk), the risk of an adverse movement in the value, price or rate of the underlying reference (market risk), the risk of an adverse movement in the value of underlying currencies (foreign currency risk) and the risk of an adverse movement in underlying interest rates (interest rate risk). Derivatives may expose the Fund to additional risks, including the risk of loss due to a derivative position that is imperfectly correlated with the underlying reference it is intended to hedge or replicate (correlation risk), the risk that a counterparty will fail to perform as agreed (counterparty risk), the risk that a hedging strategy may fail to mitigate losses, and may offset gains (hedging risk), the risk that losses may be greater than the amount invested (leverage risk), the risk that the Fund may be unable to sell an investment at an advantageous time or price (liquidity risk), the risk that the investment may be difficult to value (pricing risk), and the risk that the price or value of the investment fluctuates significantly over short periods of time (volatility risk). More detail on particular derivatives that may be utilized is discussed below.

Swaps are derivatives, whereby in a typical swap transaction, two parties agree to exchange an amount equal to the return, based upon an agreed-upon notional value, earned on a specified underlying reference for a fixed return or the return from another underlying reference during a specified period of time. Swaps may be difficult to value and may be illiquid. Swaps could result in Fund losses if the underlying asset or reference does not perform as anticipated. Swaps create significant investment leverage such that a relatively small price movement in a swap may result in immediate and substantial losses to the Fund. The Fund may only close out a swap with its particular counterparty, and may only transfer a position with the consent of that counterparty. Certain swaps, such as short swap transactions and total return swaps, have the potential for unlimited losses, regardless of the size of the initial investment. Swaps can increase the Fund's risk exposure to underlying references and their attendant risks, such as credit risk, market risk, and interest rate risk, while also exposing the Fund to correlation risk, counterparty risk, hedging risk, the risk relating to the uncertainty over the future real value (after inflation) of an investment (inflation risk), leverage risk, liquidity risk, pricing risk and volatility risk.

A futures contract is an exchange-traded derivative transaction between two parties in which a buyer agrees to pay a fixed price (or rate) at a specified future date for delivery of an underlying reference from a seller. Futures contract markets are highly volatile, and futures contracts may be illiquid. Futures exchanges may limit fluctuations in futures contract prices by imposing a maximum permissible daily price movement. The Fund may be disadvantaged if it is prohibited from executing a trade outside the daily permissible price movement. At or prior to maturity of a futures contract, the Fund may enter into an offsetting contract and may incur a loss to the extent there has been adverse movement in futures contract prices. The liquidity of the futures markets depends on participants entering into offsetting transactions rather than making or taking delivery. To the extent participants make or take delivery, liquidity in the futures market could be reduced. Because of the low margin deposits normally required in futures trading, a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the Fund, exceeding the amount of the margin paid. For certain types of futures contracts, losses are potentially unlimited. Futures markets are highly volatile and the use of futures may increase the volatility of the Fund's NAV. Futures contracts can increase the Fund's risk exposure to underlying references and their attendant risks, such as credit risk, market risk, and interest rate risk, while also exposing the Fund to correlation risk, counterparty risk, hedging risk, leverage risk, liquidity risk, pricing risk and volatility risk.

A forward contract is an over-the-counter derivative transaction between two parties to buy or sell a specified amount of an underlying reference at a specified price (or rate) on a specified date in the future. Forward contracts are negotiated on an individual basis and are not standardized or traded on exchanges. The market for forward contracts is substantially unregulated and can experience lengthy periods of illiquidity, unusually high trading volume and other negative impacts, such as political intervention, which may result in volatility or disruptions in such markets. A relatively small price movement in a forward contract may result in substantial losses to the Fund, exceeding the amount of the margin paid. Forward contracts can increase the Fund's risk exposure to underlying references and their attendant risks, such as credit risk, market risk, foreign currency risk and interest rate risk, while also exposing the Fund to correlation risk, counterparty risk, hedging risk, leverage risk, liquidity risk, pricing risk and volatility risk.

In 2022, the SEC adopted rules limiting funds' leverage risk based on value-at-risk ("VaR") and generally limiting the Fund's VaR so as not to exceed 200% of the VaR of a designated reference portfolio. In employing the Fund's investment strategy, these rules may restrict, and/or impose additional costs or other burdens upon, the Fund's otherwise intended participation in derivative transactions, short sales, and other leverage creating transactions which may affect the Fund's ability to achieve its investment objective or make it more costly to do so.

INVESTMENT-RELATED RISKS—OTHER INSTRUMENTS/SECURITIES:

Real estate investment risk.

In addition to the risks above associated with Credit Investments generally, our real estate-related investments are subject to real estate investment risk. Specifically, a number of particular factors may prevent these investments from generating sufficient net cash flow or may adversely affect their value, or both, resulting in less cash available for distribution, or a loss, to the Fund. These factors include adverse national, regional and local economic conditions, adverse local real estate conditions (such as over-supply or insufficient demand and/or increasing interest rates), changing demographics, and the inability of property managers to provide capable management and adequate maintenance.

General Risks of Commercial or Residential Real Estate Debt; Non-Performing Loans.

The Fund may invest in commercial or residential real estate loans and debt securities (including, but not limited to, investments in subordinate debt, such as mezzanine debt, b-notes, preferred equity and first mortgage loans, such as higher loan-to-value senior loans and bridge loans). The Fund may hold direct or indirect interests in performing or non-performing real estate Credit Investments. Non-performing real estate Credit Investments may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate and a substantial write-down of the principal of such loan and/or purchasing senior loans. In addition, a company may announce a plan of restructuring which promises to enhance value and fail to implement it, resulting in losses to investors. In liquidations and other forms of corporate reorganization, the risk exists that the reorganization either will be unsuccessful, will be delayed or will result in a distribution of cash or a new security, the value of which will be less than the purchase price to the Fund of the investment in respect of which such distribution was made. In addition, certain privately offered commercial real estate Credit Investments carry risks of illiquidity and lack of control. It is possible that the Adviser may find it necessary or desirable to foreclose on collateral securing one or more real estate loans purchased by the Fund. The foreclosure process will vary from jurisdiction to jurisdiction and can be lengthy and expensive. Issuers often resist foreclosure actions by asserting numerous claims, counterclaims and defenses against the holder of a real estate loan, including, without limitation, lender liability claims and defenses, even when such assertions may have no basis in fact, in an effort to prolong the foreclosure action. During the foreclosure proceedings, an issuer may have the ability to file for bankruptcy or its equivalent, potentially staying the foreclosure action and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the collateral property and may result in disrupting ongoing leasing and management of the property. If this were to occur, the Fund may be negatively impacted. Similar risks relate to foreclosure of mezzanine debt and the exercising of remedies in connection with such debt.

Other Risks Associated with Real Estate Loans.

Commercial Mortgage Loans. The Fund may invest in commercial mortgage Credit Investments. The value of the Fund's commercial mortgage Credit Investments will be influenced by the historical rate of delinquencies and defaults experienced on the commercial mortgage Credit Investments and by the severity of loss incurred as a result of such defaults. The factors influencing delinquencies, defaults, and loss severity include: (i) economic and real estate market conditions by industry sectors (*e.g.*, multi-family, retail, office, and hospitality); (ii) the terms and structure of the mortgage Credit Investments; and (iii) any specific limits to legal and financial recourse upon a default under the terms of such Credit Investments.

Commercial mortgage loans are generally viewed as exposing a lender to a greater risk of loss through delinquency and foreclosure than lending on the security of single-family residences. The ability of a borrower to repay a loan secured by income-producing property typically is dependent primarily upon the successful operation and operating income of such property (*i.e.*, the ability of tenants to make lease payments, the ability of a property to attract and retain tenants, and the ability of the owner to maintain the property, minimize operating expenses, and comply with applicable zoning and other laws) rather than upon the existence of independent income or assets of the borrower. Most commercial mortgage loans provide recourse only to specific assets, such as the property, and not against the borrower's other assets or personal guarantees.

Commercial mortgage loans generally do not fully amortize, which can necessitate a sale of the property or refinancing of the remaining "balloon" amount at or prior to maturity of the mortgage loan. Accordingly, investors in commercial mortgage loans bear the risk that the borrower will be unable to refinance or otherwise repay the mortgage at maturity, thereby increasing the likelihood of a default on the borrower's obligation. Exercise of foreclosure and other remedies may involve lengthy delays and additional legal and other related expenses on top of potentially declining property values. In certain circumstances, the creditors may also become liable upon taking title to an asset for environmental or structural damage existing at the property.

Residential Mortgage Loans. The default rate for residential mortgage loans may continue to increase due in large part to borrowers' inability or unwillingness to carry the mortgage loan on a current basis, increased mortgage loan carrying costs resulting from resets of adjustable rate mortgages and increases in taxes and insurance, the inability of borrowers to refinance mortgage loans and general factors that reduce the ability of the borrower to pay its mortgage loan obligations, including loss of employment, increased cost of living and unexpected significant bills such as healthcare-related expenses. Lenders may exercise their foreclosure rights which will further decrease the value of the residential real estate as foreclosure sales are often at lower prices than sales in the ordinary course. Such conditions could further decrease the value of the residential real estate. The Fund could face increased default rates on sub-performing and non-performing mortgage loans to which it has direct or indirect economic exposure, including loans that were modified with the expectation that they would be re-performing loans.

Real Estate Investment Trusts Risk.

Investments in real estate investment trusts ("REITs") and in securities of other companies (wherever organized) principally engaged in the real estate industry subject the Fund to, among other things, risks similar to those of direct investments in real estate and the real estate industry in general. These include risks related to general and local economic conditions, possible lack of availability of financing and changes in interest rates or property values. REITs are entities that either own properties or make construction or mortgage loans, and also may include operating or finance companies. The value of interests in a REIT may be affected by, among other factors, changes in the value of the underlying properties owned by the REIT, changes in the prospect for earnings and/or cash flow growth of the REIT itself, defaults by borrowers or tenants, market saturation, decreases in market rates for rents, and other economic, political, or regulatory matters affecting the real estate industry, including REITs. REITs and similar non-U.S. entities depend upon specialized management skills, may have limited financial resources, may have less trading volume in their securities, and may be subject to more abrupt or erratic price movements than the overall securities markets. REITs are also subject to the risk of failing to qualify for favorable tax treatment under the Code. The failure of a REIT to continue to qualify as a REIT for tax purposes can materially and adversely affect its value. Some REITs (especially mortgage REITs) are affected by risks similar to those associated with investments in debt securities including changes in interest rates and the quality of credit extended.

Real Estate Investment Trust Subsidiary Risk.

The Fund invests a portion of its assets in a Real Estate Investment Trust ("REIT") subsidiary formed under the laws of the State of Delaware. The Internal Revenue Code does not currently impose any income, corporate or capital gains tax on REIT entities. If the law changes such that the REIT subsidiary would be required to pay income taxes, Shareholders would likely suffer decreased investment returns. To qualify as a REIT under the Internal Revenue Code, the REIT subsidiary is required to meet certain requirements, including income, asset, and annual minimum dividend tests. Additionally, the REIT subsidiary is required to have greater than 100 investors. To meet the requirement, we have issued non-participating preferred shares to third-party investors. To the extent the REIT subsidiary fails to meet such requirements, the REIT subsidiary may become subject to corporate income tax. Changes in the laws could result in the inability of the Fund and/or the subsidiary to operate as described in this prospectus and could negatively affect the Fund and its Shareholders. The REIT subsidiary may be subject to state and local tax in certain US jurisdictions. The Fund complies with the provisions of the 1940 Act governing investment policies (Section 8) and capital structure and leverage (Section 18) on an aggregate basis with the REIT subsidiary. The REIT subsidiary also complies with the provisions of the 1940 Act relating to affiliated transactions and custody (Section 17). See also "Material U.S. Federal Income Tax Considerations".

Reverse Repurchase Agreements Risk.

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 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. Reverse repurchase agreements are subject to the leverage restrictions discussed above with respect to the use of derivatives.

Investments in foreign securities may involve significant risks in addition to the risks inherent in U.S. investments.

We may invest in foreign issuers/obligations, which expose us to additional risks not typically associated with investing in U.S. issuers. These risks include changes in exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, less developed bankruptcy laws, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility. Further, we may have difficulty enforcing creditor's rights in foreign jurisdictions.

Although our investments are expected to be generally U.S. dollar-denominated, any investments denominated in a foreign currency will be subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation, and political developments. We may employ hedging techniques to minimize these risks, but we can offer no assurance that we will, in fact, hedge currency risk, or that if we do, such strategies will be effective.

Emerging Market Securities Risk.

Securities issued by foreign governments or companies in emerging market countries are more likely to have greater exposure to the risks associated with investment in foreign securities. In addition, emerging market countries are more likely to experience instability resulting, for example, from rapid changes or developments in social, political, economic or other conditions. Their economies are usually less mature and their securities markets are typically less developed with more limited trading activity (*i.e.*, lower trading volumes and less liquidity) than more developed countries. Emerging market securities tend to be more volatile than securities in more developed markets. Many emerging market countries are heavily dependent on international trade and have fewer trading partners, which makes them more sensitive to world commodity prices and economic downturns in other countries, and some have a higher risk of currency devaluations.

We may invest in equity securities, which may be more volatile than other investments.

The value of a particular equity security in which we may invest may decrease. The prices of equity securities change in response to many factors, including the historical and prospective earnings of the issuer, the value of its assets, management decisions, decreased demand for an issuer's products or services, increased production costs, general economic conditions, interest rates, currency exchange rates, investor perceptions and market liquidity. Equity securities tend to be more volatile than bonds and money market instruments. In the event of a company's bankruptcy, claims of certain creditors, including bondholders, will have priority over claims of common stock holders and are likely to have varying types of priority over holders of preferred and convertible stock. These risks may increase fluctuations in the Fund's NAV.

Risks of Shorting Equity Securities.

In seeking to achieve the Fund's objective, the Fund may, from time to time (and not as a part of its principal strategy), effect short sales of equity securities. To effect a short sale, the Fund will borrow a security from a brokerage firm to make delivery to the buyer. The Fund is then obligated to replace the borrowed security by purchasing it at the market price at the time of replacement. Thus, short sales expose the Fund to the risk that it will be required to buy the security sold short (also known as "covering" the short position) at a time when the security has appreciated in value, thus resulting in a loss to the Fund. Positions in equity securities sold short are more risky than long positions (purchases) in equity securities, because there is no limit on the loss that may be incurred. Moreover, the amount of any gain achieved through a short sale will be decreased, and the amount of any loss increased, by the amount of any premium or interest the Fund may be required to pay in connection with a short sale. There is a risk that the borrowed securities would need to be returned to the brokerage firm on short notice. If a request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, and the Fund might be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the price at which the securities were sold short. The successful use of short selling may be adversely affected by imperfect correlation between movements in the price of the equity security sold short and the equity securities being hedged. Any short selling may exaggerate the volatility of the Fund's investment portfolio. Short selling may result in increased transaction costs to the Fund. Any short selling could subject the Fund to increased leverage risk. The SEC has adopted rules that change the framework for the permissible use of short sales. See "Use of Leverage" and "Investment Related Risks – Derivatives" for more information.

We may be exposed to additional risks to the extent we invest in senior loans, including corporate loans.

There is less readily available and reliable information about most senior loans than is the case for many other types of instruments, including listed securities. Senior loans are not listed on any national securities exchange or automated quotation system and as such, many senior loans are illiquid, meaning that the Fund may not be able to sell them quickly at a fair price. To the extent that a secondary market does exist for certain senior loans, the market is more volatile than for liquid, listed securities and may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods. The market for senior loans could be disrupted in the event of an economic downturn or a substantial increase or decrease in interest rates, resulting in fluctuations in the Fund's NAV and difficulty in valuing the Fund's portfolio of senior loans.

Senior loans, like most other debt obligations, are subject to the risk of default. Default in the payment of interest or principal on a senior loan will result in a reduction of income to the Fund, a reduction in the value of the senior loan and a potential decrease in the Fund's NAV. The risk of default will increase in the event of an economic downturn or a substantial increase in interest rates. The Adviser relies primarily on its own evaluation of borrower credit quality rather than on any available independent sources. As a result, the Fund is particularly dependent on the analytical abilities of the Adviser.

Investing in private companies/issuers involves a high degree of risk.

Our investment portfolio may consist of, among other things, loans to, and investments in, private companies or issuers. Investments in private ventures, vehicles or businesses involve a high degree of business and financial risk, which can result in substantial losses and, accordingly, should be considered speculative. There is generally very little publicly available information about these issuers, and we rely significantly on the due diligence of the members of the investment team to obtain information in connection with our investment decisions. It is thus difficult, and often impossible, to protect the Fund from the risk of fraud, misrepresentation or poor judgment by these issuers.

ETF Risk.

The Fund may invest in ETFs. An ETF's share price may not track its specified market index (if any) and may trade below its NAV. Certain ETFs use a "passive" investment strategy and do not take defensive positions in volatile or declining markets. Other ETFs in which the Fund may invest are actively managed ETFs (*i.e.*, they do not track a particular benchmark), which indirectly subjects the Fund to active management risk. An active secondary market in ETF shares may not develop or be maintained and may be halted or interrupted due to actions by its listing exchange, unusual market conditions or other reasons. There can be no assurance that an ETF's shares will continue to be listed on an active exchange. In addition, shareholders bear both their proportionate share of the Fund's expenses and similar expenses incurred through ownership of the ETF. There is a risk that ETFs in which the Fund invests may terminate due to extraordinary events. For example, any of the service providers to ETFs, such as the trustee or sponsor, may close or otherwise fail to perform their obligations to the ETF, and the ETF may not be able to find a substitute service provider. Also, certain ETFs may be dependent upon licenses to use various indexes as a basis for determining their compositions and/or otherwise to use certain trade names. If these licenses are terminated, the ETFs may also terminate. In addition, an ETF may terminate if its net assets fall below a certain amount.

Other Investment Companies Risk.

The Fund may also, subject to applicable regulatory limits, invest in securities of other open- or closed-end investment companies (including ETFs and Business Development Companies ("BDCs")) that invest primarily in the types of securities in which the Fund may invest directly. The market value of the shares of other investment companies may differ from their NAV. As a shareholder in an investment company, the Fund will bear its ratable share of that investment company's expenses, and will remain subject to payment of the Fund's advisory and other fees and expenses with respect to assets so invested. Shareholders will therefore be subject to duplicative expenses to the extent the Fund invests in other investment companies. The Adviser will take expenses into account when evaluating the merits of an investment in an investment company relative to other available investments.

The securities of other investment companies, including ETFs or BDCs, in which the Fund may invest may be leveraged. As a result, the Fund may be indirectly exposed to leverage through an investment in such securities. An investment in securities of other investment companies, including ETFs or BDCs, that use leverage may expose the Fund to higher volatility in the market value of such securities and the possibility that the Fund's long-term returns on such securities (and, indirectly, the long-term returns of the Shares) will be diminished.

Preferred Stock Risk.

The Fund may also invest in preferred stock. Preferred stock is a type of stock that generally pays dividends at a specified rate and that has preference over common stock in the payment of dividends and the liquidation of assets. Preferred stock does not ordinarily carry voting rights. The price of a preferred stock is generally determined by earnings, type of products or services, projected growth rates, experience of management, liquidity, and general market conditions of the markets on which the stock trades. The most significant risks associated with investments in preferred stock include market risk and interest rate risk (*i.e.*, the risk of losses attributable to changes in interest rates).

Convertible Securities Risk.

The Fund may also invest in convertible securities. Convertible securities are subject to the usual risks associated with debt instruments, such as interest rate risk and credit risk. Convertible securities also react to changes in the value of the common stock into which they convert, and are thus subject to market risk. The Fund may also be forced to convert a convertible security at an inopportune time, which may decrease the Fund's return.

Money Market Funds Risk.

The Fund may invest cash in, or hold as collateral for certain investments, shares of registered money market funds. These funds are not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. The Fund and its shareholders indirectly bear a portion of the expenses of any money market fund or other fund in which the Fund may invest.

Deferred Interest, Pay-in-Kind or Zero Coupon Bonds/Notes Risk.

The Fund may invest in deferred interest, pay-in-kind or zero coupon bonds/notes. Investments in zero-coupon and payment-in-kind securities are subject to certain risks, including that market prices of zero-coupon and payment-in-kind securities generally are more volatile than the prices of securities that pay interest periodically and in cash, and are likely to respond to changes in interest rates to a greater degree than other types of debt securities with similar maturities and credit quality. Because zero-coupon securities bear no interest, their prices are especially volatile. And because zero-coupon bondholders do not receive interest payments, the prices of zero-coupon securities generally fall more dramatically than those of bonds that pay interest on a current basis when interest rates rise. However, when interest rates fall, the prices of zero-coupon securities generally rise more rapidly in value than those of similar interest paying bonds. Under many market and other conditions, the market for zero-coupon and payment-in-kind securities may suffer decreased liquidity making it difficult for the Fund to dispose of them or to determine their current value. In addition, as these securities may not pay cash interest, the Fund's investment exposure to these securities and their risks, including credit risk, will increase during the time these securities are held in the Fund's portfolio. Further, to maintain its qualification for treatment as a RIC and to avoid Fund-level U.S. federal income and/or excise taxes, the Fund is required to distribute to its Shareholders any income it is deemed to have received in respect of such investments, notwithstanding that cash has not been received currently, and the value of paid-in-kind interest. Consequently, the Fund may have to dispose of portfolio securities under disadvantageous circumstances to generate the cash, or may have to leverage itself by borrowing the cash to satisfy this distribution requirement. The required distributions, if any, would result in an increase in the Fund's exposure to these securities. The payment deferral associated with such instruments may, in certain instances, introduce a significantly higher credit risk than current coupon paying bonds/notes. Since these instruments require judgment about the collectability of the deferred payments versus the value of any associated collateral, this may introduce additional unreliability in their valuations. The higher yields and interest rates on deferred interest, pay-in-kind and zero coupon bonds/notes may reflect the payment deferral and increased credit risk associated with such instruments. In addition, under certain circumstances, the deferral of interest on these securities may also reduce the loan-to-value ratio at a compounding rate.

STRUCTURAL AND MARKET-RELATED RISKS:

Wars and Conflicts.

The Fund is subject to the risk that geopolitical events may disrupt securities markets and adversely affect global economies and markets generally. War, terrorism and related geopolitical events have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on U.S. and world economies and markets generally. The Fund may also be adversely affected by business continuity issues for companies and markets, including as a result of pandemics; cybersecurity issues, including disruptions to company operations, national and local elections and power supply and generation; natural disasters and ecological damage; and other factors including terrorism and war such as in the Ukraine and the Middle East. Those events, as well as other changes in foreign and domestic political and economic conditions could also adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment and other factors affecting the value of the Fund's investments, timing of investment realizations, availability of credit and length of time investments are held. At such times, the Fund's exposure to the risks described elsewhere in this Prospectus can increase and it may be difficult for the Fund to implement its investment program for a period of time.

Use of leverage risk.

Any leverage utilized by the Fund will have seniority over our Shares and may be secured by the assets of the Fund. The use of leverage by the Fund can magnify the effect of any losses. Drops in asset values may magnify losses or totally eliminate the Fund's equity in a leveraged investment. If the income and gains earned on the securities and investments purchased with leverage proceeds are greater than the cost of the leverage, our Shares' return will be greater than if leverage had not been used. Conversely, if the income and gains from the securities and investments purchased with such proceeds do not cover the cost of leverage, the return on our Shares will be less than if leverage had not been used. Leverage involves risks and special considerations for Shareholders including:

- the likelihood of greater volatility of NAV (and market price) of our Shares than a comparable portfolio without leverage;
- the risk that fluctuations in interest rates on leverage, including Borrowings (defined below), that we may pay will reduce the return to Shareholders or will result in fluctuations in the dividends paid on our Shares; and
- the effect of leverage in a declining market, which is likely to cause a greater decline in the NAV of our Shares than if we were not leveraged (which may result in a greater decline in the market price of our shares).

There can be no assurances that a leveraging strategy will be successful. We may continue to use leverage if the benefits to the Shareholders of maintaining the leveraged position are believed by the Board to outweigh any current reduced return.

Our ability to raise additional capital may be limited.

We may in the future issue debt securities or preferred shares or borrow money from banks or other financial institutions, which we refer to collectively as "senior securities," up to the maximum amount permitted by the 1940 Act. Under the provisions of the 1940 Act, we are permitted, as a registered closed-end management investment company, to issue senior securities representing indebtedness so long as our asset coverage ratio with respect thereto, defined under the 1940 Act as the ratio of our gross assets (less all liabilities and indebtedness not represented by senior securities) to our outstanding senior securities representing indebtedness, is at least 300% after each issuance of such senior securities. In addition, we are permitted to issue additional preferred shares so long as our asset coverage ratio with respect thereto, defined under the 1940 Act as the ratio of our gross assets (less all liabilities and indebtedness not represented by senior securities) to our outstanding senior securities representing indebtedness, plus the aggregate involuntary liquidation preference of our outstanding preferred shares, is at least 200% after each issuance of such preferred shares. If the value of our assets declines, we may be unable to satisfy this test. If that happens, we may be required to sell a portion of our investments to repay a portion of our indebtedness at a time when doing so may be disadvantageous. Also, any amounts that we use to service our indebtedness would not be available for distributions to our Shareholders. Furthermore, as a result of issuing senior securities, we would also be exposed to typical risks associated with leverage, including an increased risk of loss. If we issue preferred shares, the preferred shares would rank "senior" to our Shares in our capital structure, preferred shareholders would have separate voting rights on certain matters and might have other rights, preferences, or privileges more favorable than those of our Shareholders, and the issuance of preferred shares could have the effect of delaying, deferring or preventing a transaction or a change of control that might involve a premium price for holders of our Shares or otherwise be in your best interest. The Fund does not expect to issue preferred shares within 12 months from the date of this prospectus.

We cannot predict the effect any changes to our investment objective, current operating policies, investment criteria and strategies would have on our business, NAV, operating results or the value of our Shares.

Our investment objective is described in "Investment Objective, Strategies and Policies-Investment Philosophy and Process." This investment objective may be changed by our Board if we provide our Shareholders with at least 60 days prior notice. In addition, our Board has the authority to modify or waive our current operating policies, investment criteria and strategies without prior notice and without Shareholder approval. We cannot predict the effect any changes to our investment objective, current operating policies, investment criteria and strategies would have on our business, NAV, performance or the value of our Shares. However, the effects might be adverse, which could negatively impact our ability to pay you distributions and cause you to lose all or part of your investment. Finally, since our Shares are not traded on a national securities exchange, you will be limited in your ability to sell your Shares in response to any changes in our investment objective, policies, investment criteria or strategies.

The amount of any distributions we may make is uncertain.

Our distributions may exceed our earnings. Therefore, portions of the distributions that we make may be a return of the money that you originally invested and represent a return of capital to you for tax purposes.

We currently intend to declare and pay dividends/distributions of substantially all net investment income quarterly, but in no event less frequently than annually. We also intend to distribute substantially all net realized capital gains at least annually. We will pay these distributions to our Shareholders out of assets legally available for distribution. While our Adviser may agree to limit our expenses to ensure that such expenses are reasonable in relation to our income, we cannot assure you that we will achieve investment results that will allow us to make a targeted level of cash distributions or year-to-year increases in cash distributions. Our ability to pay distributions might be adversely affected by, among other things, the impact of one or more of the risk factors described in this prospectus. In addition, the inability to satisfy the asset coverage test applicable to us as an investment company may limit our ability to pay distributions. All distributions will be paid at the discretion of our Board and will depend on our earnings, our financial condition, maintenance of our RIC status, compliance with applicable investment company regulations and such other factors as our Board may deem relevant from time to time. We cannot assure you that we will pay distributions to our Shareholders in the future. In the event that we encounter delays in locating suitable investment opportunities, we may pay all or a substantial portion of our distributions from the proceeds of our public offering or from borrowings in anticipation of future cash flow, which may constitute a return of your capital. Such a return of capital is not immediately taxable, but reduces your tax basis in our Shares, which may result in you recognizing more gain (or less loss) when your Shares are sold. Distributions from the proceeds of our public offering or from borrowings will be distributed after payment of fees and expenses and could reduce the amount of capital we ultimately invest in our investments.

An investment in our Shares, unlike an investment in a traditional listed closed-end fund, may be illiquid.

An investment in our Shares, unlike an investment in a traditional listed closed-end fund, may be illiquid. Unlike traditional listed closed-end funds, we have not listed our Shares for trading on any securities exchange, and we do not expect any secondary market to develop for our Shares unless they are traded on a securities exchange, if at all. Even if a secondary market develops, there can be no assurances that such a market will be efficient. In addition, although we will conduct quarterly repurchase offers of our shares, there is no guarantee that all tendered Shares will be accepted for repurchase or that Shareholders will be able to sell all of the Shares they desire in a quarterly repurchase offer. In certain instances, repurchase offers may be suspended or postponed.

An investment in Shares is not suitable for investors who need access to the money they invest in the short term or within a specified timeframe. Unlike open-end funds (commonly known as mutual funds) which generally permit redemptions on a daily basis, shares will not be redeemable at an investor's option (other than pursuant to our repurchase policy, as defined below). The NAV of our Shares may be volatile. As our Shares are not traded, investors may not be able to dispose of their investment in the Fund no matter how poorly we perform. We are designed for long-term investors and not as a trading vehicle. Moreover, our Shares will not be eligible for "short sale" transactions or other directional hedging products.

We rely upon our Adviser and key personnel to manage the Fund.

We are subject to management risk because we are an actively managed portfolio. The Adviser applies investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these will produce the desired results. The Adviser's judgments about the attractiveness, value and potential appreciation of Credit Investments may prove to be incorrect. In addition, the implementation of our investment strategies depends upon the continued contributions of certain key employees of the Adviser, some of whom have unique talents and experience and would be difficult to replace. The loss or interruption of the services of a key member of the portfolio management team could have a negative impact on us during the transitional period that would be required for a successor to assume the responsibilities of the position.

Since we have no employees, we depend on the investment expertise, skill and network of business contacts of our Adviser. Our Adviser evaluates, negotiates, structures, executes, monitors and services our investments. Our future success will depend to a significant extent on the continued service and coordination of the professionals of our Adviser. The departure of our portfolio manager or certain other key professionals of the Adviser could have a material adverse effect on our ability to achieve our investment objective.

We are subject to non-diversification risk.

We are classified as "non-diversified" under the 1940 Act. As a result, we can invest a greater portion of our assets in obligations of a single issuer than a "diversified" fund. We may therefore be more susceptible than a diversified fund to being adversely affected by any single corporate, economic, political or regulatory occurrence. We intend to maintain our status as a RIC under Subchapter M, and thus we intend to satisfy the diversification requirements of Subchapter M.

An investment in our Shares should not be considered a complete investment program.

The Fund is intended for investors seeking income over the long-term, and is not intended to be a short-term trading vehicle. An investment in our Shares should not be considered a complete investment program. Each investor should take into account our investment objective and other characteristics, as well as the investor's other investments, when considering an investment in our Shares.

Our repurchase policy may subject us to additional risks.

Repurchases of Shares will reduce the amount of outstanding Shares and, thus, our net assets. To the extent that additional Shares are not sold, a reduction in our net assets may increase our expense ratio (subject to the Adviser's reimbursement of expenses) and limit our investment opportunities.

If a repurchase offer is oversubscribed by Shareholders, we will repurchase only a *pro rata* portion of the Shares tendered by each Shareholder. In addition, because of the potential for such proration, Shareholders may tender more Shares than they may wish to have repurchased in order to ensure the repurchase of a specific number of their Shares, increasing the likelihood that other Shareholders may be unable to liquidate all or a given percentage of their investment in the Fund. To the extent Shareholders have the ability to sell their Shares to the Fund pursuant to a repurchase offer, the price at which a Shareholder may sell Shares, which will be the NAV per Share most recently determined as of the last day of the offer, may be lower than the price that such Shareholder paid for its Shares.

We may find it necessary to hold a portion of our net assets in cash or other liquid assets, sell a portion of our portfolio investments or borrow money in order to finance any repurchases of our Shares. We may accumulate cash by holding back (*i.e.*, not reinvesting or distributing to Shareholders) payments received in connection with our investments, which could potentially limit our ability to generate income. We also may be required to sell our more liquid, higher quality portfolio investments to purchase Shares that are tendered, which may increase risks for remaining Shareholders and increase our expenses. We may also borrow money in order to meet our repurchase obligations. There can be no assurance that we will be able to obtain financing for our repurchase offers. If we borrow to finance repurchases, interest on any such borrowings may negatively affect Shareholders who do not tender their Shares in a repurchase offer by increasing our expenses (subject to the Adviser's reimbursement of expenses, if any) and reducing any net investment income. The purchase of Shares by the Fund in a repurchase offer may limit our ability to participate in new investment opportunities.

See "Periodic Repurchase Offers" below for additional information on, and the risks associated with, our repurchase policy.

The Adviser receives an asset-based management fee, even if the Fund is not at all times fully invested.

Since the management fee paid to the Adviser is based on gross assets held by the Fund, the Adviser's management fee will take into account cash, and cash equivalents and all other assets held by the Fund, even if the Fund is not at all times fully invested.

Our Adviser and its affiliates, including our officers and some of our directors, will face conflicts of interest caused by compensation arrangements with us and our affiliates, which could result in actions that are not in the best interests of our Shareholders.

Our Adviser and its affiliates receive substantial fees from us in return for their services, and these fees could influence the advice provided to us. Among other matters, the compensation arrangements could affect their judgment with respect to offerings of shares or senior securities by us, which allows the Adviser to earn increased management fees. In addition, if we decide to utilize leverage, it will increase our assets and, as a result, will increase the amount of management fees payable to our Adviser. Moreover, as the management fee is charged on gross assets (without deduction of liabilities) of the Fund, the Adviser has an incentive to cause the Fund to incur leverage. Please see "Conflicts of Interest" for more information.

FEES AND EXPENSES

The purpose of the table and the example below is to help you understand certain fees and expenses that you, as a holder of our Shares (a "Shareholder"), would bear directly or indirectly. Our actual expenses may vary from the estimated expenses shown in the table.

Shareholder Transaction Expenses	**Class A-1**	**Class A-2**	**Class A-3**	**Class ADV**
Maximum Sales Load (as a percent of offering price)(1)	3.00%	3.00%	3.00%	None
Maximum Deferred Sales Load (as a percentage of offering or repurchase proceeds, whichever is lower)	None	1.50%	None	None
Annual Expenses (as a percentage of net assets attributable to shares)(2)				
Management Fees(3)	1.80%	1.80%	1.80%	1.80%
Distribution / Shareholder Servicing Fees(4)	0.50%	0.75%	1.00%	0.25%
Interest Payments on Borrowed Funds(5)	1.07%	1.07%	1.07%	1.07%
Acquired Fund Fees and Expenses(6)(7)	0.01%	0.01%	0.01%	0.01%
Other Expenses(8)	0.71%	0.71%	0.71%	0.71%
Total Gross Annual Expenses(9)	**4.09%**	**4.34%**	**4.59%**	**3.84%**
Reimbursement/Waiver of Fees or Expenses(10)	(0.49)%	(0.49)%	(0.49)%	(0.49)%
Total Net Annual Expenses	**3.60%**	**3.85%**	**4.10%**	**3.35%**

(1) *In connection with initial and additional investments, investors in Class A-1, A-2 and A-3 Shares may be charged a sales load of up to 3.00% in connection with their purchases of shares. Class ADV Shares are not subject to a sales load. Please see "Plan of Distribution" for more information.*

(2) *Amounts shown in the table reflect estimated average net assets during the Fund's current fiscal year (based on the Fund's net assets as of October 31, 2024). There can be no assurance that the Fund will achieve its estimated net asset level. Actual expenses will depend principally on the Fund's level of net assets, which will be affected by the number of Shares the Fund sells in this offering.*

(3) *Our 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. The management fee shown in the table above is higher than the contractual rate because the management fee in the table is required to be calculated as a percentage of net assets, rather than gross assets. 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 one-year period beginning on March 1, 2025, the Adviser has voluntarily agreed to reduce the Management Fee to 1.25% of the Fund's daily gross assets. The table above and example below reflect the Management Fee as an annual rate of 1.50% of the daily gross assets of the Fund.*

(4) *Class A-1, A-2 and A-3 Shares of the Fund are subject to ongoing Distribution Fees 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 as well as for ongoing distribution and/or marketing services to the Fund. Class ADV Shares are not subject to ongoing Distribution Fees, but are subject to ongoing Shareholder Servicing Fees.*

(5) *The Fund may borrow funds to make investments. To the extent that the Fund determines it is appropriate to borrow funds for investments, the costs associated with such borrowing will be borne by shareholders through their ownership of Fund Shares. The interest expense shown in the table is an estimate based on the Adviser's experience in implementing the investment strategy for the current fiscal year. However, the actual amount may vary depending on a variety of factors, including market conditions.*

(6) *Acquired Fund Fees and Expenses are the indirect costs of investing in other investment companies or private funds. These indirect costs may include performance fees paid to the acquired fund's advisor or its affiliates. It does not include brokerage or transaction costs incurred by the acquired funds. The operating expenses in this fee table will not correlate to the expense ratio in the Fund's financial highlights because the financial statements include only the direct operating expenses incurred by the Fund. Indirect costs/expenses of any Fund investments in REITs are not included in Acquired Fund Fees and Expenses.*

(7) *Based on estimated amounts for the current fiscal year.*

(8) *"Other Expenses" shown in the table reflect estimated average net assets during the Fund's current fiscal year (based on the Fund's net assets as of October 31, 2024). Other expenses include, among other things, offering expenses, administration fees, transfer agency fees, legal fees, the independent auditor's fees, printing costs and fees payable to the Independent Trustees.*

(9) *"Total Gross Annual Expenses" include all of the fees and expenses of any subsidiary or special purpose vehicle consolidated with the Fund in accordance with Generally Accepted Accounting Principles ("GAAP") in the Unites States.*

(10) *The Adviser has agreed, pursuant to an expense limitation agreement (the "ELA"), to waive the fees payable to it under the Advisory Agreement or to pay or absorb ordinary 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") solely to the extent necessary to limit the Other Expenses of the Fund, as allocated to each class, and as shown in the Table less the Exclusions to 0.50% of the gross assets as allocated to each class of Shares of the Fund. The Adviser shall be permitted to recoup in later periods Fund expenses that the Adviser has paid or otherwise borne to the extent that the expenses for the Fund fall below the annual limitation rate in effect at the time of the actual waiver/reimbursement and to the extent that they do not cause the Fund to exceed the annual rate in effect at the time of the recoupment. Under the ELA, the Adviser is not permitted to recoup such expenses beyond three years from the date on which the Adviser reduced a fee or reimbursed an expense. The ELA will remain in effect through March 1, 2026, unless sooner terminated at the sole discretion of the Board, but in no case will the ELA be terminated prior to one year from the date of this Prospectus. For the one-year period beginning on March 1, 2025, the Adviser has also voluntarily agreed to reduce the Management Fee to 1.25% of the Fund's daily gross assets, as indicated in Note 3.*

The following example illustrates the hypothetical expenses that you would pay on a $1,000 investment assuming annual expenses attributable to Shares remain unchanged and Shares earn a 5% annual return, and that the ELA is in effect for the first year.

Share Class	**1 Year**	**3 Years**	**5 Years**	**10 Years**
Class A-1 Shares (assuming a sales load of 3.00%)	$65	$146	$229	$441
Class A-1 Shares (without a sales load)	$36	$120	$205	$424
Class A-2 Shares (assuming a sales load of 3.00%)	$68	$153	$240	$462
Class A-2 Shares (without a sales load)	$39	$127	$216	$445
Class A-3 Shares (assuming a sales load of 3.00%)	$70	$160	$251	$481
Class A-3 Shares (without a sales load)	$41	$134	$228	$465
Class ADV Shares	$34	$113	$193	$403

The purpose of the above table is to help a holder of Shares understand the fees and expenses that such holder would bear directly or indirectly. **The example and the expenses in the table above should not be considered a representation of our future expenses, and actual expenses may be greater or less than those shown.**

THE FUND

We are a non-diversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended. The Fund does not intend to hold annual meetings of its Shareholders. We were organized as a Delaware statutory trust on July 20, 2018. Our principal office is located at 299 Park Avenue, 25th Floor, New York, New York 10171 and its phone number is (212) 377-4810.

FINANCIAL HIGHLIGHTS

The financial highlights table is intended to help you understand the Fund’s financial performance. As the other classes of Shares offered pursuant to this prospectus have not yet been offered for sale, the table below reflects the financial results for a single Class A-2 share. The total returns in the tables represent the rate that an investor would have earned (or lost) on an investment in the Fund (assuming reinvestment of all dividends and distributions). This information has been derived from the Fund’s financial statements. The information for the year ended October 31, 2024 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, whose report, along with this information and additional Fund performance and portfolio information, appears in the Fund’s annual report dated October 31, 2024. To request the Fund’s annual report or semi-annual report, please call 1-833-834-4923.

The table below sets forth financial data for one share of beneficial interest outstanding throughout the period presented.

1WS Credit Income Fund — Consolidated Financial Highlights

For a Share Outstanding Throughout the Periods Presented

Class A-2	For the Year Ended October 31, 2024	For the Year Ended October 31, 2023	For the Year Ended October 31, 2022	For the Period May 1, 2021 (inception of Class) to October 31, 2021
PER SHARE OPERATING PERFORMANCE:				
Net asset value - beginning of year/period	$ 18.48	$ 18.68	$ 21.55	$ 21.01
INCOME/(LOSS) FROM INVESTMENT OPERATIONS:				
Net investment income[(a)]	1.24	1.30	1.31	0.63
Net realized and unrealized gain/(loss) on investments	0.85	0.55	(2.18)	0.51
Total Income/(Loss) from Investment Operations	2.09	1.85	(0.87)	1.14
DISTRIBUTIONS TO SHAREHOLDERS:				
From net investment income	(1.60)	(1.20)	(1.30)	(0.60)
From net realized gains	—	(0.85)	(0.70)	—
Total Distributions to Shareholders	(1.60)	(2.05)	(2.00)	(0.60)
Net asset value per share - end of year/period	$ 18.97	$ 18.48	$ 18.68	$ 21.55
Total Investment Return - Net Asset Value[(b)]	11.72%	10.64%	(4.38%)	5.54%
RATIOS AND SUPPLEMENTAL DATA:				
Net assets attributable to shares, end of year/period (000s)	$ 142,234	$ 18,119	$ 896	$ 106
Ratio of actual expenses to average net assets including fee waivers and reimbursements	3.75%	5.46%	4.67%	3.32%[(c)]
Ratio of actual expenses to average net assets excluding fee waivers and reimbursements	4.23%	6.30%	5.72%	4.25%[(c)]
Ratio of net investment income to average net assets	6.58%	7.05%	6.69%	5.86%[(c)]
Portfolio turnover rate	67.65%	55.95%	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.*

USE OF PROCEEDS

The Adviser anticipates that the investment of the net proceeds of the continuous offering of Shares, excluding the amount of any sales load paid by shareholders (if applicable) and net of the Fund's ongoing fees and expenses, will be made in accordance with our investment objective and policies as soon as practicable after receipt by us. Pending investment of the net proceeds, we may invest in cash, cash equivalents, short-term debt securities or U.S. government securities. We may maintain a portion of the proceeds of the continuous offering in cash to meet operational needs. See "Investment Objective, Strategies and Policies." In addition, we may use such proceeds to pay distributions to Shareholders.

INVESTMENT OBJECTIVE, STRATEGIES AND POLICIES

Investment Objective

Our investment objective is to seek attractive risk-adjusted total returns through generating income and capital appreciation. The Fund seeks to achieve its investment objective by investing primarily in a wide array of predominantly structured credit and securitized debt instruments. There can be no assurance that our investment objective will be achieved.

Our investment objective and, unless otherwise specified, our investment policies and limitations are not considered to be fundamental by the Fund and can be changed by the Board of Trustees (the "Board," and each of the trustees on the Board, a "Trustee") without a vote of the Shareholders. However, our investment objective may only be changed by our Board if we provide our Shareholders with at least 60 days prior notice. Certain investment restrictions specifically identified as such below and in the SAI are considered fundamental and may not be changed without the approval of the holders of a majority of the outstanding voting securities of the Fund, as defined in the 1940 Act.

Investment Strategies and Policies

Under normal investment conditions, the Fund invests 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, pay-in-kind or zero coupon bonds/notes. The Fund may invest without limit in CLOs or CDOs, including the equity tranches of such vehicles. See "Investment-Related Risks—Asset-Backed Securities And Mortgage-Backed Securities/Securitizations/Structured Finance Securities/CDOs And CLOs" for the heightened risks associated with equity tranche investments.

The Fund may also invest indirectly in any of the foregoing instruments through: (i) investing in other funds, including exchange traded funds ("ETFs"), real estate investment trusts ("REITs") 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 other applicable 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.)

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.

The Fund may invest in deferred interest, pay-in-kind or zero coupon bonds/notes. The payment deferral associated with such instruments may, in certain instances, introduce a significantly higher credit risk than current coupon paying bonds/notes.

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 or other money market instruments); and (ii) long and short positions in public or private equity securities, including common, preferred or convertible stock and rights or warrants. These securities can include shares of (or interests in) ETFs, other investment companies or REITs (and other investments in real estate).

The Fund may add leverage to its portfolio through direct borrowing and/or through entering into reverse repurchase agreements or derivative transactions that create leverage.

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.

The Fund has received an exemptive order from the Securities and Exchange Commission (the "Order") in order to be able to make certain investments alongside certain of its affiliates. The Order allows the Fund to fully negotiate terms of co-investment transactions with other funds managed by the Adviser or certain affiliates. The Fund may only co-invest with certain entities affiliated with its Adviser in negotiated transactions originated by its Adviser or its affiliates in accordance with such Order or existing regulatory guidance. See "Risk Factors - We are subject to affiliated party and co-investment restrictions."

Investment Philosophy and Process

In selecting the Fund's Credit Investments (many of which are expected to include structured credit and securitized debt instruments), the Adviser employs a disciplined bottom-up research-based approach combined with top-down risk/return portfolio guidelines, in seeking to identify investment opportunities with attractive risk-adjusted returns. The approach generally includes: (i) developing and maintaining sophisticated econometric models based on data collected from internal and third-party sources; (ii) in-depth analysis of investment structure, including the impact of collateral performance, timing of cash flows, triggers and rating agency analyses; (iii) legal, tax and regulatory frameworks; (iv) valuation analysis of securitization assets, including an assessment of borrowers' ability to repay; and (v) factors believed to influence market pricing, including historical sector performance and pricing, market sentiment, dealer inventory and positioning.

The Adviser may determine to sell an investment under several circumstances, such as when the Adviser believes the investment's target value is realized, the instrument's fundamentals deteriorate, more attractive investment alternatives are identified, or when it wishes to raise cash.

USE OF LEVERAGE

We intend to use leverage for investment and other purposes, such as for financing the repurchase of our Shares or to otherwise provide us with liquidity. As a registered closed-end management investment company, we are generally required to meet an asset coverage ratio with respect to our outstanding senior securities representing indebtedness (collectively, “Borrowings”), defined under the 1940 Act as the ratio of our gross assets (less all liabilities and indebtedness not represented by senior securities) to our outstanding senior securities representing indebtedness, of at least 300% after each issuance of senior securities representing indebtedness. In addition, if we issue preferred shares, we are generally required to meet an asset coverage ratio with respect to our outstanding preferred shares, as defined under the 1940 Act as the ratio of our gross assets (less all liabilities and indebtedness not represented by senior securities) to our outstanding senior securities representing indebtedness, plus the aggregate involuntary liquidation preference of our outstanding preferred shares, of at least 200% immediately after each issuance of such preferred shares. We are also prohibited from issuing or selling any senior security if, immediately after such issuance, we would have outstanding more than (i) one class of senior security representing indebtedness, exclusive of any promissory notes or other evidences of indebtedness issued in consideration of any loan, extension, or renewal thereof, made by a bank or other person and privately arranged, and not intended to be publicly distributed, or (ii) one class of senior security which is stock, except that in each case any such class of indebtedness or stock may be issued in one or more series.

We anticipate utilizing leverage through direct borrowing and/or through entering into reverse repurchase agreements or derivative transactions that create leverage, subject to the limitations of the 1940 Act. Certain types of Borrowings may result in us being subject to covenants in credit agreements relating to asset coverage and portfolio composition requirements. In addition, the Borrowings in which we may incur will likely be secured by a lien on our assets. Borrowings may be at a fixed or floating rate and generally will be based upon short-term rates. So long as the rate of return, net of our applicable expenses, on our portfolio investments purchased with Borrowings exceeds the then-current interest rate and other costs on such Borrowings, we will generate more return or income than will be needed to pay such interest payments and other costs. In this event, the excess will be available to pay higher dividends to Shareholders. If the net rate of return on our investments purchased with Borrowings does not exceed the costs of such Borrowings, the return to Shareholders will be less than if leverage had not been used. The cost associated with any issuance and use of leverage will be borne by the Shareholders and result in a reduction of the NAV of our Shares. Such costs may include legal fees, audit fees, structuring fees, commitment fees and a usage (borrowing) fee. The SEC has adopted rules limiting funds’ leverage risk based on VaR and generally limits the Fund’s VaR so as not to exceed 200% of the VaR of a designated reference portfolio. In employing the Fund’s investment strategy, these rules may restrict the Fund’s otherwise intended participation in derivative transactions, short sales and other leverage creating transactions which may affect the Fund’s ability to achieve its investment objective or make it more costly to do so.

The use of leverage is a speculative technique and investors should note that there are special risks and costs associated with the leveraging of our Shares. There can be no assurance that a leveraging strategy will be successful during any period in which it is employed. When leverage is employed, the NAV and the yield to Shareholders will be more volatile. Leverage creates a greater risk of loss, as well as potential for more gain, for our Shares than if leverage is not used. In addition, the Adviser is paid more if we use leverage, which creates a conflict of interest for the Adviser. See “Risk Factors-Structural and Market-Related Risks” below.

NON-LISTED CLOSED-END FUND

We are organized as a closed-end management investment company. Unlike shares of open-end management investment companies (commonly known as mutual funds), which generally are redeemable on a daily basis, our Shares are not redeemable at an investor’s option (other than pursuant to the Fund’s repurchase policy) and, unlike traditional listed closed-end funds, our Shares are not traded on any securities exchange. We do not expect a secondary market in our Shares to develop. Therefore, investors should not expect to be able to sell their Shares regardless of how we perform. As a result of the foregoing, an investment in our Shares may not be suitable for investors that require liquidity, other than liquidity provided through our repurchase policy. An investor may not be able to sell or otherwise liquidate his, her or its Shares whenever such investor would prefer. If and to the extent that a public trading market ever develops, shares of closed-end investment companies frequently trade at a discount from their NAV per share. We may not be suitable for investors who cannot bear the risk of substantial loss of investment or who need a reasonable expectation of being able to liquidate all or a portion of their investment in a particular time frame. Although we will make quarterly offers to repurchase our Shares, there can be no assurance that we will repurchase all Shares that are tendered by a Shareholder in connection with any repurchase offer and Shareholders should consider that they may not have access to all of the money they invest in the short term or within a specified timeframe. We are designed for long-term investors and an investment in our Shares, unlike an investment in a traditional listed closed-end fund, should be considered illiquid. See “Non-Listed Closed-End Fund” and “Investor Suitability.” See also “Risk Factors-Structural and Market-Related Risks.”

RISK FACTORS

Investing in our Shares involves a number of significant risks. In addition to the other information contained elsewhere in this prospectus, you should consider carefully the following information before making an investment in our Shares. If any of the following events occur, our business, financial condition and results of operations could be materially and adversely affected. In such case, the NAV of our Shares could decline, and you may lose all or part of your investment. ***This section describes the principal risk factors associated with investment in the Fund specifically, as well as those factors generally associated with investment in a fund with investment objectives, investment policies, capital structure or trading markets similar to the Fund’s.***

Investors should carefully consider the Fund’s risks and investment objective, as an investment in the Fund may not be appropriate for all investors and is not designed to be a complete investment program. An investment in the Fund involves a high degree of risk. It is possible that investing in the Fund may result in a substantial loss of the amount invested. The Fund may not achieve its investment objective. Before making an investment/allocation decision, investors should (i) consider the suitability of this investment with respect to an investor’s investment objectives and individual situation and (ii) consider factors such as an investor’s net worth, income, age and risk tolerance. Investment should be avoided where an investor/client has a short-term investing horizon or cannot bear a substantial loss of investment. An investment in the Fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

The Fund may also be adversely affected by business continuity issues for companies and markets, including as a result of diseases/virus epidemics and pandemics, such as COVID-19; cybersecurity issues, including disruptions to company operations, national and local elections and power supply and generation; natural disasters and ecological damage; and other factors including terrorism and war such as in the Ukraine and in the Middle East.

INVESTMENT-RELATED RISKS—GENERAL:

We are subject to credit risks and risks associated with below investment grade securities.

While the Fund's investments are expected to consist of predominantly structured credit and securitized debt instruments, some of our investments are subject to greater credit risk than others. Credit risk is the risk that an issuer of, or obligor under, a Credit Investment, may be unable or unwilling to make dividend, interest and principal payments when due and the related risk that the value of a Credit Investment may decline because of concerns about the issuer's or obligor's ability or willingness to make such payments. This risk may be especially heightened for certain of our Credit Investments which may be rated below investment grade, as well as Credit Investments that may be of credit quality comparable to securities rated below investment grade by a rating agency. Such below investment grade securities are commonly referred to as "junk" or "high yield" securities. Such securities or Credit Investments of comparable credit quality, while generally offering the potential for higher yields than investment grade securities with similar maturities, involve greater risks, including the possibility of dividend or interest deferral, default or bankruptcy, and are regarded as predominantly speculative with respect to the issuer's capacity to pay dividends or interest and repay principal. In addition, these securities and Credit Investments of comparable credit quality are generally more susceptible to decline in market value due to adverse economic and business developments and are often unsecured and subordinated to other creditors of the issuer. The market values for below investment grade securities or Credit Investments of comparable credit quality tend to be very volatile, and these instruments are generally less liquid than investment grade securities.

We are subject to interest rate risk—Credit Investments may decline in value because of changes in market interest rates.

Interest rate risk is the risk that fixed rate instruments will decline in value because of changes in market interest rates. When market interest rates rise, the market value of such instruments generally will fall. Longer-term fixed rate instruments are generally more sensitive to interest rate changes. Moreover, an increase in interest rates (as we have experienced in recent periods) could negatively affect financial markets generally, increase market volatility and reduce the value and liquidity of Credit Investments in which we may invest. Because the values of lower-rated and comparable unrated fixed rate instruments are more affected both by credit risk and interest rate risk, the price movements of such lower grade instruments in response to changes in interest rates typically have not been highly correlated to the fluctuations of the prices of investment grade quality instruments in response to changes in market interest rates.

Our use of leverage, as described in this prospectus, will tend to increase our interest rate risk. For example, a change in market interest rates could adversely impact our ability to utilize leverage due to an increase in the cost of borrowings, which could reduce our net investment income.

Any structured or other investment vehicles in which we may invest may be similarly subject to the foregoing interest rate risks. In addition, rising interest rates could affect the ability of the operating companies in which we may directly or indirectly invest to service their debt obligations and, therefore, could adversely impact our investments in such companies.

Because we may borrow money to finance investments, our net investment income may depend, in part, upon the difference between the rate at which we borrow funds and the rate that our investments yield. As a result, we can offer no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income. In periods of rising interest rates (as we have experienced in recent periods), our cost of funds would increase, except to the extent we have issued fixed rate debt, which could reduce our net investment income.

We may employ hedging techniques seeking to minimize interest rate risk, but there can be no assurance that the Fund will engage in hedging transactions at any given time, even under volatile market conditions, or that any hedging transactions the Fund engages in will be successful. Moreover, it may not be possible for the Fund to hedge against an interest rate fluctuation that is so generally anticipated that the Fund is not able to enter into a hedging transaction at a price sufficient to protect its assets from the decline in value of the portfolio positions anticipated as a result of such fluctuation.

We may be subject to risks associated with the discontinuation of the London Interbank Offered Rate ("LIBOR").

Many derivatives and other financial instruments utilize or are permitted to utilize a floating interest rate based on the London Inter-bank Offered Rate (commonly known as LIBOR). A majority of U.S. dollar LIBOR settings ceased publication on June 30, 2023. It is possible that a subset of U.S. dollar LIBOR settings will continue to be published on a "synthetic" basis. Any such publications may be considered non-representative of the underlying market. Uncertainty related to the liquidity impact of changes in reference rates, and how to appropriately adjust these rates at the time of transition, poses risks for the Fund. It is difficult to predict the full impact of the transition away from LIBOR on the Fund until new reference rates and fallbacks for both legacy and new products, instruments and contracts are commercially accepted and market practices become more settled. The Adviser monitors the Fund's LIBOR exposure risks, including the extent to which any derivative and/or debt investments allow for the utilization of alternative rate(s), such as the SOFR, which the U.S. Federal Reserve is promoting as the alternative reference rate to LIBOR.

Credit Investments may have limited or no liquidity.

Many of our investments are subject to liquidity risk, which exists when particular investments of the Fund are difficult to purchase or sell, potentially preventing us from selling such illiquid investments at an advantageous time or price, or possibly requiring us to dispose of other investments at unfavorable times or prices in order to satisfy our obligations. Many Credit Investments are not traded on a reliable secondary market, nor may one ever develop, and, as such, Credit Investments should be considered illiquid. We may not be able to sell any of our Credit Investments even under circumstances when the Adviser believes it would be in our best interests to sell such investments. In such circumstances, the overall returns to us from our Credit Investments may be adversely affected. Moreover, certain Credit Investments are subject to certain additional significant restrictions on transferability.

We may be exposed to risks associated with inadequate collateral of Credit Investments.

To the extent a Credit Investment is secured, there can be no assurance as to the amount of any funds that may be realized from recovering and liquidating any collateral or the timing of such recovery and liquidation and hence there is no assurance that sufficient funds (or, possibly, any funds) will be available to offset any payment defaults that occur under the Credit Investment. For example, with respect to real estate-related loans, the real property security for the loan may decline in value, which could result in the loan amount being greater than the property value and therefore increase the likelihood of borrower default. In addition, if it becomes necessary to recover and liquidate any collateral with respect to a secured Credit Investment, it may be difficult to sell such collateral and there will likely be associated costs that would reduce the amount of funds otherwise available to offset the payments due under the loan.

If a borrower or obligor under a secured Credit Investment enters bankruptcy, an automatic stay of all proceedings against such borrower's property will be granted. This stay will prevent any recovery and liquidation of the collateral securing such loan, unless relief from the stay can be obtained from the bankruptcy court. There is no guarantee that any such relief will be obtained. Significant legal fees and costs may be incurred in attempting to obtain relief from a bankruptcy stay from the bankruptcy court and, even if such relief is ultimately granted, it may take several months or more to obtain. In addition, bankruptcy courts have broad powers to permit a sale of collateral free of any lien, to compel receipt of an amount less than the balance due under the Credit Investment and to permit the borrower to repay the Credit Investment over a term which may be substantially longer than the original term of the loan.

It is possible that the same collateral could secure multiple obligations of a borrower or obligor. To the extent that collateral secures more than one obligation, the liquidation proceeds of such collateral may not be sufficient to fully cover all such obligations.

We may be exposed to risks associated with covenant-lite loans.

Some of the loans in which we may invest directly or indirectly may be "covenant-lite" loans. We use the term "covenant-lite" loans to refer generally to loans that do not have a complete set of financial maintenance covenants. Generally, "covenant-lite" loans provide borrower companies more freedom to negatively impact lenders because their covenants are incurrence-based, which means they are only tested and can only be breached following an affirmative action of the borrower, rather than by a deterioration in the borrower's financial condition. Accordingly, to the extent we invest directly or indirectly in "covenant-lite" loans, we may have fewer rights against a borrower and may have a greater risk of loss on such investments as compared to investments in or exposure to loans with financial maintenance covenants.

If a borrower or obligor is unable to make payments on a Credit Investment, we may be greatly limited in our ability to recover any outstanding principal and interest.

Our ability to generate income through our Credit Investments is dependent upon the borrowers or obligors making required payments under such Credit Investments. If a borrower or obligor is unable to make payments on a Credit Investment, we may be greatly limited in our ability to recover any outstanding principal and interest under such loan.

Certain Credit Investments in which we invest will not be secured by any collateral, will not be guaranteed or insured by a third party and will not be backed by any governmental authority. To the extent a Credit Investment is secured, there can be no assurance as to the amount of any funds that may be realized from recovering and liquidating any collateral or the timing of such recovery and liquidation and hence there is no assurance that sufficient funds (or, possibly, any funds) will be available to offset any payment defaults that occur under the Credit Investment.

The terms of certain Credit Investments may not restrict the borrowers or obligors from incurring additional debt. If a borrower or obligor under a Credit Investment incurs additional debt, the additional debt may adversely affect the borrower's or obligor's creditworthiness generally, and could result in the financial distress, insolvency or bankruptcy of the borrower or obligor. This circumstance would ultimately impair the ability of the borrower or obligor to make payments on its Credit Investment and our ability to receive the principal and interest payments that we expect to receive on such Credit Investment. To the extent borrowers or obligors incur other indebtedness that is secured, such as a mortgage, the ability of the secured creditors to exercise remedies against the assets of that borrower or obligor may impair the borrower's or obligor's ability to make payments. We will not be informed of any additional debt incurred by a borrower or obligor under a Credit Investment, or whether such debt is secured.

Where a borrower or obligor is an individual, if the borrower or obligor dies while the Credit Investment is outstanding, the borrower's or obligor's estate may not have sufficient assets to repay the loan or the executor of the estate may prioritize repayment of other obligations. Numerous other events could impact an individual's ability or willingness to repay a Credit Investment, including divorce or sudden significant expenses.

If a borrower or obligor files for bankruptcy, further collection action will not be permitted absent court approval and it is possible that a borrower's or obligor's liability under a Credit Investment will be discharged in bankruptcy. In most cases involving the bankruptcy of a borrower with an unsecured loan, unsecured creditors receive only a fraction of any amount outstanding on the loan, if anything.

If a borrower or obligor is located in a non-U.S. jurisdiction it may be more difficult and costly for the Fund to enforce the terms of its Credit Investment than if the borrower or obligor were located in the U.S. Adverse economic conditions in foreign jurisdictions, as well as foreign exchange rate fluctuations may affect the ability and incentive of foreign obligors to make timely payments of principal and interest on their loans. Collection on Credit Investments may also be affected by economic and political conditions in the country or region in which the obligor is located. Rights and remedies available to enforce loan obligations and any security interest relating thereto will depend on the relevant country's laws, including insolvency laws and laws specifying the priority of payments to creditors, all of which laws may be significantly different from U.S. law. Accordingly, the actual rates of delinquencies, defaults and losses on foreign Credit Investments could be higher than those experienced with Credit Investments located in the U.S.

We may be exposed to geographic concentration risk.

We are not subject to any geographic restrictions when investing in Credit Investments and therefore could be concentrated in a particular region. A geographic concentration of the Credit Investments may expose us to an increased risk of loss due to risks associated with certain regions. Certain regions from time to time will experience weaker economic conditions and, consequently, will likely experience higher rates of delinquency and loss. In addition, natural disasters in specific geographic regions may result in higher rates of delinquency and loss in those areas. In the event that a significant portion of the pool of Credit Investments have underlying borrowers or obligors resident or operating in certain regions, economic conditions, localized weather events, environmental disasters, natural disasters or other factors affecting these regions in particular could adversely impact the delinquency and default rates of the Credit Investments and could impact Fund performance.

Prepayments may reduce the amount of interest we accrue on a given Credit Investment.

Borrowers or obligors under a Credit Investment may decide to prepay all or a portion of the remaining principal amount due at any time, and, in some cases, without penalty (certain Credit Investments may provide for prepayment penalties). In the event of a prepayment of the entire remaining unpaid principal amount due under a Credit Investment, further interest will not accrue after the principal has been paid in full. If the borrower or obligor prepays a portion of the remaining unpaid principal balance, interest will cease to accrue on such prepaid portion, and we will not receive all of the interest payments that the Fund may have originally expected to receive on the loan.

Income from our portfolio will decline if we invest the proceeds from matured, traded or called investments at market interest rates that are below our portfolio's current earnings rate.

Reinvestment risk is the risk that income from our portfolio will decline if we invest the proceeds from matured, traded or called investments at market interest rates that are below our portfolio's current earnings rate. A decline in income could affect the value of our Shares, our overall return and our distributions to Shareholders.

Credit Investment default rates may be significantly affected by economic downturns or general economic conditions.

Default rates of Credit Investments may increase due to factors such as prevailing interest rates, the rate of unemployment, the level of consumer confidence, real estate values, the value of the U.S. dollar, energy prices, changes in consumer spending, the number of bankruptcies, disruptions in the credit markets and other factors. A significant downturn in the economy could cause default rates on Credit Investments to increase.

We are subject to risks associated with the manner in which our investments are valued.

Under the 1940 Act, we are required to carry our investments at market value or, if there is no readily available market value, at fair value as determined pursuant to our valuation procedures. Typically, there will not be a public market for many of the investments that we make. Many Credit Investments can be difficult to value by virtue of the fact that they are generally not publicly traded or actively traded on a secondary market but, instead, are traded on a privately negotiated over-the-counter secondary market for institutional investors. In addition, elements of judgment may play a greater role in valuation in such cases than for investments with a more active secondary market because there is less observable market data available. An instrument that is fair valued may be valued at a price higher or lower than the value determined by other funds using their own fair valuation procedures. We will value these securities at fair value as determined in good faith pursuant to our valuation procedures.

Certain factors that may be considered in determining the fair value of our investments include dealer quotes for securities traded on the secondary market for institutional investors, the nature and realizable value of any collateral and estimates of the value of securities and/or assets in which we invest, which will be supplied, directly or indirectly, by banks, other market counterparties or pricing systems or estimates. Such inputs used in the determination of the fair value of our investments may be unaudited or may be subject to little verification or other due diligence. In addition, these entities may not provide estimates of the value of the securities in which we invest on a regular or timely basis or at all with the result that the values of such investments may be estimated by our Adviser on the basis of information available at the time. Because such valuations, and particularly valuations of private securities, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, our determinations of fair value may differ materially from the values that would have been used if a ready market for these non-traded securities existed or if we tried to sell our investments. Due to this uncertainty, our fair value determinations may cause our NAV on a given date to materially understate or overstate the value that we may ultimately realize upon the sale of one or more of our investments.

Significant increases or decreases in unobservable inputs, such as loss adjusted discount rates, projected loss rates or market yield, would result in a decrease or increase, respectively, in the fair value measurement. Because such valuations are inherently uncertain, the valuations may fluctuate significantly over short periods due to changes in current market conditions. Our determinations of fair value of our Credit Investments may differ materially from the values that would have been used if an active market and market quotations existed for these loans. Our returns could be adversely affected if the determinations regarding the fair value of our Credit Investments were materially different than the values that we may realize upon the disposal of such instruments.

In addition to the above general risks associated with Credit Investments, the Fund is subject to various risks specific to particular categories of such instruments, as follows:

INVESTMENT-RELATED RISKS—ASSET-BACKED SECURITIES AND MORTGAGE-BACKED SECURITIES/SECURITIZATIONS/STRUCTURED FINANCE SECURITIES/CDOs AND CLOs:

Asset-backed securities and mortgage-backed securities in which we may invest often involve risks that are different from risks associated with other types of debt instruments.

Asset-backed securities. Asset-backed securities often involve risks that are different from risks associated with other types of debt instruments. For instance, asset-backed securities may be particularly sensitive to changes in prevailing interest rates. In addition, the underlying assets may be subject to prepayments that shorten the securities' weighted average maturity and may lower their return. Asset-backed securities are also subject to risks associated with their structure and the nature of the assets underlying the security and the servicing of those assets. Payment of interest and repayment of principal on asset-backed securities is largely dependent upon the cash flows generated by the assets backing the securities and, in certain cases, supported by letters of credit, surety bonds or other credit enhancements. The values of asset-backed securities may be substantially dependent on the servicing of the underlying asset pools, and are therefore subject to risks associated with the negligence by, or defalcation of, their servicers. Furthermore, debtors may be entitled to the protection of a number of state and federal consumer credit laws with respect to the assets underlying these securities, which may give the debtor the right to avoid or reduce payment. In addition, due to their often complicated structures, various asset-backed securities may be difficult to value and may constitute illiquid investments. If many borrowers on the underlying loans or other obligations default, losses could exceed the credit enhancement level and result in losses to investors in asset-backed securities.

An investment in subordinated (residual) classes of asset-backed securities (sometimes referred to as "equity") is typically considered to be an illiquid and highly speculative investment, as losses on the underlying assets are first absorbed by the subordinated classes. The risks associated with an investment in such subordinated classes of asset-backed securities include credit risk and liquidity risk.

Mortgage-backed securities. The investment characteristics of mortgage-backed securities differ from traditional debt securities. Among the major differences are that interest and principal payments are made more frequently, usually monthly, and that the principal may be prepaid at any time because the underlying loans or other assets generally may be prepaid at any time. The frequency at which prepayments (including voluntary prepayments by the obligors and liquidations due to default and foreclosures) occur on loans underlying mortgage-backed securities will be affected by a variety of factors including the prevailing level of interest rates as well as the availability of mortgage credit, the relative economic vitality of the area in which the related properties are located, the servicing of the mortgage loans, possible changes in tax laws, other opportunities for investment, homeowner mobility and other economic, social, geographic, demographic and legal factors. In general, any factors that increase the attractiveness of selling a mortgaged property or refinancing a mortgage loan, enhance a borrower's ability to sell or refinance or increase the likelihood of default under a mortgage loan, would be expected to cause the rate of prepayment in respect of a pool of mortgage loans to accelerate. Particular investments may experience outright losses, as in the case of an interest only security in an environment of faster actual or anticipated prepayments. Also, particular investment may underperform relative to hedges that a portfolio manager may have constructed for these investments, resulting in a loss. In contrast, any factors having an opposite effect would be expected to cause the rate of prepayment of a pool of mortgage loans to slow.

The rate of prepayment on a pool of mortgage loans is likely to be affected by prevailing market interest rates for mortgage loans of a comparable type, term and risk level. When the prevailing market interest rate is below a mortgage coupon, a borrower generally has an increased incentive to refinance its mortgage loan. Even in the case of adjustable rate mortgage loans, as prevailing market interest rates decline, and without regard to whether the mortgage rates on such loans decline in a manner consistent therewith, the related borrowers may have an increased incentive to refinance for purposes of either (i) converting to a fixed rate loan and thereby "locking in" such rate or (ii) taking advantage of a different index, margin or rate cap or floor on another adjustable rate mortgage loan. Therefore, as prevailing market interest rates decline, prepayment speeds would be expected to accelerate.

In the case of a mortgage-backed security related to multifamily or commercial loans, prevailing market interest rates, the outlook for market interest rates and economic conditions generally may cause some borrowers to refinance or sell their properties in order to realize their equity therein, lower their financing costs, to meet cash flow needs or to make other investments. In addition, some borrowers may be motivated by U.S. federal and state tax laws (which are subject to change) to sell their properties prior to the exhaustion of tax depreciation benefits.

Residential Mortgage-Backed Securities ("RMBS"). RMBS are mortgage-backed securities that may be secured by interests in a single residential mortgage loan or a pool of mortgage loans secured by residential property. RMBS may be senior, subordinate, interest-only, principal-only, investment-grade, non-investment grade or unrated. The Fund may acquire 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 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 residential mortgage loans with disproportionately large aggregate principal amounts secured by properties in only a few states or regions. As a result, the 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.

Commercial Mortgage-Backed Securities ("CMBS"). CMBS are fixed income instruments that are secured by mortgage loans on commercial real property. CMBS typically take the form of multi-class debt or pass-through certificates secured by mortgage loans on commercial properties. They generally are structured to provide protection to investors in senior tranches against potential losses on the underlying mortgage loans. Such protection generally is provided by causing holders of subordinated classes of securities ("Subordinated CMBS") to take the first loss in the event of defaults on the underlying commercial mortgage loans. Other protection, which may benefit all of the classes or particular classes, may include issuer guarantees, reserve funds, additional Subordinated CMBS, cross-collateralization and over-collateralization. The Fund may invest in CMBS or Subordinated CMBS.

Mortgage loans on commercial properties underlying mortgage-backed securities often are structured so that a substantial portion of the loan principal is not amortized over the loan term but is payable at maturity and repayment of the loan principal thus often depends upon the future availability of real estate financing from the existing or an alternative lender and/or upon the current value and salability of the real estate. Therefore, the unavailability of real estate financing may lead to default. Most commercial mortgage loans underlying mortgage-backed securities are effectively nonrecourse obligations of the borrower, meaning that there is no recourse against the borrower's assets other than the collateral. If borrowers are not able or willing to refinance or dispose of encumbered property to pay the principal and interest owed on such mortgage loans, payments on the subordinated classes of the related mortgage-backed securities are likely to be adversely affected. The ultimate extent of the loss, if any, to the subordinated classes of mortgage-backed securities may only be determined after a negotiated discounted settlement, restructuring or sale of the mortgage note, or the foreclosure (or deed in lieu of foreclosure) of the mortgage encumbering the property and subsequent liquidation of the property.

Especially in the case of a mortgage-backed security related to commercial mortgage loans, the rate of principal payments on the loans in the related pool will also be affected by the nature and extent of any restrictions on prepayments that are set forth in the mortgage loans, and the extent to which such provisions may be enforced. Such restrictions may include a prohibition on prepayments for specified periods of time and/or requirements that principal prepayments be accompanied by the payment of prepayment penalties or be subject to yield maintenance premiums.

Securitization of our assets subjects us to various risks.

We may securitize assets to generate cash for funding new investments. We use the term "securitize" to describe a form of leverage under which a fund such as us (sometimes referred to as an "originator" or "sponsor") transfers income producing assets to an SPV, which is established solely for the purpose of holding such assets and entering into a structured finance transaction. The SPV then issues notes secured by such assets. The SPV may issue the notes in the capital markets either publicly or privately to a variety of investors, including banks, non-bank financial institutions and other investors. There may be a single class of notes or multiple classes of notes, the most senior of which carries less credit risk and the most junior of which may carry substantially the same credit risk as the equity of the SPV.

An important aspect of most debt securitization transactions is that the sale or contribution of assets into the SPV be considered a true sale or contribution for accounting purposes and that a reviewing court would not consolidate the SPV with the operations of the originator in the event of the originator's bankruptcy based on equitable principles. Viewed as a whole, a debt securitization seeks to lower risk to the note purchasers by isolating the assets collateralizing the securitization in an SPV that is not subject to the credit and bankruptcy risks of the originator. As a result of this perceived reduction of risk, debt securitization transactions frequently achieve lower overall leverage costs for originators as compared to traditional secured lending transactions.

In accordance with the above description, to securitize loans, we may create a wholly-owned subsidiary and contribute a pool of our assets to such subsidiary. The SPV may be funded with, among other things, whole loans or interests from other pools and such loans may or may not be rated. The SPV would then sell its notes to purchasers who we would expect to be willing to accept a lower interest rate and the absence of any recourse against us to invest in a pool of income producing assets to which none of our creditors would have access. We would retain all or a portion of the equity in the SPV. An inability to successfully securitize portions of our portfolio or otherwise leverage our portfolio through secured and unsecured borrowings could limit our ability to grow our business and fully execute our business strategy, and could decrease our earnings. However, the successful securitization of portions of our portfolio exposes us to a risk of loss for the equity we retain in the SPV and might expose us to greater risk on our remaining portfolio because the assets we retain may tend to be those that are riskier and more likely to generate losses. A successful securitization may also impose financial and operating covenants that restrict our business activities and may include limitations that could hinder our ability to finance additional loans and investments or to make the distributions required to maintain our status as a RIC under Subchapter M of the Code. The 1940 Act may also impose restrictions on the structure of any securitizations.

Interests we hold in the SPV, if any, will be subordinated to the other interests issued by the SPV. As such, we will only receive cash distributions on such interests if the SPV has made all interest and other required payments on all other interests it has issued. In addition, our subordinated interests will likely be unsecured and rank behind all of the secured creditors, known or unknown, of the SPV, including the holders of the senior interests it has issued. Consequently, to the extent that the value of the SPV's portfolio of assets has been reduced as a result of conditions in the credit markets, or as a result of defaults, the value of the subordinated interests we retain would be reduced. Securitization imposes on us the same risks as borrowing except that our risk in a securitization is limited to the amount of subordinated interests we retain, whereas in a borrowing or debt issuance by us directly we would be at risk for the entire amount of the borrowing or debt issuance.

If the SPV is not consolidated with us, our only interest will be the value of our retained subordinated interest and the income allocated to us, which may be more or less than the cash we receive from the SPV, and none of the SPV's liabilities will be reflected as our liabilities. If the assets of the SPV are not consolidated with our assets and liabilities, then the leverage incurred by such SPV may or may not be treated as borrowings by us for purposes of the requirement that we not issue senior securities in an amount in excess of our net assets.

We may also engage in transactions utilizing SPVs and securitization techniques where the assets sold or contributed to the SPV remain on our balance sheet for accounting purposes. If, for example, we sell the assets to the SPV with recourse or provide a guarantee or other credit support to the SPV, its assets will remain on our balance sheet. Consolidation would also generally result if we, in consultation with the SEC, determine that consolidation would result in a more accurate reflection of our assets, liabilities and results of operations. In these structures, the risks will be essentially the same as in other securitization transactions but the assets will remain our assets for purposes of the limitations described above and the leverage incurred by the SPV will be treated as borrowings incurred by us for purposes of our limitation on the issuance of senior securities.

The Adviser may have a conflict of interest with respect to potential securitizations in as much as securitizations that are not consolidated may reduce our assets for purposes of determining the Management Fee although in some circumstances the Adviser may be paid certain fees for managing the assets of the SPV so as to reduce or eliminate any potential bias against securitizations.

Cayman Islands SPV subsidiary risk.

We invest in a wholly-owned SPV subsidiary formed under the laws of the Cayman Islands. Such SPV is not registered under the 1940 Act and, unless otherwise noted in this prospectus, is not subject to all of the investor protections of the 1940 Act. Changes in the laws of the United States and/or the Cayman Islands, under which the Fund and the SPV, respectively, are organized, could result in the inability of the Fund and/or the SPV to operate as described in this prospectus and could negatively affect the Fund and its Shareholders. For example, Cayman Islands law does not currently impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax on certain entities. If Cayman Islands law changes such that the subsidiary would be required to pay Cayman Islands governmental authority taxes, Shareholders would likely suffer decreased investment returns. Because the SPV would generally be considered a controlled foreign corporation for U.S. federal income tax purposes, we would be treated as having received certain income of this subsidiary, even if such income is not distributed to us. The Fund complies with the provisions of the 1940 Act governing investment policies (Section 8) and capital structure and leverage (Section 18) on an aggregate basis with the SPV. The SPV also complies with the provisions of the 1940 Act relating to affiliated transactions and custody (Section 17). See also "Material U.S. Federal Income Tax Considerations."

To the extent we securitize our assets, we may be subject to additional risks associated with Regulation AB.

We may securitize our assets to create incremental levered returns for our Shareholders. On December 15, 2004, the SEC approved the final regulations covering the registration, disclosure, communications, and reporting requirements for asset-backed securities, or Regulation AB, which became effective January 1, 2006. On August 27, 2014, the SEC adopted revisions to Regulation AB. Regulation AB contains disclosure requirements applicable to registered securitizations, including requirements to provide historical financial data with respect to either prior securitized pools of the same asset class or prior originations and information with respect to the background, experience and roles of the various transaction parties, including those involved in the origination, sale or servicing of the loans in the securitized pool. Moreover, annual assessments of compliance with servicing criteria by servicers and attestation reports from an independent registered public accounting firm must be obtained with respect to securitized pools of loans.

In addition, compliance with Regulation AB may increase our cost of doing business as we are required to develop systems and procedures to ensure that we do not violate any aspect of these new requirements.

Structured Finance Securities.

A portion of the Fund's investments may consist of collateralized mortgage obligations, collateralized bond obligations, collateralized loan obligations, collateralized debt obligations or other asset-backed securities or similar instruments. 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. Moreover, investing in structured finance securities may entail a variety of unique risks. Among other risks, structured finance securities may be subject to prepayment risk. In addition, the performance of a structured finance security will be affected by a variety of factors, including its priority in the capital structure of the issuer thereof, and the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans or other assets that are being securitized, remoteness of those assets from the originator or transferor, the adequacy of and ability to realize upon any related collateral and the capability of the servicer of the securitized assets.

CDO and CLO risks.

Our Credit Investments may include 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 senior secured debt obligations or loans and payments on the CDOs and/or CLOs are and will be payable solely from the cash flows from such senior secured debt obligations and/or loans; (iv) the complex structure of the CDOs and/or CLOs and their interests may not be fully understood at the time of investment and may produce disputes with the issuer or unexpected investment results; (v) 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; (vi) investments in CDOs and/or CLOs may be riskier and less transparent to us and our Shareholders than direct investments in the underlying companies; (vii) the potential for interruption and deferral of cash flow to our investments in the equity and junior debt tranches of CDOs and/or CLOs; (viii) interests in CDOs and/or CLOs may be illiquid; (ix) investments in foreign CDOs and/or CLOs may involve significant risks in addition to the risks inherent in U.S. CDOs and/or CLOs; (x) we may invest with collateral managers that have no or limited performance or operating history; (xi) the inability of a CDO or CLO collateral manager to reinvest the proceeds of any prepayments may adversely affect us; (xii) the loans underlying the CDOs and/or CLOS may be sold and replaced resulting in a loss to us; (xiii) we 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 (xiv) 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. The foregoing risks are further described below.

Investments in CDOs and/or CLOs may be riskier and less transparent to us and our Shareholders than direct investments in the underlying companies.

Generally, there may be less information available to us regarding the underlying debt investments held by CDOs and/or CLOs than if we had invested directly in the debt of the underlying companies. As a result, our Shareholders will not know the details of the underlying securities of the CDOs and/or CLOs in which we will invest. Our investments in the equity and junior debt tranches of CDOs and/or CLOs will also be subject to the risk of leverage associated with the debt issued by such CDO and/or CLO and the repayment priority of senior debt holders in such CDOs and/or CLOs. Our investments in prospective portfolio companies may be risky, and we could lose all or part of our investment.

CDOs and CLOs typically will have no significant assets other than their underlying senior secured debt obligations; payments on CDO or CLO investments are and will be payable solely from the cash flows from such senior secured debt obligations.

CDOs and CLOs typically will have no significant underlying assets other than their underlying senior secured debt obligations and loans. Accordingly, payments on CDO or CLO investments are and will be payable solely from the cash flows from such senior secured debt obligations and loans, net of all management fees and other expenses. Payments to us as a holder of CDO and/or CLO investments are and will be met only after payments due on the senior notes (and, where appropriate, the junior secured notes) from time to time have been made in full. This means that relatively small numbers of defaults of senior secured debt obligations and/or loans may adversely impact returns.

CDO and CLO investments are exposed to leveraged credit risk.

We may be in a subordinated position with respect to realized losses on the senior secured debt obligations underlying our investments in the equity and junior debt tranches of CDOs and/or CLOs. The leveraged nature of equity and junior debt tranches of CDOs and/or CLOs, in particular, magnifies the adverse impact of defaults. CDO and/or CLO investments represent a leveraged investment with respect to the underlying senior secured debt obligation and/or loan. Therefore, changes in the market value of the CDO and/or CLO investments could be greater than the change in the market value of the underlying senior secured debt obligations and/or loans, which are subject to credit, liquidity and interest rate risk.

There is the potential for interruption and deferral of cash flow.

If certain minimum collateral value ratios and/or interest coverage ratios are not met by a CDO and/or CLO (*e.g.*, due to defaults), then cash flow that otherwise would have been available to pay the distribution on the CDO and/or CLO investments may instead be used to redeem any senior notes or to purchase additional senior secured debt obligations, until the ratios again exceed the minimum required levels or any senior notes are repaid in full. This could result in an elimination, reduction or deferral in the distribution and/or principal paid to the holders of the CDO and/or CLO investments, which would adversely impact our returns.

Investments in foreign securities may involve significant risks in addition to the risks inherent in U.S. investments.

We may invest in foreign CDOs and/or CLOs. Investing in foreign entities may expose us to additional risks not typically associated with investing in U.S. issuers. These risks include changes in exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, less developed bankruptcy laws, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility. Further, we, and the CDOs and/or CLOs in which we invest, may have difficulty enforcing creditor's rights in foreign jurisdictions. In addition, the underlying companies of the CDOs and/or CLOs in which we invest may be foreign, which may create greater exposure for us to foreign economic developments.

Although our investments are generally U.S. dollar-denominated, any investments denominated in a foreign currency will be subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation, and political developments. We may employ hedging techniques to minimize these risks, but we can offer no assurance that we will, in fact, hedge currency risk, or that if we do, such strategies will be effective.

Investments in CDOs and/or CLOs may be illiquid.

We may invest in CDOs and/or CLOs that are considered illiquid. CDOs and CLOs that are illiquid cannot be sold within seven days in the ordinary course of business at approximately the value used by us in determining our net asset value. We may not be able to readily dispose of such CDOs and/or CLOs at prices that approximate those at which we could sell such CDOs and/or CLOs if they were more widely-traded and, as a result of such illiquidity, we may have to sell other investments or engage in borrowing transactions to raise cash to meet our obligations. Limited liquidity can also affect the volatility and market price of CDOs and/or CLOs, thereby adversely affecting our net asset value and ability to make dividend distributions. CDOs and/or CLOs may not be readily marketable and may be subject to restrictions on resale. CDOs and/or CLOs are generally not listed on any U.S. national securities exchange and no active trading market may exist for the CDOs and/or CLOs in which we will invest. Although a secondary market may exist for our investments, the market for our investments may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods. As a result, these types of investments may be more difficult to value. In addition, we believe that ownership of CDOs and/or CLOs has generally been distributed across a wide range of holders, some of whom we believe may continue to face near- to intermediate-term liquidity issues. Further, we believe that larger institutional investors with sufficient resources to source, analyze and negotiate the purchase of these assets may refrain from purchases of the size that we are targeting, thereby reducing the prospective investor population, which would limit our ability to sell our CDOs and/or CLOs if we choose to or need to do so. We have no limitation on the amount of our assets which may be invested in CDOs and/or CLOs that are not readily marketable or are subject to restrictions on resale.

We may invest in assets with no or limited performance or operating history.

We may invest in CDOs and/or CLOs with no or limited investment history or performance record upon which our Adviser will be able to evaluate their likely performance. Our investments in entities with no or limited operating history are subject to all of the risks and uncertainties associated with a new business, including the risk that such entities will not achieve target returns. Consequently, our profitability, net asset value and share price could be adversely affected.

The payment of underlying collateral manager fees and other charges could adversely impact our returns.

We may invest in CDOs and/or CLOs that are subject to management, administration and incentive or performance fees, in addition to those payable by us. Payment of such additional fees could adversely impact the returns we achieve.

The inability of a CDO or CLO collateral manager to reinvest the proceeds of prepayments may adversely affect us.

There can be no assurance that, in relation to any CDO or CLO investment, in the event that any of the senior secured loans underlying such investment are prepaid, the CDO or CLO collateral manager will be able to reinvest such proceeds in new senior secured loans with equivalent investment returns. If the CDO or CLO collateral manager cannot reinvest in new senior secured loans with equivalent investment returns, the interest proceeds available to pay interest on the rated liabilities and investments may be adversely affected.

CDO and CLO investments are subject to prepayments and calls, increasing re-investment risk.

CDO and CLO investments and/or the underlying senior secured debt obligations or loans may prepay more quickly than expected, which could have an adverse impact on our net asset value. Prepayment rates are influenced by changes in interest rates and a variety of economic, geographic and other factors beyond our control and consequently cannot be predicted with certainty. In addition, for a CDO or CLO collateral manager there is often a strong incentive to refinance well performing portfolios once the senior tranches amortize. The yield to maturity of the investments will depend on, inter alia, the amount and timing of payments of principal on the loans and the price paid for the investments. Such yield may be adversely affected by a higher or lower than anticipated rate of prepayments of the debt.

Furthermore, CDO and CLO investments generally will not contain optional call provisions, other than a call at the option of the holders of the equity tranches for the senior notes and the junior secured notes to be paid in full after the expiration of an initial period in the deal (referred to as the “non-call period”).

The exercise of the call option is by the relevant percentage (usually a majority) of the holders of the equity tranches and, therefore, where we do not hold the relevant percentage we will not be able to control the timing of the exercise of the call option. The equity tranches also generally have a call at any time based on certain tax event triggers. In any event, the call can only be exercised by the holders of equity tranches if they can demonstrate (in accordance with the detailed provisions in the transaction) that the senior notes and junior secured notes will be paid in full if the call is exercised.

Early prepayments and/or the exercise of a call option otherwise than at our request may also give rise to increased re-investment risk with respect to certain investments, as we may realize excess cash earlier than expected. If we are unable to reinvest such cash in a new investment with an expected rate of return at least equal to that of the investment repaid, this may reduce our net income and, consequently, could have an adverse impact on our ability to pay dividends.

We will have limited control of the administration and amendment of senior secured debt obligations and/or loans owned by the CDOs and/or CLOs in which we invest.

We will not be able to directly enforce any rights and remedies in the event of a default of a senior secured debt obligation or loan held by a CDO or CLO vehicle. In addition, the terms and conditions of the senior secured debt obligations or loans underlying our investments in the equity and junior debt tranches of CDOs and/or CLOs may be amended, modified or waived only by the agreement of the underlying lenders. Generally, any such agreement must include a majority or a super majority (measured by outstanding loans or commitments) or, in certain circumstances, a unanimous vote of the lenders. Consequently, the terms and conditions of the payment obligations arising from senior secured loans could be modified, amended or waived in a manner contrary to our preferences.

We will have limited control of the administration and amendment of any CDO and/or CLO in which we invest.

The terms and conditions of a CDO and/or CLO investments may be amended, modified or waived only by the agreement of the holders of the underlying senior notes and/or the junior secured notes and/or the equity tranche once the CDO and/or CLO has been established. Generally, any such agreement must include a majority or a super majority (measured by outstanding amounts) or, in certain circumstances, a unanimous vote of the holders of the underlying senior notes and/or the junior secured notes and/or the equity tranche. Consequently, the terms and conditions of the payment obligations arising from the CDOs and/or CLOs in which we invest could be modified, amended or waived in a manner contrary to our preferences.

Senior secured debt obligations and/or loans of CDOs and/or CLOs may be sold and replaced resulting in a loss to us.

The senior secured debt obligations and/or loans underlying our CDO and/or CLO investments may be sold and replacement collateral purchased within the parameters set out in the relevant CDO and/or CLO indenture and those parameters may typically only be amended, modified or waived by the agreement of a majority of the holders of the senior notes and/or the junior secured notes and/or the equity tranche once the CDO and/or CLO has been established. If these transactions result in a net loss, the magnitude of the loss from the perspective of the equity tranche would be increased by the leveraged nature of the investment.

Investments in CDOs and/or CLOs may be subject to special anti-deferral provisions that could result in us incurring tax or recognizing income prior to receiving cash distributions related to such income.

CDOs and/or CLOs in which we invest may constitute “passive foreign investment companies” (“PFICs”). If we acquire shares in a PFIC (including in CDOs and/or CLOs that are PFICs), we may be subject to U.S. federal income tax on a portion of any “excess distribution” or gain from the disposition of such shares even if such income is distributed as a taxable dividend by us to our Shareholders. Certain elections may be available to mitigate or eliminate such tax on excess distributions or gains, but such elections (if available) will generally require us to recognize our share of the PFIC’s income for each year regardless of whether we receive any distributions from such PFIC. We must nonetheless distribute such income to maintain our status as a RIC.

If we hold more than 10% of the shares in a foreign corporation that is treated as a controlled foreign corporation ("CFC") (including in a CDO and/or CLO treated as a CFC), we may be treated as receiving a deemed distribution (taxable as ordinary income) each year from such foreign corporation in an amount equal to our *pro rata* share of the foreign corporation's income for the tax year (including both ordinary earnings and capital gains). If we are required to include such deemed distributions from a CFC in our income, we will be required to distribute such income to maintain our RIC status regardless of whether or not the CFC makes an actual distribution during such year.

If we are required to include amounts in income prior to receiving distributions representing such income, we may have to sell some of our investments at times and/or at prices we would not consider advantageous, raise additional debt or equity capital or forgo new investment opportunities for this purpose. If we are not able to obtain cash from other sources, we may fail to qualify for RIC tax treatment and thus become subject to Fund-level income tax.

INVESTMENT RELATED RISKS –ACCOUNTS RECEIVABLES:

The Fund may invest in Credit Investments secured by receivables, such as credit card receivables and automobile receivables. The Fund may invest directly in these investments. Credit card receivables are generally unsecured, and the debtors are entitled to the protection of a number of state and federal consumer credit laws, many of which give debtors the right to set off certain amounts owed on the credit cards, thereby reducing the balance due. If the economy of the United States deteriorates, defaults on securities backed by credit card, automobile and other receivables may increase. In addition, these securities may provide the Fund with a less effective security interest in the related collateral than do mortgage-related securities. Therefore, there is the possibility that recoveries on the underlying collateral may not, in some cases, be available to support payments on these securities.

Most issuers of automobile receivables permit the servicers to retain possession of the underlying obligations. If the servicer were to sell these obligations to another party, there is a risk that the purchaser would acquire an interest superior to that of the holders of the related automobile receivables. In addition, because of the large number of vehicles involved in a typical issuance and technical requirements under state laws, the trustee for the holders of the automobile receivables may not have an effective security interest in all of the obligations backing such receivables. In recent years, certain automobile manufacturers have been granted access to emergency loans from the U.S. Government and have experienced bankruptcy. As a result of these events, the value of securities backed by receivables from the sale or lease of automobiles may be adversely affected.

INVESTMENT RELATED RISKS – SECOND LIEN OR OTHER SUBORDINATED (MEZZANINE) OR UNSECURED LOANS OR DEBT:

The Fund may invest in Credit Investments secured by mezzanine or unsecured loans/debt. The Fund may also invest directly in these instruments. Second lien or other subordinated (mezzanine) or unsecured loans or debt generally are subject to similar risks as those associated with investments in senior loans. In addition, because second lien or other subordinated (mezzanine) or unsecured loans or debt are subordinated in payment and/or lower in lien priority to senior loans, they are subject to additional risk that the cash flow of the borrower and property securing the loan or debt, if any, may be insufficient to meet scheduled payments after giving effect to the senior secured obligations of the borrower. This risk is generally higher for subordinated unsecured loans or debt, which are not backed by a security interest in any specific collateral. Second lien or subordinated loans or debt, both secured and unsecured, may have greater price volatility than senior loans and may be less liquid. There is also a possibility that originators will not be able to sell participations in second lien loans and subordinated loans or debt, both secured and unsecured, which would create greater credit risk exposure. Second lien or other subordinated or unsecured loans or debt of below investment grade quality share risks similar to those associated with investments in other below investment grade securities and obligations.

INVESTMENT-RELATED RISKS—DERIVATIVES

We may be exposed to additional risks associated with derivative investments.

We may engage in derivative transactions in which we may purchase and sell a variety of derivative instruments, including taking long and short positions in exchange-listed and over-the-counter futures, forwards, swaps and similar instruments, credit transactions and credit default swaps. We also may purchase and sell derivative instruments that combine features of these instruments.

Derivatives may involve significant risks. Derivatives are financial instruments with a value in relation to, or derived from, the value of an underlying asset(s) or other reference, such as an index, rate or other economic indicator (each an underlying reference). Derivatives may include those that are privately placed or otherwise exempt from SEC registration, including Rule 144A eligible securities. Derivatives could result in Fund losses if the underlying reference does not perform as anticipated. Use of derivatives is a highly specialized activity that can involve investment techniques, risks, and tax planning different from those associated with more traditional investment instruments. The use of derivatives for other than hedging purposes may be considered a speculative trading practice, and involves greater risks than are involved in hedging. The Fund's derivatives strategy may not be successful and could result in substantial, potentially unlimited, losses to the Fund regardless of the Fund's actual investment. A relatively small movement in the price, rate or other economic indicator associated with the underlying reference may result in substantial loss for the Fund. Derivatives may be more volatile than other types of investments. The value of derivatives may be influenced by a variety of factors, including national and international political and economic developments. Potential changes to the regulation of the derivatives markets may make derivatives more costly, may limit the market for derivatives, or may otherwise adversely affect the value or performance of derivatives. Derivatives can increase the Fund's risk exposure to underlying references and their attendant risks, such as the risk of an adverse credit event associated with the underlying reference (credit risk), the risk of an adverse movement in the value, price or rate of the underlying reference (market risk), the risk of an adverse movement in the value of underlying currencies (foreign currency risk) and the risk of an adverse movement in underlying interest rates (interest rate risk). Derivatives may expose the Fund to additional risks, including the risk of loss due to a derivative position that is imperfectly correlated with the underlying reference it is intended to hedge or replicate (correlation risk), the risk that a counterparty will fail to perform as agreed (counterparty risk), the risk that a hedging strategy may fail to mitigate losses, and may offset gains (hedging risk), the risk that losses may be greater than the amount invested (leverage risk), the risk that the Fund may be unable to sell an investment at an advantageous time or price (liquidity risk), the risk that the investment may be difficult to value (pricing risk), and the risk that the price or value of the investment fluctuates significantly over short periods of time (volatility risk). More detail on particular derivatives that may be utilized is discussed below.

Swaps are derivatives, whereby in a typical swap transaction, two parties agree to exchange an amount equal to the return, based upon an agreed-upon notional value, earned on a specified underlying reference for a fixed return or the return from another underlying reference during a specified period of time. Swaps may be difficult to value and may be illiquid. Swaps could result in Fund losses if the underlying asset or reference does not perform as anticipated. Swaps create significant investment leverage such that a relatively small price movement in a swap may result in immediate and substantial losses to the Fund. The Fund may only close out a swap with its particular counterparty, and may only transfer a position with the consent of that counterparty. Certain swaps, such as short swap transactions and total return swaps, have the potential for unlimited losses, regardless of the size of the initial investment. Swaps can increase the Fund's risk exposure to underlying references and their attendant risks, such as credit risk, market risk, and interest rate risk, while also exposing the Fund to correlation risk, counterparty risk, hedging risk, inflation risk, leverage risk, liquidity risk, pricing risk and volatility risk.

A futures contract is an exchange-traded derivative transaction between two parties in which a buyer agrees to pay a fixed price (or rate) at a specified future date for delivery of an underlying reference from a seller. Futures contract markets are highly volatile, and futures contracts may be illiquid. Futures exchanges may limit fluctuations in futures contract prices by imposing a maximum permissible daily price movement. The Fund may be disadvantaged if it is prohibited from executing a trade outside the daily permissible price movement. At or prior to maturity of a futures contract, the Fund may enter into an offsetting contract and may incur a loss to the extent there has been adverse movement in futures contract prices. The liquidity of the futures markets depends on participants entering into offsetting transactions rather than making or taking delivery. To the extent participants make or take delivery, liquidity in the futures market could be reduced. Because of the low margin deposits normally required in futures trading, a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the Fund, exceeding the amount of the margin paid. For certain types of futures contracts, losses are potentially unlimited. Futures markets are highly volatile and the use of futures may increase the volatility of the Fund's NAV. Futures contracts can increase the Fund's risk exposure to underlying references and their attendant risks, such as credit risk, market risk, and interest rate risk, while also exposing the Fund to correlation risk, counterparty risk, hedging risk, leverage risk, liquidity risk, pricing risk and volatility risk.

A forward contract is an over-the-counter derivative transaction between two parties to buy or sell a specified amount of an underlying reference at a specified price (or rate) on a specified date in the future. Forward contracts are negotiated on an individual basis and are not standardized or traded on exchanges. The market for forward contracts is substantially unregulated and can experience lengthy periods of illiquidity, unusually high trading volume and other negative impacts, such as political intervention, which may result in volatility or disruptions in such markets. A relatively small price movement in a forward contract may result in substantial losses to the Fund, exceeding the amount of the margin paid. Forward contracts can increase the Fund's risk exposure to underlying references and their attendant risks, such as credit risk, market risk, foreign currency risk and interest rate risk, while also exposing the Fund to correlation risk, counterparty risk, hedging risk, leverage risk, liquidity risk, pricing risk and volatility risk.

In 2022, the SEC adopted rules limiting funds' leverage risk based on value-at-risk ("VaR") and generally limiting the Fund's VaR so as not to exceed 200% of the VaR of a designated reference portfolio. In employing the Fund's investment strategy, these rules may restrict, and/or impose additional costs or other burdens upon, the Fund's otherwise intended participation in derivative transactions, short sales, and other leverage creating transactions which may affect the Fund's ability to achieve its investment objective or make it more costly to do so.

INVESTMENT-RELATED RISKS—OTHER INSTRUMENTS/SECURITIES:

Risks of Investing in Real Estate.

The Fund may make debt and other investments related to real estate. A number of factors may prevent the Fund from generating sufficient net cash flow from real estate investments or may adversely affect the value of the real estate investments, or both, resulting in less cash available for distribution, or a loss, to the Fund. Key factors include:

- national economic conditions;
- regional and local economic conditions (which may be adversely impacted by plant closings, business layoffs, industry slow-downs, weather conditions, natural disasters, and other factors);
- local real estate conditions (such as over-supply of or insufficient demand for office space);
- changing demographics;
- perceptions by prospective tenants of the convenience, services, safety, and attractiveness of a property;
- the ability of property managers to provide capable management and adequate maintenance;
- the quality of a property's construction and design;
- increases in costs of maintenance, insurance, and operations (including energy costs and real estate taxes);
- changes in applicable laws or regulations (including tax laws, zoning laws, or building codes);
- potential environmental and other legal liabilities;
- the level of financing used and increases in interest rate levels on such financings, both of which may increase the risk of loss to the Fund;
- the availability and cost of refinancing;
- the ability to find suitable tenants for a property and to replace any departing tenants with new tenants;
- potential instability, default or bankruptcy of tenants in the properties owned by the Fund; and

- the relative illiquidity of real estate investments in general, which may make it difficult to sell a property at an attractive price within a reasonable time frame.

General Risks of Commercial or Residential Real Estate Debt; Non-Performing Loans.

The Fund may invest in commercial or residential real estate loans and debt securities (including, but not limited to, investments in subordinate debt, such as mezzanine debt, b-notes, preferred equity and first mortgage loans, such as higher loan-to-value senior loans and bridge loans). The Fund may hold direct or indirect interests in performing or non-performing real estate Credit Investments. Non-performing real estate Credit Investments may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate and a substantial write-down of the principal of such loan and/or purchasing senior loans. In addition, a company may announce a plan of restructuring which promises to enhance value and fail to implement it, resulting in losses to investors. In liquidations and other forms of corporate reorganization, the risk exists that the reorganization either will be unsuccessful, will be delayed or will result in a distribution of cash or a new security, the value of which will be less than the purchase price to the Fund of the investment in respect of which such distribution was made. In addition, certain privately offered commercial real estate Credit Investments carry risks of illiquidity and lack of control. It is possible that the Adviser may find it necessary or desirable to foreclose on collateral securing one or more real estate loans purchased by the Fund. The foreclosure process will vary from jurisdiction to jurisdiction and can be lengthy and expensive. Issuers often resist foreclosure actions by asserting numerous claims, counterclaims and defenses against the holder of a real estate loan, including, without limitation, lender liability claims and defenses, even when such assertions may have no basis in fact, in an effort to prolong the foreclosure action. During the foreclosure proceedings, an issuer may have the ability to file for bankruptcy or its equivalent, potentially staying the foreclosure action and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the collateral property and may result in disrupting ongoing leasing and management of the property. If this were to occur, the Fund may be negatively impacted. Similar risks relate to foreclosure of mezzanine debt and the exercising of remedies in connection with such debt.

Other Risks Associated with Real Estate Loans.

Commercial Mortgage Loans. The Fund may invest in commercial mortgage Credit Investments. The value of the Fund’s commercial mortgage Credit Investments will be influenced by the historical rate of delinquencies and defaults experienced on the commercial mortgage Credit Investments and by the severity of loss incurred as a result of such defaults. The factors influencing delinquencies, defaults, and loss severity include: (i) economic and real estate market conditions by industry sectors (*e.g.*, multi-family, retail, office, and hospitality); (ii) the terms and structure of the mortgage Credit Investments; and (iii) any specific limits to legal and financial recourse upon a default under the terms of such Credit Investments.

Commercial mortgage loans are generally viewed as exposing a lender to a greater risk of loss through delinquency and foreclosure than lending on the security of single-family residences. The ability of a borrower to repay a loan secured by income-producing property typically is dependent primarily upon the successful operation and operating income of such property (*i.e.*, the ability of tenants to make lease payments, the ability of a property to attract and retain tenants, and the ability of the owner to maintain the property, minimize operating expenses, and comply with applicable zoning and other laws) rather than upon the existence of independent income or assets of the borrower. Most commercial mortgage loans provide recourse only to specific assets, such as the property, and not against the borrower’s other assets or personal guarantees.

Commercial mortgage loans generally do not fully amortize, which can necessitate a sale of the property or refinancing of the remaining “balloon” amount at or prior to maturity of the mortgage loan. Accordingly, investors in commercial mortgage loans bear the risk that the borrower will be unable to refinance or otherwise repay the mortgage at maturity, thereby increasing the likelihood of a default on the borrower’s obligation. Exercise of foreclosure and other remedies may involve lengthy delays and additional legal and other related expenses on top of potentially declining property values. In certain circumstances, the creditors may also become liable upon taking title to an asset for environmental or structural damage existing at the property.

Residential Mortgage Loans. The default rate for residential mortgage loans may continue to increase due in large part to borrowers’ inability or unwillingness to carry the mortgage loan on a current basis, increased mortgage loan carrying costs resulting from resets of adjustable rate mortgages and increases in taxes and insurance, the inability of borrowers to refinance mortgage loans and general factors that reduce the ability of the borrower to pay its mortgage loan obligations, including loss of employment, increased cost of living and unexpected significant bills such as healthcare-related expenses. Lenders may exercise their foreclosure rights, which will further decrease the value of the residential real estate as foreclosure sales are often at lower prices than sales in the ordinary course. Such conditions could further decrease the value of the residential real estate. The Fund could face increased default rates on sub-performing and non-performing mortgage loans to which it has direct or indirect economic exposure, including loans that were modified with the expectation that they would be re-performing loans.

Real Estate Investment Trusts Risk.

Investments in real estate investment trusts (“REITs”) and in securities of other companies (wherever organized) principally engaged in the real estate industry subject the Fund to, among other things, risks similar to those of direct investments in real estate and the real estate industry in general. These include risks related to general and local economic conditions, possible lack of availability of financing and changes in interest rates or property values. REITs are entities that either own properties or make construction or mortgage loans, and also may include operating or finance companies. The value of interests in a REIT may be affected by, among other factors, changes in the value of the underlying properties owned by the REIT, changes in the prospect for earnings and/or cash flow growth of the REIT itself, defaults by borrowers or tenants, market saturation, decreases in market rates for rents, and other economic, political, or regulatory matters affecting the real estate industry, including REITs. REITs and similar non-U.S. entities depend upon specialized management skills, may have limited financial resources, may have less trading volume in their securities, and may be subject to more abrupt or erratic price movements than the overall securities markets. REITs are also subject to the risk of failing to qualify for favorable tax treatment under the Code. The failure of a REIT to continue to qualify as a REIT for tax purposes can materially and adversely affect its value. Some REITs (especially mortgage REITs) are affected by risks similar to those associated with investments in debt securities including changes in interest rates and the quality of credit extended.

Real Estate Investment Trust Subsidiary Risk.

The Fund invests a portion of its assets in a Real Estate Investment Trust ("REIT") subsidiary formed under the laws of the State of Delaware. The Internal Revenue Code does not currently impose any income, corporate or capital gains tax on REIT entities. If the law changes such that the REIT subsidiary would be required to pay income taxes, Shareholders would likely suffer decreased investment returns. To qualify as a REIT under the Internal Revenue Code, the REIT subsidiary is required to meet certain requirements, including income, asset, and annual minimum dividend tests. Additionally, the REIT subsidiary is required to have greater than 100 investors. To meet the requirement, we have issued non-participating preferred shares to third-party investors. To the extent the REIT subsidiary fails to meet such requirements, the REIT subsidiary may become subject to corporate income tax. Changes in the laws could result in the inability of the Fund and/or the subsidiary to operate as described in this prospectus and could negatively affect the Fund and its Shareholders. The REIT subsidiary may be subject to state and local tax in certain US jurisdictions. The Fund complies with the provisions of the 1940 Act governing investment policies (Section 8) and capital structure and leverage (Section 18) on an aggregate basis with the REIT subsidiary. The REIT subsidiary also complies with the provisions of the 1940 Act relating to affiliated transactions and custody (Section 17). See also "Material U.S. Federal Income Tax Considerations".

Reverse Repurchase Agreements Risk.

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 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. Reverse repurchase agreements are subject to the leverage restrictions discussed above with respect to the use of derivatives.

Investments in foreign securities may involve significant risks in addition to the risks inherent in U.S. investments.

We may invest in foreign issuers/obligations, which expose us to additional risks not typically associated with investing in U.S. issuers. These risks include changes in exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, less developed bankruptcy laws, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility. Further, we may have difficulty enforcing creditor's rights in foreign jurisdictions.

Although our investments are expected to be generally U.S. dollar-denominated, any investments denominated in a foreign currency will be subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation, and political developments. We may employ hedging techniques to minimize these risks, but we can offer no assurance that we will, in fact, hedge currency risk, or that if we do, such strategies will be effective.

Emerging Market Securities Risk.

Securities issued by foreign governments or companies in emerging market countries are more likely to have greater exposure to the risks associated with investment in foreign securities. In addition, emerging market countries are more likely to experience instability resulting, for example, from rapid changes or developments in social, political, economic or other conditions. Their economies are usually less mature and their securities markets are typically less developed with more limited trading activity (*i.e.*, lower trading volumes and less liquidity) than more developed countries. Emerging market securities tend to be more volatile than securities in more developed markets. Many emerging market countries are heavily dependent on international trade and have fewer trading partners, which makes them more sensitive to world commodity prices and economic downturns in other countries, and some have a higher risk of currency devaluations.

We may invest in equity securities, which may be more volatile than other investments.

The value of a particular equity security in which we may invest may decrease. The prices of equity securities change in response to many factors, including the historical and prospective earnings of the issuer, the value of its assets, management decisions, decreased demand for an issuer's products or services, increased production costs, general economic conditions, interest rates, currency exchange rates, investor perceptions and market liquidity. Equity securities tend to be more volatile than bonds and money market instruments. In the event of a company's bankruptcy, claims of certain creditors, including bondholders, will have priority over claims of common stock holders and are likely to have varying types of priority over holders of preferred and convertible stock. These risks may increase fluctuations in the Fund's NAV.

Risks of Shorting Equity Securities.

In seeking to achieve the Fund's objective, the Fund may, from time to time (and not as a part of its principal strategy), effect short sales of equity securities. To effect a short sale, the Fund will borrow a security from a brokerage firm to make delivery to the buyer. The Fund is then obligated to replace the borrowed security by purchasing it at the market price at the time of replacement. Thus, short sales expose the Fund to the risk that it will be required to buy the security sold short (also known as "covering" the short position) at a time when the security has appreciated in value, thus resulting in a loss to the Fund. Positions in equity securities sold short are more risky than long positions (purchases) in equity securities, because there is no limit on the loss that may be incurred. Moreover, the amount of any gain achieved through a short sale will be decreased, and the amount of any loss increased, by the amount of any premium or interest the Fund may be required to pay in connection with a short sale. There is a risk that the borrowed securities would need to be returned to the brokerage firm on short notice. If a request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, and the Fund might be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the price at which the securities were sold short. The successful use of short selling may be adversely affected by imperfect correlation between movements in the price of the equity security sold short and the equity securities being hedged. Any short selling may exaggerate the volatility of the Fund's investment portfolio. Short selling may result in increased transaction costs to the Fund. Any short selling could subject the Fund to increased leverage risk. See "Use of Leverage."

We may be exposed to additional risks to the extent we invest in senior loans, including corporate loans.

There is less readily available and reliable information about most senior loans than is the case for many other types of instruments, including listed securities. Senior loans are not listed on any national securities exchange or automated quotation system and as such, many senior loans are illiquid, meaning that the Fund may not be able to sell them quickly at a fair price. To the extent that a secondary market does exist for certain senior loans, the market is more volatile than for liquid, listed securities and may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods. The market for senior loans could be disrupted in the event of an economic downturn or a substantial increase or decrease in interest rates, resulting in fluctuations in the Fund's NAV and difficulty in valuing the Fund's portfolio of senior loans.

Senior loans, like most other debt obligations, are subject to the risk of default. Default in the payment of interest or principal on a senior loan will result in a reduction of income to the Fund, a reduction in the value of the senior loan and a potential decrease in the Fund's NAV. The risk of default will increase in the event of an economic downturn or a substantial increase in interest rates. The Adviser relies primarily on its own evaluation of borrower credit quality rather than on any available independent sources. As a result, the Fund is particularly dependent on the analytical abilities of the Adviser.

Investing in private companies/issuers involves a high degree of risk.

Our investment portfolio may consist of, among other things, loans to, and investments in, private companies or issuers. Investments in private ventures, vehicles or businesses involve a high degree of business and financial risk, which can result in substantial losses and, accordingly, should be considered speculative. There is generally very little publicly available information about these issuers, and we rely significantly on the due diligence of the members of the investment team to obtain information in connection with our investment decisions. It is thus difficult, and often impossible, to protect the Fund from the risk of fraud, misrepresentation or poor judgment by these issuers.

ETF Risk.

The Fund may invest in ETFs. An ETF's share price may not track its specified market index (if any) and may trade below its NAV. Certain ETFs use a "passive" investment strategy and do not take defensive positions in volatile or declining markets. Other ETFs in which the Fund may invest are actively managed ETFs (*i.e.*, they do not track a particular benchmark), which indirectly subjects the Fund to active management risk. An active secondary market in ETF shares may not develop or be maintained and may be halted or interrupted due to actions by its listing exchange, unusual market conditions or other reasons. There can be no assurance that an ETF's shares will continue to be listed on an active exchange. In addition, shareholders bear both their proportionate share of the Fund's expenses and similar expenses incurred through ownership of the ETF. There is a risk that ETFs in which the Fund invests may terminate due to extraordinary events. For example, any of the service providers to ETFs, such as the trustee or sponsor, may close or otherwise fail to perform their obligations to the ETF, and the ETF may not be able to find a substitute service provider. Also, certain ETFs may be dependent upon licenses to use various indexes as a basis for determining their compositions and/or otherwise to use certain trade names. If these licenses are terminated, the ETFs may also terminate. In addition, an ETF may terminate if its net assets fall below a certain amount.

Other Investment Companies Risk.

The Fund may also, subject to applicable regulatory limits, invest in securities of other open- or closed-end investment companies (including ETFs and Business Development Companies ("BDCs")) that invest primarily in the types of securities in which the Fund may invest directly. The market value of the shares of other investment companies may differ from their NAV. As a shareholder in an investment company, the Fund will bear its ratable share of that investment company's expenses, and will remain subject to payment of the Fund's advisory and other fees and expenses with respect to assets so invested. Shareholders will therefore be subject to duplicative expenses to the extent the Fund invests in other investment companies. The Adviser will take expenses into account when evaluating the merits of an investment in an investment company relative to other available investments.

The securities of other investment companies, including ETFs or BDCs, in which the Fund may invest may be leveraged. As a result, the Fund may be indirectly exposed to leverage through an investment in such securities. An investment in securities of other investment companies, including ETFs or BDCs, that use leverage may expose the Fund to higher volatility in the market value of such securities and the possibility that the Fund's long-term returns on such securities (and, indirectly, the long-term returns of the Shares) will be diminished.

Preferred Stock Risk.

The Fund may also invest in preferred stock. Preferred stock is a type of stock that generally pays dividends at a specified rate and that has preference over common stock in the payment of dividends and the liquidation of assets. Preferred stock does not ordinarily carry voting rights. The price of a preferred stock is generally determined by earnings, type of products or services, projected growth rates, experience of management, liquidity, and general market conditions of the markets on which the stock trades. The most significant risks associated with investments in preferred stock include market risk and interest rate risk (*i.e.*, the risk of losses attributable to changes in interest rates).

Convertible Securities Risk.

The Fund may also invest in convertible securities. Convertible securities are subject to the usual risks associated with debt instruments, such as interest rate risk (the risk of losses attributable to changes in interest rates) and credit risk (the risk that the issuer of a debt instrument will default or otherwise become unable, or be perceived to be unable or unwilling, to honor a financial obligation, such as making payments to the Fund when due). Convertible securities also react to changes in the value of the common stock into which they convert, and are thus subject to market risk (the risk that the market values of securities or other investments that the Fund holds will fall, sometimes rapidly or unpredictably, or fail to rise). Because the value of a convertible security can be influenced by both interest rates and the common stock's market movements, a convertible security generally is not as sensitive to interest rates as a similar debt instrument, and generally will not vary in value in response to other factors to the same extent as the underlying common stock. In the event of a liquidation of the issuing company, holders of convertible securities would typically be paid before the company's common stockholders but after holders of any senior debt obligations of the company. The Fund may be forced to convert a convertible security before it otherwise would choose to do so, which may decrease the Fund's return.

Warrants and Rights Risk.

The Fund may also invest in warrants and rights. Warrants and rights are types of securities that give a holder a right to purchase shares of common stock. Warrants usually are issued together with a bond or preferred stock and entitle a holder to purchase a specified amount of common stock at a specified price typically for a period of years. Rights usually have a specified purchase price that is lower than the current market price and entitle a holder to purchase a specified amount of common stock typically for a period of only weeks. Warrants may be used to enhance the marketability of a bond or preferred stock. Warrants do not carry with them the right to dividends or voting rights and they do not represent any rights in the assets of the issuer. Warrants may be considered to have more speculative characteristics than certain other types of investments. In addition, the value of a warrant does not necessarily change with the value of the underlying securities, and a warrant ceases to have value if it is not exercised prior to its expiration date, if any.

The potential exercise price of warrants or rights may exceed their market price, such as when there is no movement in the market price or the market price of the common stock declines.

The risks typically associated with warrants and rights include convertible securities risk, counterparty risk, credit risk and market risk.

Our investments in restricted instruments may expose us to additional risks.

Investments in restricted instruments, including Credit Investments and securities that have not been registered under the Securities Act and are subject to restrictions on resale, could have the effect of increasing the amount of our assets invested in illiquid investments if eligible investors are unwilling to purchase these instruments. Restricted instruments may be difficult to dispose of at the price at which we value the instruments and at the times when we believe it is desirable to do so. The market price of illiquid and restricted instruments generally is more volatile than that of more liquid instruments, which may adversely affect the price that we recover upon the sale of such instruments. Illiquid and restricted instruments are also more difficult to value, especially in challenging markets. Investment of our assets in illiquid and restricted instruments may restrict our ability to take advantage of market opportunities. The risks associated with illiquid and restricted instruments may be particularly acute in situations in which our operations require cash (such as in connection with share repurchases) and could result in us borrowing to meet its short-term needs or incurring losses on the sale of illiquid or restricted instruments. In order to dispose of an unregistered instrument, we, where we have contractual rights to do so, may have to cause such instrument to be registered. A considerable period may elapse between the time the decision is made to sell the instrument and the time the instrument is registered, therefore enabling us to sell it. Contractual restrictions on the resale of instruments vary in length and scope and are generally the result of a negotiation between the issuer and acquirer of the instruments. In either case, we would bear market risks during that period.

Obligations Issued or Guaranteed by U.S. Government Agencies or Instrumentalities.

The Fund may invest in obligations issued or guaranteed by U.S. Government agencies or instrumentalities. These include direct obligations and mortgage-related securities that have different levels of credit support from the U.S. government. Some are supported by the full faith and credit of the United States, such as Government National Mortgage Association pass-through mortgage certificates (called "Ginnie Maes"). Some are supported by the right of the issuer to borrow from the U.S. Treasury under certain circumstances, such as Federal National Mortgage Association bonds ("Fannie Maes") and Federal Home Loan Mortgage Corporation obligations ("Freddie Macs"). Others are supported only by the credit of the entity that issued them. Securities issued by Fannie Mae and Freddie Mac are also supported by commitments from the U.S. Treasury to purchase certain of those agencies' securities during market conditions in which the U.S. Treasury deems it necessary for the promotion of market stability. In September 2008, the Federal Housing Finance Agency, an independent regulatory agency, placed the Federal National Mortgage Corporation and Federal Home Loan Mortgage Corporation into conservatorship. The U.S. Department of Treasury also entered into a new secured lending credit facility with those companies and a preferred stock purchase agreement. Under the preferred stock purchase agreement, the Treasury will ensure that each company maintains a positive net worth. There can be no guarantee that this arrangement will remain in place.

U.S. Treasury Obligations.

The Fund may also invest in U.S. Treasury obligations. These include Treasury bills (which have maturities of one year or less when issued), Treasury notes (which have maturities of one to ten years when issued), and Treasury bonds (which have maturities of more than ten years when issued). Treasury securities are backed by the full faith and credit of the United States as to timely payments of interest and repayments of principal. Similar to other issuers, changes to the financial condition or credit rating of a government may cause the value of the Fund's direct or indirect investment in Treasury obligations to decline. On August 5, 2011, S&P downgraded U.S. Treasury securities from AAA rating to AA+. A downgrade of the ratings of U.S. government debt obligations, which are often used as a benchmark for other borrowing arrangements, could result in higher interest rates for individual and corporate borrowers, cause disruptions in the international bond markets and generally have a substantial negative effect on the U.S. economy. A downgrade of Treasury securities from another ratings agency or a further downgrade beyond AA+ rating by S&P may cause the value of the Fund's Treasury obligations to decline.

Foreign Government Obligations.

The Fund may also invest in foreign government obligations issued or guaranteed by foreign governments or their agencies. It may be in the form of conventional securities or other types of debt instruments such as loans or loan participations. A foreign government's willingness or ability to repay principal and pay interest in a timely manner may be affected by a variety of factors, including its cash flow situation, the extent of its reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the foreign government's policy toward international lenders, and the political constraints to which such government may be subject. In addition, there may be no legal recourse against a foreign government in the event of a default.

The risks typically associated with foreign government obligations include credit risk, the risks associated with investments in foreign securities and market risk.

Money Market Funds Risk.

The Fund may also invest cash in, or hold as collateral for certain investments, shares of registered money market funds. These funds are not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. The Fund and its shareholders indirectly bear a portion of the expenses of any money market fund or other fund in which the Fund may invest.

Deferred Interest, Pay-in-Kind or Zero Coupon Bonds/Notes Risk.

The Fund may invest in deferred interest, pay-in-kind or zero coupon bonds/notes. Investments in zero-coupon and payment-in-kind securities are subject to certain risks, including that market prices of zero-coupon and payment-in-kind securities generally are more volatile than the prices of securities that pay interest periodically and in cash, and are likely to respond to changes in interest rates to a greater degree than other types of debt securities with similar maturities and credit quality. Because zero-coupon securities bear no interest, their prices are especially volatile. And because zero-coupon bondholders do not receive interest payments, the prices of zero-coupon securities generally fall more dramatically than those of bonds that pay interest on a current basis when interest rates rise. However, when interest rates fall, the prices of zero-coupon securities generally rise more rapidly in value than those of similar interest paying bonds. Under many market and other conditions, the market for zero-coupon and payment-in-kind securities may suffer decreased liquidity making it difficult for the Fund to dispose of them or to determine their current value. In addition, as these securities may not pay cash interest, the Fund's investment exposure to these securities and their risks, including credit risk, will increase during the time these securities are held in the Fund's portfolio. Further, to maintain its qualification for treatment as a RIC and to avoid Fund-level U.S. federal income and/or excise taxes, the Fund is required to distribute to its Shareholders any income it is deemed to have received in respect of such investments, notwithstanding that cash has not been received currently, and the value of paid-in-kind interest. Consequently, the Fund may have to dispose of portfolio securities under disadvantageous circumstances to generate the cash, or may have to leverage itself by borrowing the cash to satisfy this distribution requirement. The required distributions, if any, would result in an increase in the Fund's exposure to these securities. The payment deferral associated with such instruments may, in certain instances, introduce a significantly higher credit risk than current coupon paying bonds/notes. Since these instruments require judgment about the collectability of the deferred payments versus the value of any associated collateral, this may introduce additional unreliability in their valuations. The higher yields and interest rates on deferred interest, pay-in-kind and zero coupon bonds/notes may reflect the payment deferral and increased credit risk associated with such instruments. In addition, under certain circumstances, the deferral of interest on these securities may also reduce the loan-to-value ratio at a compounding rate.

Commercial Paper.

The Fund may also invest in commercial paper. Commercial paper is a short-term debt obligation, usually sold on a discount basis, with a maturity ranging from 2 to 270 days issued by banks, corporations and other borrowers. It is sold to investors with temporary idle cash as a way to increase returns on a short-term basis. The risks typically associated with commercial paper include credit risk and liquidity risk. These instruments are generally unsecured, which increases the credit risk associated with this type of investment.

STRUCTURAL AND MARKET-RELATED RISKS:

Wars and Conflicts.

The Fund is subject to the risk that geopolitical events may disrupt securities markets and adversely affect global economies and markets generally. War, terrorism and related geopolitical events have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on U.S. and world economies and markets generally. The Fund may also be adversely affected by business continuity issues for companies and markets, including as a result of pandemics; cybersecurity issues, including disruptions to company operations, national and local elections and power supply and generation; natural disasters and ecological damage; and other factors including terrorism and war such as in the Ukraine and the Middle East. Those events, as well as other changes in foreign and domestic political and economic conditions could also adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment and other factors affecting the value of the Fund's investments, timing of investment realizations, availability of credit and length of time investments are held. At such times, the Fund's exposure to the risks described elsewhere in this Prospectus can increase and it may be difficult for the Fund to implement its investment program for a period of time.

Use of leverage risk.

Any leverage utilized by the Fund will have seniority over our Shares and may be secured by the assets of the Fund. The use of leverage by the Fund can magnify the effect of any losses. Drops in asset values may magnify losses or totally eliminate the Fund's equity in a leveraged investment. If the income and gains earned on the securities and investments purchased with leverage proceeds are greater than the cost of the leverage, our Shares' return will be greater than if leverage had not been used. Conversely, if the income and gains from the securities and investments purchased with such proceeds do not cover the cost of leverage, the return on our Shares will be less than if leverage had not been used. Leverage involves risks and special considerations for Shareholders including:

- the likelihood of greater volatility of NAV (and market price) of our Shares than a comparable portfolio without leverage;
- the risk that fluctuations in interest rates on leverage, including Borrowings (defined below), that we may pay will reduce the return to Shareholders or will result in fluctuations in the dividends paid on our Shares; and

- the effect of leverage in a declining market, which is likely to cause a greater decline in the NAV of our Shares than if we were not leveraged (which may result in a greater decline in the market price of our shares).

There can be no assurances that a leveraging strategy will be successful. We may continue to use leverage if the benefits to the Shareholders of maintaining the leveraged position are believed by the Board to outweigh any current reduced return.

Our ability to raise additional capital may be limited.

We may in the future issue debt securities or preferred shares or borrow money from banks or other financial institutions, which we refer to collectively as "senior securities," up to the maximum amount permitted by the 1940 Act. Under the provisions of the 1940 Act, we are permitted, as a registered closed-end management investment company, to issue senior securities representing indebtedness so long as our asset coverage ratio with respect thereto, defined under the 1940 Act as the ratio of our gross assets (less all liabilities and indebtedness not represented by senior securities) to our outstanding senior securities representing indebtedness, is at least 300% after each issuance of such senior securities. In addition, we are permitted to issue additional preferred shares so long as our asset coverage ratio with respect thereto, defined under the 1940 Act as the ratio of our gross assets (less all liabilities and indebtedness not represented by senior securities) to our outstanding senior securities representing indebtedness, plus the aggregate involuntary liquidation preference of our outstanding preferred shares, is at least 200% after each issuance of such preferred shares. If the value of our assets declines, we may be unable to satisfy this test. If that happens, we may be required to sell a portion of our investments to repay a portion of our indebtedness at a time when doing so may be disadvantageous. Also, any amounts that we use to service our indebtedness would not be available for distributions to our Shareholders. Furthermore, as a result of issuing senior securities, we would also be exposed to typical risks associated with leverage, including an increased risk of loss. If we issue preferred shares, the preferred shares would rank "senior" to Shares in our capital structure, preferred shareholders would have separate voting rights on certain matters and might have other rights, preferences, or privileges more favorable than those of our Shareholders, and the issuance of preferred shares could have the effect of delaying, deferring or preventing a transaction or a change of control that might involve a premium price for holders of our Shares or otherwise be in your best interest. The Fund does not expect to issue preferred shares within 12 months from the date of this prospectus.

If we raise additional funds by issuing more Shares, then the percentage ownership of our Shareholders at that time will decrease, and you may experience dilution.

We cannot predict the effect any changes to our investment objective, current operating policies, investment criteria and strategies would have on our business, NAV, operating results or the value of our Shares.

Our investment objective is described in "Investment Objective, Strategies and Policies-Investment Philosophy and Process." This investment objective may be changed by our Board if we provide our Shareholders with at least 60 days prior notice. In addition, our Board has the authority to modify or waive our current operating policies, investment criteria and strategies without prior notice and without Shareholder approval. We cannot predict the effect any changes to our investment objective, current operating policies, investment criteria and strategies would have on our business, NAV, performance or the value of our Shares. However, the effects might be adverse, which could negatively impact our ability to pay you distributions and cause you to lose all or part of your investment. Finally, since our Shares are not traded on a national securities exchange, you will be limited in your ability to sell your Shares in response to any changes in our investment objective, policies, investment criteria or strategies.

The amount of any distributions we may make is uncertain.

Our distributions may exceed our earnings. Therefore, portions of the distributions that we make may be a return of the money that you originally invested and represent a return of capital to you for tax purposes.

We currently intend to declare and pay dividends/distributions of substantially all net investment income quarterly, but in no event less frequently than annually. We also intend to distribute substantially all net realized capital gains at least annually. We will pay these distributions to our Shareholders out of assets legally available for distribution. While our Adviser may agree to limit our expenses to ensure that such expenses are reasonable in relation to our income, we cannot assure you that we will achieve investment results that will allow us to make a targeted level of cash distributions or year-to-year increases in cash distributions. Our ability to pay distributions might be adversely affected by, among other things, the impact of one or more of the risk factors described in this prospectus. In addition, the inability to satisfy the asset coverage test applicable to us as an investment company may limit our ability to pay distributions. All distributions will be paid at the discretion of our Board and will depend on our earnings, our financial condition, maintenance of our RIC status, compliance with applicable investment company regulations and such other factors as our Board may deem relevant from time to time. We cannot assure you that we will pay distributions to our Shareholders in the future. In the event that we encounter delays in locating suitable investment opportunities, we may pay all or a substantial portion of our distributions from the proceeds of our public offering or from borrowings in anticipation of future cash flow, which may constitute a return of your capital. Such a return of capital is not immediately taxable, but reduces your tax basis in our Shares, which may result in you recognizing more gain (or less loss) when your Shares are sold. Distributions from the proceeds of our public offering or from borrowings will be distributed after payment of fees and expenses and could reduce the amount of capital we ultimately invest in our investments.

An investment in our Shares, unlike an investment in a traditional listed closed-end fund, may be illiquid.

An investment in our Shares, unlike an investment in a traditional listed closed-end fund, may be illiquid. Unlike traditional listed closed-end funds, we have not listed our Shares for trading on any securities exchange, and we do not expect any secondary market to develop for our Shares unless they are traded on a securities exchange, if at all. Even if a secondary market develops, there can be no assurances that such a market will be efficient. In addition, although we will conduct quarterly repurchase offers of our shares, there is no guarantee that all tendered Shares will be accepted for repurchase or that Shareholders will be able to sell all of the Shares they desire in a quarterly repurchase offer. In certain instances, repurchase offers may be suspended or postponed. See "Periodic Repurchase Offers."

An investment in Shares is not suitable for investors who need access to the money they invest in the short term or within a specified timeframe. Unlike open-end funds (commonly known as mutual funds) which generally permit redemptions on a daily basis, shares will not be redeemable at an investor's option (other than pursuant to our repurchase policy, as defined below). The NAV of our Shares may be volatile. As our Shares are not traded, investors may not be able to dispose of their investment in the Fund no matter how poorly we perform. We are designed for long-term investors and not as a trading vehicle. Moreover, our Shares will not be eligible for "short sale" transactions or other directional hedging products.

Our investments are subject to liquidity risk, which exists when particular investments of the Fund are difficult to purchase or sell, possibly preventing us from selling such illiquid investments at an advantageous time or price, or possibly requiring us to dispose of other investments at unfavorable times or prices in order to satisfy our obligations.

We rely upon our Adviser and key personnel to manage the Fund.

We are subject to management risk because we are an actively managed portfolio. The Adviser applies investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these will produce the desired results. The Adviser's judgments about the attractiveness, value and potential appreciation of Credit Investments may prove to be incorrect. In addition, the implementation of our investment strategies depends upon the continued contributions of certain key employees of the Adviser, some of whom have unique talents and experience and would be difficult to replace. The loss or interruption of the services of a key member of the portfolio management team could have a negative impact on us during the transitional period that would be required for a successor to assume the responsibilities of the position.

Since we have no employees, we depend on the investment expertise, skill and network of business contacts of our Adviser. Our Adviser evaluates, negotiates, structures, executes, monitors and services our investments. Our future success will depend to a significant extent on the continued service and coordination of the professionals of our Adviser. The departure of our portfolio manager or certain other key professionals of the Adviser could have a material adverse effect on our ability to achieve our investment objective.

Our ability to achieve our investment objective depends on our Adviser's ability to identify, analyze, invest in, finance and monitor companies and investments that meet our investment criteria. Our Adviser's capabilities in structuring the investment process, providing competent, attentive and efficient services to us, and facilitating access to financing on acceptable terms depend on the employment of investment professionals in an adequate number and of adequate sophistication to match the corresponding flow of transactions. To achieve our investment objective, our Adviser may need to hire, train, supervise and manage new investment professionals to participate in our investment selection and monitoring process. Our Adviser may not be able to find investment professionals in a timely manner or at all. Failure to support our investment process could have a material adverse effect on our business, financial condition and results of operations.

If the Advisory Agreement or other essential service provider agreement is terminated, it may adversely affect the quality of our investments and shareholder services. In addition, in the event such agreements are terminated, it may be difficult for us to replace our Adviser or other essential service provider.

We are subject to non-diversification risk.

We are classified as "non-diversified" under the 1940 Act. As a result, we can invest a greater portion of our assets in obligations of a single issuer than a "diversified" fund. We may therefore be more susceptible than a diversified fund to being adversely affected by any single corporate, economic, political or regulatory occurrence. We intend to maintain our status as a RIC under Subchapter M of the Code, and thus we intend to satisfy the diversification requirements of Subchapter M.

An investment in our Shares should not be considered a complete investment program.

The Fund is intended for investors seeking income over the long-term, and is not intended to be a short-term trading vehicle. An investment in our Shares should not be considered a complete investment program. Each investor should take into account our investment objective and other characteristics, as well as the investor's other investments, when considering an investment in our Shares.

We are subject to affiliated party and co-investment restrictions.

We will be prohibited under the 1940 Act from participating in certain transactions with our affiliates without the prior approval of the SEC. Any person that owns, directly or indirectly, 5% or more of our outstanding voting securities will be our affiliate for purposes of the 1940 Act and we will generally be prohibited from buying or selling any securities from or to such affiliate. The 1940 Act also prohibits certain "joint" transactions with certain of our affiliates, which could include investments in the same portfolio company (whether at the same or different times), without prior approval of the SEC. If a person acquires more than 25% of our voting securities, we will be prohibited from buying or selling any security from or to such person or certain of that person's affiliates, or entering into prohibited joint transactions with such persons, absent the prior approval of the SEC. Similar restrictions limit our ability to transact business with our officers or Trustees or our affiliates. As a result of these restrictions, we may be prohibited from buying or selling any security from or to any portfolio company of an investment fund managed by our Adviser or its affiliates without the prior approval of the SEC, which may limit the scope of investment opportunities that would otherwise be available to us.

The Fund's investment strategy contemplates that the Fund may invest capital in negotiated transactions that are sourced by the Adviser or its managing member, One William Street Capital Management, L.P. These transactions may include transactions that are privately negotiated and sourced on a proprietary basis. Because the Adviser may manage other investment funds whose mandates include participating in such transactions, such investments will need to be made on a co-investment basis. The 1940 Act imposes significant limits on co-investment with affiliates of the Adviser.

The Adviser has received an exemptive order from the SEC (the "Order") granting funds managed by the Adviser or certain affiliates, the ability to fully negotiate terms of co-investment transactions with other funds managed by the Adviser or certain affiliates, subject to the conditions included therein. In certain situations, such as when there is an opportunity to invest in different securities of the same issuer, the personnel of the Adviser or its affiliates will need to decide which client will proceed with the investment. Such personnel will make these determinations based on policies and procedures, which are designed to reasonably ensure that investment opportunities are allocated fairly and equitably among affiliated funds over time and in a manner that is consistent with applicable laws, rules and regulations. Moreover, except in certain circumstances, when relying on the Order, the Fund is unable to invest in any issuer in which one or more funds managed by the Adviser or its affiliates has previously invested.

Under the terms of the Order, the Fund has the opportunity to participate in co-investment opportunities that align with the Fund's investment objective and strategies. When the Fund participates in a co-investment transaction, the personnel of the Adviser allocates a portion of the investment to the Fund based on the Fund's investment objective and strategies, investment policies, investment positions, capital available for investment, and other pertinent factors. Any co-investment is made on equal footing with the funds managed by the Adviser or its affiliates, including identical terms, conditions, price, class of securities purchased, timing, and registration rights. In addition, a majority of the Independent Trustees generally must make certain conclusions in connection with a co-investment transaction, including that (1) the terms of the proposed transaction, including the consideration to be paid, are reasonable and fair to the Fund and its shareholders and do not involve overreaching of the Fund or its shareholders on the part of any person concerned and (2) the transaction is consistent with the interests of the Fund's shareholders and is consistent with the Fund's investment objective and strategies. To the extent the Fund is able to make co-investments with the Adviser's affiliates, these co-investment transactions may give rise to conflicts of interest or perceived conflicts of interest among the Fund and the other participating accounts.

The Fund may also invest alongside the Adviser's and its affiliates' other clients, including other entities they manage, which are referred to as affiliates' other clients, in certain circumstances where doing so is consistent with applicable law and SEC staff interpretations and guidance as well as the Adviser's allocation policies. However, the Fund can offer no assurance that investment opportunities will be allocated to it fairly or equitably in the short-term or over time.

In situations where co-investment with affiliates' other clients is not permitted under the 1940 Act and related rules, existing or future staff guidance, or the terms and conditions of exemptive relief granted to the Fund by the SEC, the Adviser will need to decide which client or clients will proceed with the investment. Generally, the Fund will not have an entitlement to make a co-investment in these circumstances and, to the extent that another client elects to proceed with the investment, the Fund will not be permitted to participate. Moreover, except in certain circumstances, the Fund is unable to invest in any issuer in which an affiliates' other client holds a controlling interest. These restrictions may limit the scope of investment opportunities that would otherwise be available to the Fund.

Our repurchase policy may subject us to additional risks.

Repurchases of Shares will reduce the amount of outstanding Shares and, thus, our net assets. To the extent that additional Shares are not sold, a reduction in our net assets may increase our expense ratio (subject to the Adviser's reimbursement of expenses) and limit our investment opportunities.

If a repurchase offer is oversubscribed by Shareholders, we will repurchase only a *pro rata* portion of the Shares tendered by each Shareholder. In addition, because of the potential for such proration, Shareholders may tender more Shares than they may wish to have repurchased in order to ensure the repurchase of a specific number of their Shares, increasing the likelihood that other Shareholders may be unable to liquidate all or a given percentage of their investment in the Fund. To the extent Shareholders have the ability to sell their Shares to the Fund pursuant to a repurchase offer, the price at which a Shareholder may sell Shares, which will be the NAV per Share most recently determined as of the last day of the offer, may be lower than the price that such Shareholder paid for its Shares.

We may find it necessary to hold a portion of our net assets in cash or other liquid assets, sell a portion of our portfolio investments or borrow money in order to finance any repurchases of our Shares. We may accumulate cash by holding back (*i.e.*, not reinvesting or distributing to Shareholders) payments received in connection with our investments, which could potentially limit our ability to generate income. We also may be required to sell our more liquid, higher quality portfolio investments to purchase Shares that are tendered, which may increase risks for remaining Shareholders and increase our expenses. Although most, if not all, of our investments are expected to be illiquid and the secondary market for such investments is likely to be limited, we believe we would be able to find willing purchasers of our investments if such sales were ever necessary to supplement cash generated by payments received in connection with our investments. However, we may be required to sell such investments during times and at prices when we otherwise would not, which may cause us to lose money. We may also borrow money in order to meet our repurchase obligations. There can be no assurance that we will be able to obtain financing for our repurchase offers. If we borrow to finance repurchases, interest on any such borrowings may negatively affect Shareholders who do not tender their Shares in a repurchase offer by increasing our expenses (subject to the Adviser's reimbursement of expenses, if any) and reducing any net investment income. The purchase of Shares by the Fund in a repurchase offer may limit our ability to participate in new investment opportunities.

In the event a Shareholder chooses to participate in a repurchase offer, the Shareholder will be required to provide us with notice of intent to participate prior to knowing what the repurchase price will be on the repurchase date. Although the Shareholder may have the ability to withdraw a repurchase request prior to the repurchase date, to the extent the Shareholder seeks to sell Shares to us as part of a repurchase offer, the Shareholder will be required to do so without knowledge of what the repurchase price of the Shares will be on the repurchase date. It is possible that general economic and market conditions could cause a decline in the NAV per Share prior to the repurchase date. See "Periodic Repurchase Offers" below for additional information on, and the risks associated with, our repurchase policy.

The Adviser receives an asset-based management fee, even if the Fund is not at all times fully invested.

Since the management fee paid to the Adviser is based on gross assets of the Fund, the Adviser's management fee will take into account cash, and cash equivalents and all other assets held by the Fund, even if the Fund is not at all times fully invested.

Our Adviser and its affiliates, including our officers and some of our directors, will face conflicts of interest caused by compensation arrangements with us and our affiliates, which could result in actions that are not in the best interests of our Shareholders.

Our Adviser and its affiliates receive substantial fees from us in return for their services, and these fees could influence the advice provided to us. Among other matters, the compensation arrangements could affect their judgment with respect to offerings of shares or senior securities by us, which allows the Adviser to earn increased management fees. In addition, if we decide to utilize leverage, it will increase our assets and, as a result, will increase the amount of management fees payable to our Adviser. Moreover, as the management fee is charged on gross assets (without deduction of liabilities) of the Fund, the Adviser has an incentive to cause the Fund to incur leverage.

This is a "best efforts" offering, and if we are unable to raise substantial funds, we will be limited in the number and type of investments we may make, and the value of your investment in us may be reduced in the event our assets under-perform.

This offering is being made on a best efforts basis, whereby the underwriter participating in the offering is only required to use its best efforts to sell our Shares and has no firm commitment or obligation to purchase any of our Shares. If we are not able to raise additional funds, the opportunity to make a broad range of investments may be decreased and the returns achieved on those investments may be reduced as a result of allocating all of our expenses among a smaller capital base.

We may be unable to invest a significant portion of the net proceeds of our offering on acceptable terms in an acceptable timeframe.

Delays in investing the net proceeds of our offering may impair our performance. We cannot assure you that we will be able to identify any investments that meet our investment objective or that any investment that we make will produce a positive return. We may be unable to invest the net proceeds of our offering on acceptable terms within the time period that we anticipate or at all, which could harm our financial condition and operating results.

Expense Risk

Your actual costs of investing in the Fund may be higher than the expenses shown in "Annual Fund Operating Expenses" for a variety of reasons. For example, expense ratios may be higher than those shown if overall net assets decrease. The Fund's ELA mitigates this risk. However, there is no assurance that the Adviser will renew the ELA beyond its current term. The ELA will remain in effect through March 1, 2026, unless sooner terminated at the sole discretion of the Board, but in no case will the ELA be terminated prior to one year from the date of this Prospectus.

U.S. FEDERAL INCOME TAX RISKS:

We will be subject to Fund-level income tax if we are unable to qualify as a RIC under Subchapter M of the Code or to satisfy RIC distribution requirements.

To maintain status as a RIC under the Code, we must meet annual distribution, income source and asset diversification requirements. See "Material U.S. Federal Income Tax Considerations."

- The annual distribution requirement for a RIC will be satisfied if we distribute to our Shareholders on an annual basis at least 90% of our net ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any. We are subject to an asset coverage ratio requirement under the 1940 Act and may in the future become subject to certain financial covenants under loan and credit agreements that could, under certain circumstances, restrict us from making distributions necessary to satisfy the distribution requirement. If we are unable to obtain cash from other sources, we could fail to qualify for RIC tax treatment and thus become subject to Fund-level income tax.

- The income source requirement will be satisfied if we obtain at least 90% of our income for each year from dividends, interest, gains from the sale of shares or securities or similar sources.

- The asset diversification requirement will be satisfied if we meet certain asset diversification requirements at the end of each quarter of our taxable year. To satisfy this requirement, at least 50% of the value of our assets must consist of cash, cash equivalents, U.S. government securities, securities of other RICs, and other securities if such other securities of any one issuer do not represent more than 5% of the value of our assets and more than 10% of the outstanding voting securities of the issuer; and no more than 25% of the value of our assets can be invested in the securities, other than U.S. government securities or securities of other RICs, of one issuer, of two or more issuers that are controlled, as determined under applicable Code rules, by us and that are engaged in the same or similar or related trades or businesses or of certain "qualified publicly traded partnerships." Failure to meet these requirements may result in our having to dispose of certain investments quickly in order to prevent the loss of RIC status. Because most of our investments will be relatively illiquid, any such dispositions could be made at disadvantageous prices and could result in substantial losses.

If, for any taxable year, we do not qualify as a RIC for U.S. federal income tax purposes, we would be treated as a U.S. corporation subject to U.S. federal income tax at the Fund level, and possibly state and local income tax, and distributions to our Shareholders would not be deductible by us in computing our taxable income for U.S. federal income tax purposes. As a result of such taxes, NAV per Share and amounts distributed to Shareholders may be substantially reduced. Also, in such event, our distributions, to the extent derived from our current or accumulated earnings and profits, would generally constitute ordinary dividends, which would generally be eligible for the dividends received deduction available to corporate Shareholders, and non-corporate Shareholders would generally be able to treat such distributions as "qualified dividend income" eligible for reduced rates of U.S. federal income taxation, provided in each case that certain holding period and other requirements are satisfied. In addition, in such an event, in order to re-qualify for taxation as a RIC, we might be required to recognize unrealized gains, pay substantial taxes and interest and make certain distributions. This would negatively impact our returns. In such event, our Board may determine to reorganize or close the Fund or materially change our investment objective and strategies. See "Material U.S. Federal Income Tax Considerations."

We may have difficulty paying our required distributions if we recognize income before or without receiving cash representing such income.

For U.S. federal income tax purposes, we may be required to recognize taxable income in circumstances in which we do not receive a corresponding payment in cash. For example, if we hold debt obligations that are treated under applicable tax rules as having original issue discount (such as debt instruments with pay-in-kind interest or, in certain cases, increasing interest rates or debt instruments that were issued with warrants), we must include in income each year a portion of the original issue discount that accrues over the life of the obligation, regardless of whether cash representing such income is received by us in the same taxable year. We anticipate that a portion of our income may constitute original issue discount or other income required to be included in taxable income prior to receipt of cash, including as a result of any investments in PFICs or CFCs and the election we may make to have our investments taxed on a mark-to-market basis under Section 475(f) of the Code. Further, we may elect to amortize market discounts and include such amounts in our taxable income in the current year, instead of upon disposition, as an election not to do so would limit our ability to deduct interest expenses for tax purposes.

Because any original issue discount or other amounts accrued will be included in our investment company taxable income for the year of the accrual, we may be required to make a distribution to our Shareholders in order to satisfy the annual distribution requirement, even though we will not have received any corresponding cash amount. As a result, we may have difficulty meeting the annual distribution requirement necessary to qualify for and maintain RIC tax treatment under the Code. We may have to sell some of our investments at times or at prices we would not consider advantageous, raise additional debt or equity capital or forgo new investment opportunities for this purpose. If we are not able to obtain cash from other sources, we may fail to qualify for RIC tax treatment and thus become subject to Fund-level income tax. If we fail to qualify for or maintain RIC tax treatment for any reason and are subject to corporate income tax, the resulting corporate taxes could substantially reduce our net assets, the amount of income available for distribution and the amount of our distributions. See “Material U.S. Federal Income Tax Considerations-Taxation as a RIC.”

RISKS RELATED TO OUR ADVISER AND ITS AFFILIATES:

Our Adviser’s professionals’ time and resources may be diverted due to obligations they have to other clients.

Our Adviser and/or its partners and professionals (collectively, the “Adviser”) serve or may serve as officers, partners, members, employees, trustees, managers and advisers or principals of entities, including private funds managed by the Adviser, that operate in the same or a related line of business as we do. In serving in these multiple capacities, they may have obligations to other clients or investors in those entities, the fulfillment of which may not be in our best interests or in the best interest of our Shareholders. Our investment objective may overlap with the investment objectives of such investment companies, funds, accounts or other investment vehicles. For example, we rely on our Adviser to manage our day-to-day activities and to implement our investment strategy. Our Adviser and certain of its affiliates are currently, and plan in the future to continue to be, involved with activities which may be related or unrelated to us. As a result of these activities, our Adviser, its personnel and certain of its affiliates will have conflicts of interest in allocating their time and resources between us and other activities in which they are or may become involved. Our Adviser and its personnel will devote only as much of its or their time and resources to our business as our Adviser and its personnel, in their judgment, determine is reasonably required, which may be substantially less than their full time and resources.

OTHER RISKS:

Portfolio Turnover

A change in the securities held by the Fund is known as “portfolio turnover.” If the Fund realizes capital gains when it sells investments, it generally must pay those gains to Shareholders, increasing its taxable distributions, including distributions of short-term capital gain, which are taxable as ordinary income to Shareholders. Increased portfolio turnover may also result in higher brokerage fees or other transaction costs, which can reduce the Fund’s performance. Portfolio turnover will not be a limiting factor should the Adviser deem it advisable to purchase or sell securities.

Temporary Defensive and Interim Investments

For temporary defensive purposes in times of adverse or unstable market, economic or political conditions, the Fund can invest up to 100% of its assets in investments that may be inconsistent with its principal investment strategies. Generally, the Fund would invest in money market instruments or in other short-term U.S. or non-U.S. government securities. The Fund might also hold these types of securities as interim investments pending the investment of proceeds from the sale of its Shares or the sale of its portfolio securities or to meet anticipated repurchases of its Shares. To the extent the Fund invests in these securities, it might not achieve its investment objective.

INVESTOR SUITABILITY

An investment in the Fund involves substantial risks and may not be suitable for all investors. You may lose money or your entire investment in us. An investment in us is suitable only for investors who can bear the risks associated with the limited liquidity of our Shares and should be viewed as a long-term investment. Before making an investment decision, prospective investors and their financial advisers should (i) consider the suitability of an investment in our Shares with respect to the investor’s investment objectives and personal situation, and (ii) consider factors such as personal net worth, income, age, risk tolerance and liquidity needs. We should be considered an illiquid investment. Investors will not be able to redeem Shares on a daily basis because we are a closed-end fund. Our Shares are not traded on an active market and there is currently no secondary market for our Shares, nor do we expect a secondary market for our Shares to exist in the future.

MANAGEMENT OF THE FUND

Board of Trustees

The Board oversees the conduct of the Fund's affairs and the Adviser's management of the Fund.

The Adviser

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 SEC under the Advisers Act. The Adviser is controlled by its managing member, OWS, which is registered with the SEC as an investment adviser. The Adviser's principal office is located at 299 Park Avenue, 25th Floor, New York, New York 10171. As of January 31, 2025, OWS managed in excess of $7.25 billion of assets. OWS, as well as the Fund's portfolio manager, Mr. David Sherr, 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 Adviser serves as the Fund's investment adviser pursuant to the terms of an investment advisory agreement entered into between the Fund and the Adviser (the "Advisory Agreement"), dated December 14, 2018. The Adviser is responsible for: (i) developing and implementing the Fund's investment program, (ii) managing the Fund's investment portfolio and making all decisions regarding the purchase and sale of investments for the Fund, and (iii) providing various management and administrative services to the Fund. The Adviser will monitor the Fund's compliance with applicable investment limitations, including those imposed by the 1940 Act. In consideration of the services provided by the Adviser, the Fund pays the Adviser the Management Fee. Though, for the one-year period beginning on March 1, 2025, the Adviser has voluntarily agreed to reduce the Management Fee to 1.25% of the Fund's daily gross assets. A discussion regarding the basis for the Board's approval of the Advisory Agreement is available in the Fund's annual report to shareholders for the period ended October 31, 2024.

The Adviser has agreed, pursuant to an expense limitation agreement (the "ELA"), to waive the fees payable to it under the Advisory Agreement or pay or otherwise bear operating and other 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) solely to the extent necessary to limit the Other Expenses to 0.50% of the gross assets as allocated to each class of Shares of the Fund, less the Exclusions described above. The Adviser shall be permitted to recoup in later periods Fund expenses that the Adviser has paid or otherwise borne to the extent that the expenses for the Fund fall below the annual limitation rate in effect at the time of the actual waiver/reimbursement and to the extent that they do not cause the Fund to exceed the annual rate in effect at the time of the recoupment. Under the ELA, the Adviser is not permitted to recoup such expenses beyond three years from the date on which the Adviser reduced a fee or reimbursed an expense. The ELA will remain in effect through March 1, 2026, unless sooner terminated at the sole discretion of the Board, but in no case will the ELA be terminated prior to one year from the date of this Prospectus.

David Sherr – Mr. Sherr founded OWS, which commenced operations in 2008, and is responsible for overseeing all aspects of the firm's day-to-day activities. Mr. Sherr has over 30 years of experience in the investing and origination businesses, fixed income markets, and managing global trading.

Prior to founding OWS, Mr. Sherr was a Managing Director and Global Head of Securitized Products at Lehman Brothers. In that capacity, Mr. Sherr had senior management responsibilities in Fixed Income, Principal Investing and Lending and Investment Banking. Mr. Sherr graduated with a B.S. in Finance from Babson College.

Additional Information Regarding Portfolio Manager

The Statement of Additional Information provides additional information about the portfolio manager's compensation, other accounts managed by the portfolio manager, and the portfolio manager's ownership of securities in the Fund. The Statement of Additional Information is available free of charge by calling (833) 834-4923 and on the Fund's website at www.1wscapital.com. The information contained in, or that can be accessed through, the Fund's website is not part of this prospectus or the Statement of Additional Information.

Control Persons

To the best knowledge of the Fund, the names and addresses of the record and beneficial holders of 5% or more of the outstanding shares of each class of the Fund and the percentage of the outstanding shares held by such holders as of January 31, 2025 are set forth below. Unless otherwise indicated below, the Fund has no knowledge as to whether all or any portion of the shares owned of record are also owned beneficially.

A control person is a person who beneficially owns more than 25% of the voting securities of a company. As of January 31, 2025, the name, address and percentage ownership of each entity or person that owned beneficially 25% or more of the outstanding shares of the Fund are as follows:

Control Person Name and Address	Percentage Owned as of January 31, 2025	Type of Ownership
STIFEL, NICOLAUS & COMPANY, INC. 501 N BROADWAY FL8 SAINT LOUIS, MO 63102-2137	32.34%	Beneficial
UBS FINANCIAL SERVICES INC. FBO CHARLES M FALCONE 741 SW BAY POINT CIR PALM CITY, FL 34990-1755	32.19%	Beneficial
MERRILL 250 VERSEY STREET NEW YORK, NEW YORK 10281	34.94%	Beneficial

The Fund's Service Providers

Custodian. The Bank of New York Mellon (the "Custodian") serves as the primary custodian of the Fund's assets and the assets of the Fund's wholly-owned subsidiaries (if any), and may maintain custody of the Fund's assets with domestic and foreign sub-custodians (which may be banks, trust companies, securities depositories and clearing agencies), approved by the Board in accordance with the requirements set forth in Section 17(f) of the 1940 Act and the rules adopted thereunder. Assets of the Fund are not held by the Adviser or commingled with the assets of other accounts other than to the extent that securities are held in the name of a custodian in a securities depository, clearing agency or omnibus customer account of a custodian. The principal business address of the Custodian is 240 Greenwich Street, New York, New York 10286.

Transfer Agent. SS&C Global Investor & Distribution Solutions, Inc. ("SS&C GIDS, Inc." or the "Transfer Agent") serves as the Fund's transfer agent. The principal business address of the Transfer Agent is 801 Pennsylvania Avenue, Suite 219611, Kansas City, Missouri 64105-1307.

Administration, Accounting, and Other Services. ALPS Fund Services, Inc. (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 greater of an annual minimum fee or basis point fees above the minimum with such annual rate declining from 0.12% to 0.06% as the Fund's net assets increase. The Fund will reimburse the Administrator for certain out-of-pocket expenses incurred on behalf of the Fund. The principal business address of the Administrator is 1290 Broadway, Suite 1000, Denver, Colorado 80203.

For the fiscal years ended October 31, 2024, October 31, 2023 and October 31, 2022, the Fund paid $817,876, $632,128, and $599,770, respectively, in administration and fund accounting fees to the Administrator.

Independent Registered Public Accounting Firm. *Deloitte & Touche LLP* serves as the Fund's Independent Registered Public Accounting Firm, and is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board.

Legal Counsel. Kramer Levin Naftalis & Frankel LLP, located at 1177 Avenue of the Americas, New York, New York, 10036 acts as legal counsel to the Fund.

FUND EXPENSES

The Fund bears all expenses incurred in its business and operations, other than those borne by the Adviser or by the Distributor pursuant to their agreements with the Fund, including, but not limited to: all investment related expenses (*e.g.*, costs and expenses directly related to portfolio transactions and positions for the Fund's account such as direct and indirect expenses associated with investments or prospective potential investments, transfer taxes and premiums, taxes withheld on foreign income, brokerage commissions, commitment fees, debit balances and margin fees, borrowing charges on securities sold short, clearing and settlement charges, recordkeeping, interest expenses, dividends on securities sold but not yet purchased, investment-related travel and lodging expenses and research-related expenses, other due diligence expenses, expenses of consultants, investment bankers and other experts); the Management Fee; the Distribution and Shareholder Servicing Fees; any non-investment related interest expense; organizational and offering expenses; the cost of effecting sales and repurchases of Shares; fees and disbursements of any attorneys and accountants engaged by or for the Fund for any purpose; audit and tax preparation fees and expenses; taxes; administrative, transfer agent or sub-transfer agent expenses and fees; custody and escrow (if any) fees and expenses; insurance costs; fees and expenses associated with marketing efforts; federal and any state registration or notification fees; fees and travel-related expenses of members of the Board who are not employees of the Adviser or any affiliate of the Adviser; expenses related to the Fund's compliance and reporting obligations under the 1940 Act and applicable federal and state securities laws, including compliance with The Sarbanes-Oxley Act of 2002, as amended; costs for obtaining valuation/pricing information or data from third party pricing or valuation services; membership fees for industry-related organizations; all costs and charges for equipment or services used in connection with the Fund's website or communicating information regarding the Fund's transactions among the Adviser and any custodian or other agent engaged by the Fund; fees and expenses relating to software tools, programs or other technology (including risk management software, fees to risk management services providers, third-party software licensing, implementation, data management and recovery services and custom development costs); research and market data (including news and quotation equipment and services, and any computer hardware and connectivity hardware (*e.g.*, telephone and fiber optic lines) incorporated into the cost of obtaining such research and market data); any costs associated with the retention of a chief compliance officer for the Fund that is not employed by the Adviser and costs of any support services provided to the Fund's chief compliance officer; the costs of preparing, filing, printing and mailing Shareholder and other reports and other communications, including quarterly repurchase offer correspondence or similar materials, to Shareholders; costs associated with the use of any proxy solicitation service for the Fund; direct costs such as printing, mailing, long distance telephone and staff costs; any extraordinary Fund expenses, including, without limitation, costs incurred in connection with any claim, litigation, arbitration, mediation, government investigation or similar proceeding and indemnification expenses, including as provided for in the Fund's organizational documents; and such other expenses as may be approved from time to time by the Board. (See "Fees and Expenses.")

HOW TO BUY SHARES

Purchase Terms; Minimum Investment; Eligibility

Shares of the Fund are offered on a continuous basis at the NAV per Share calculated each business day, plus in the case of Class A-1, A-2 and A-3 Shares (and if applicable), a sales load of up to 3.00% of the amount invested (as described below). Presently, only Class I and A-2 Shares are being offered.

The minimum initial investment for Class A-1, A-2, A-3 and ADV Shares is $10,000 per account.

Intermediaries make available one or more classes of Shares to their clients. You should inquire of your financial advisor if any of the classes offered in this prospectus are available to you for purchase (including Classes ADV and A-1, which have lower ongoing fees and expenses than Classes A-2 and A-3); your financial advisor is obligated to make your investment in the class of Shares for which you are eligible that is most suitable and anticipated to be least expensive over time, given your particular investment circumstances. Certain Intermediaries may differentiate the availability of certain of these classes to clients, based on a number of factors, including the amount invested in the Fund and/or the amount of assets of the client held with the Intermediary.

Intermediaries may calculate their sales charges in different ways that may result in different amounts due from the investor (with respect to the classes to which sales loads are subject). In addition, Intermediaries are not required by the Fund or the Distributor to charge any sales load and instead may charge clients transaction fees or other transaction charges in such amounts as they may determine (which may be higher or lower than the stated amount of each class's stated sales load). Transaction fees or other transaction charges will vary among Intermediaries and each Intermediary may vary its level of charges to each investor based on such investor's total account size or on such other basis as determined by the Intermediary.

Class ADV Shares are generally available only (1) to endowments, foundations, pension funds and other institutional investors,(2) through fee-based programs, also known as wrap accounts, that provide access to Class ADV Shares, (3) through participating broker-dealers that have alternative fee arrangements with their clients to provide access to Class ADV Shares, (4) through certain registered investment advisers, (5) through bank trust departments or any other organization or person authorized to act in a fiduciary capacity for its clients or customers, (6) to other categories of investors approved by the Fund, or (7) to our executive officers and directors and their immediate family members, as well as officers and employees of the Adviser, OWS or other affiliates and their immediate family members.

A purchase of Shares will be made at the NAV per Share, plus a sales load (if applicable), next determined following receipt of a purchase order in good order by the Fund, its authorized agent, its Distributor's authorized agent, or authorized Intermediary or the Intermediary's authorized designee if received at a time when the Fund is open to new investments. A purchase order is in "good order" when the Fund, its Distributor's agent, an authorized Intermediary or, if applicable, an Intermediary's authorized designee, receives all required information, including properly completed and signed documents, and the purchase order is approved by the Adviser. Once the Fund (or one of its authorized agents) accepts a purchase order, you may not cancel or revoke it. The Fund reserves the right to cancel any purchase order it receives if the Fund believes that it is in the best interest of the Fund's Shareholders to do so.

Clients of investment advisory organizations may also be subject to investment advisory fees under their own arrangements with such organizations.

Some Intermediaries may impose different or additional eligibility requirements. The Adviser has the discretion to further modify or waive their eligibility requirements.

Share Class Exchanges at the Request of a Financial Intermediary

An Intermediary may initiate a conversion/exchange of Shares of one class of the Fund into Shares of a different class of the Fund authorized to be offered by such Intermediary if the Shareholder satisfies the conditions for investing in the class into which the conversion is sought (as described in this prospectus and the SAI). The value of the Shares received during a conversion will be based on the relative NAV of the Shares being converted and the Shares received as a result of the conversion. It is generally expected that a conversion will not result in taxable gain or loss.

Plan of Distribution

ALPS Distributors, Inc., located at 1290 Broadway, Suite 1000, Denver, Colorado 80203 (the "Distributor"), is the principal underwriter of Shares of the Fund. Shares may be purchased only through the Distributor or the Fund. The Distributor acts as the distributor of Shares for the Fund on a best efforts basis, subject to various conditions, pursuant to the terms of its contract with the Fund. The Distributor is not obligated to sell any specific amount of Shares of the Fund. The Distributor will also act as agent for the Fund in connection with repurchases of Shares. An affiliate of the Distributor is the Fund's Administrator.

Shares of the Fund are continuously offered through the Distributor. The Fund has authorized one or more Intermediaries to receive orders on its behalf. Such Intermediaries are authorized to designate other Intermediaries to receive orders on the Fund's behalf. Class A-1, A-2 and A-3 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 (as defined in "Additional Financial Intermediary

Compensation and Shareholder Servicing Fees"), and ongoing distribution and/or marketing services to the Fund (the "Distribution Fees"). Class ADV Shares of the fund are not subject to Distribution Fees, but are subject to shareholder servicing fees that may be used to compensate Intermediaries for Shareholder Services (the "Shareholder Servicing 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, (i) for Class A-1 Shares, 0.50% (on an annualized basis) of the net asset value of Class A-1 Shares of the Fund, (ii) for Class A-2 Shares, 0.75% (on an annualized basis) of the net asset value of Class A-2 Shares of the Fund, (iii) for Class A-3 Shares, 1.00% (on an annualized basis) of the net asset value of Class A-3 Shares of the Fund, and (iv) for Class ADV Shares (Shareholder Servicing Fees only), 0.25% (on an annualized basis) of the net asset value of Class ADV 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.

Intermediaries are entitled to charge a sales load to each investor on the purchase price of its Class A-1, A-2 and A-3 Shares of up to 3.00% (in each case, the purchase price of Fund shares, which are offered daily, is their net asset value, calculated as described in the section entitled "*Determination of Net Asset Value*"). The specific amount of the sales load paid is not fixed and will be determined by the investor and its Intermediary. The sales load is expected to be waived for the Adviser and its affiliates, including its personnel and members of their immediate families. The sales load will neither constitute an investment made by the investor nor form part of the assets of the Fund. The Intermediaries' receipt of the sales load is subject to the applicable limitations imposed by FINRA rules and regulations. The specific amount of the sales load is not fixed and will be determined by the investor and its Intermediary.

The Fund will be deemed to have received an order when an authorized broker or, if applicable, a broker's authorized designee, receives the order. The Shares are offered at NAV per Share calculated each business day, plus a sales load (if applicable).

The Fund and the Distributor have the sole right to accept orders to purchase Shares and reserve the right to reject any order in whole or in part.

Investors may be charged additional fees/charges when effecting transactions through an Intermediary.

No market currently exists for the Fund's Shares. The Fund does not currently intend to list its Shares for trading on any securities exchange, and does not anticipate that a secondary market will develop for its Shares. Neither the Adviser nor the Distributor intends to make a market in the Fund's Shares.

The Distributor is not obligated to buy any of the Shares and does not intend to make a market in the Shares. To the extent consistent with applicable law, the Fund has agreed to indemnify the Distributor and certain of its affiliates against certain liabilities under the Securities Act of 1933, as amended.

The Fund intends to use the net proceeds of this offering to make investments pursuant to its investment objectives and strategies as described in this prospectus.

The Fund reserves the right to refuse any request to purchase Shares.

Additional Financial Intermediary Compensation and Shareholder Servicing Fees

The Adviser or its affiliates, in the Adviser's sole discretion and from their own resources, may pay additional compensation to brokers, dealers, or other intermediaries in connection with the sale and distribution of Fund Shares, or for the servicing of Fund investors. The additional compensation is not generally expected to exceed 0.25% (on an annual basis) of the gross assets of the Fund attributable to customers of such Intermediaries. The Adviser also benefits when the payment of additional compensation results in increased assets under management and a corresponding increase in its management fees.

In addition, the Fund has certain arrangements in place to compensate Financial Intermediaries that hold Fund shares through networked, omnibus and other accounts, for services that they provide to Fund shareholders ("Investor Services") or for arranging the provision of such Investor Services. Investor Services and related fees may vary by Intermediary and according to distribution channel and may include sub-accounting, sub-transfer agency, participant recordkeeping, shareholder or participant reporting, shareholder or participant transaction processing, maintenance of shareholder records, preparation of account statements and provision of customer service/handling of account inquiries, and are not intended to include services that are primarily intended to result in the sale of Fund shares ("Shareholder Services").

Class A-1, A-2, A-3 and ADV Shares of the Fund are subject to ongoing shareholder servicing fees (subject to the combined limits on Distribution and Shareholder Servicing Fees set forth under "Plan of Distribution" above for such Class) that may be used to compensate Intermediaries for Shareholder Services. These fees are accrued daily and paid monthly.

As part of a plan for distributing Shares, authorized financial intermediaries that sell the Fund's Shares and service its shareholder accounts receive sales and service compensation. Additionally, authorized financial intermediaries may charge a fee to effect transactions in Fund Shares.

The Fund accrues the Distribution and Shareholder Servicing Fees at annual rates described in the table located in the section entitled "Fees and Expenses" on page 18 of this prospectus. The portion of the Distribution and Shareholder Servicing Fees that the Distributor pays to financial intermediaries for each share Fund class is as follows:

Fee	Class A-1	Class A-2(1)	Class A-3	Class ADV(2)
Distribution and Servicing Fee	0.50%	0.75%	1.00%	0.25%

(1) *For purchases of Class A-2 Shares without a front-end sales charge and for which the Distributor pays distribution-related compensation, the service and distribution payments shall commence 13 months after purchase.*

(2) *Class ADV shares are not subject to ongoing Distribution Fees, but are subject to ongoing Shareholder Servicing Fees.*

The Distributor may pay Distribution and Shareholder Servicing Fees to authorized financial intermediaries or use the fees for other distribution purposes. The amounts paid by the Fund need not be directly related to expenses. If the Distributor's actual expenses exceed the fee paid to it, the Fund will not have to pay more than that fee.

Other Policies

No Certificates. The issuance of Shares is recorded electronically on the books of the Fund. You will receive a confirmation of, or account statement reflecting, each new transaction in your account, which will also show the total number of Shares of the Fund you own. You can rely on these statements in lieu of certificates. The Fund does not issue certificates representing Shares of the Fund.

Information Regarding Class A-2 Sales Charges

The Distributor has been informed that different Intermediaries charge investors in Class A-2 Shares of the Fund differing sales charge schedules and fees or other charges (see Appendix A to the Prospectus for more detail on certain Intermediaries' sales charge schedules).

Reducing Your Class A-2 Front-End Sales Charge. With respect to certain Intermediaries, you may purchase Class A-2 Shares of the Fund at a discount if you qualify under the circumstances outlined below. To receive a reduced front-end sales charge, you must let the Intermediary know at the time of your purchase of Fund shares that you believe you qualify for a discount. Investors should consult with the Intermediary about the calculation of the sales charge and any additional fees or charges the Intermediary may impose on Class A-2 Shares.

You may be asked to provide supporting account statements or other information to allow the Intermediary to verify your eligibility for a discount. If you or the Intermediary do not provide the requested information, you may not receive the reduced sales charge for which you otherwise qualify. Class A-2 shares may be purchased at a discount if you qualify under any of the following conditions:

Rights of Accumulation. With respect to certain Intermediaries, when purchasing Class A-2 Shares of the Fund, a Purchaser (as defined below) may combine the value of newly-purchased Class A-2 Shares with the value of any class of Shares of the Fund currently owned in order to reduce the sales charge on the new purchase.

To the extent that the Intermediary is able to do so, the value of Class A-2 Shares and any of the other classes of Shares of the Fund determined for the purpose of reducing the sales charge of a new purchase under the Rights of Accumulation will be calculated at the higher of: (1) the aggregate current maximum offering price of your existing Shares of the Fund; or (2) the aggregate amount you invested in such Shares (including dividend reinvestments but excluding capital appreciation) less any repurchases. You should retain any information and account records necessary to substantiate the historical amounts you and any related Purchasers have invested in Fund. You must inform the Intermediary at the time of purchase if you believe your purchase qualifies for a reduced sales charge and you may be requested to provide documentation of your holdings in order to verify your eligibility. If you do not do so, you may not receive all sales charge reductions for which you are eligible.

Letter of Intention. In order to reduce your Class A-2 Shares' front-end sales charge for certain Intermediaries, a Purchaser may combine purchases of Class A-2 Shares and any class of Shares of the Fund the Purchaser intends to make over the next 13 months in determining the applicable sales charge. The 13-month Letter of Intention period commences on the day that the Letter of Intention is received by the Intermediary, and the Purchaser must tell the Intermediary that later purchases are subject to the Letter of Intention. Purchases submitted prior to the date the Letter of Intention is received are not counted toward the sales charge reduction. Current holdings under Rights of Accumulation may be included in a Letter of Intention in order to reduce the sales charge for purchases during the 13-month period covered by the Letter of Intention. Shares purchased through reinvestment of dividends or distributions are not included. Class A-2 Shares valued at up to 5% of the amount of intended purchases are escrowed and may be repurchased to cover the additional sales charges payable if the intended purchases under the Letter of Intention are not completed.

For purposes of the foregoing paragraphs, a "Purchaser" includes: (1) an individual; (2) an individual, his or her spouse, domestic partner, and children under the age of 21; (3) retirement and benefit plans including a 401(k) plan, profit-sharing plan, money purchase plan, defined benefit plan, and 457(b) plan sponsored by a governmental entity, non-profit organization, school district or church to which employer contributions are made, as well as SIMPLE IRA plans and SEP-IRA plans; or (4) a trustee or other fiduciary purchasing shares for a single trust, estate or single fiduciary account; or a trust established by the individual as grantor. An individual may include under item (1) his or her holdings in the Fund in IRAs, as a sole participant of a retirement and benefit plan sponsored by the individual's business, and as a participant in a 403(b) plan to which only pre-tax salary deferrals are made. An individual, his or her spouse, and domestic partner may include under item (2) their holdings in IRAs, and as the sole participants in retirement and benefit plans sponsored by a business owned by either or both of them. A retirement and benefit plan under item (3) includes all qualified retirement and benefit plans of a single employer and its consolidated subsidiaries, and all qualified retirement and benefit plans of multiple employers registered in the name of a single bank trustee.

An Intermediary may change these terms at any time for any reason without notice to the Fund or the Distributor. Additionally, other Intermediaries may subject Fund investors to different terms and conditions applicable to Class A-2 Share investments than those set forth herein.

Customer Identification Program

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person that opens a new account, and to determine whether such person's name appears on government lists of known or suspected terrorists and terrorist organizations. As a result, the Fund must obtain the following information for each person that opens a new account:

- Name;
- Date of birth (for individuals);

- Residential or business street address (although post office boxes are still permitted for mailing); and
- Social Security number, taxpayer identification number, or other identifying number.

You may also be asked for a copy of your driver's license, passport or other identifying document in order to verify your identity. In addition, it may be necessary to verify your identity by cross-referencing your identification information with a consumer report or other electronic database. Additional information may be required to open accounts for corporations and other entities.

Federal law prohibits the Fund and other financial institutions from opening a new account on behalf of a natural person unless they receive the minimum identifying information listed above. After an account is opened, the Fund may restrict your ability to purchase additional Shares until your identity is verified. The Fund may close your account or take other appropriate action if it is unable to verify your identity within a reasonable time. The Fund and its agents will not be responsible for any loss in an investor's account resulting from the investor's delay in providing all required identifying information or from closing an account and redeeming an investor's Shares when an investor's identity is not verified.

In addition, the Fund may be required to "freeze" your account if there appears to be suspicious activity or if account information matches information on a government list of known terrorists or other suspicious persons.

eDelivery

eDelivery allows you to receive your quarterly account statements, transaction confirmations and other important information concerning your investment in the Fund online. Select this option on your account application to receive email notifications when quarterly statements and confirmations are available for you to view via secure online access. You will also receive emails whenever a new prospectus, semi-annual or annual fund report is available. To establish eDelivery, call (833) 834-4923.

PERIODIC REPURCHASE OFFERS

The Fund is a closed-end interval fund and, to provide liquidity and the ability to receive NAV on a disposition of at least a portion of your Shares, makes periodic offers to repurchase Shares. Except as permitted by the Fund's interval structure, no Shareholder will have the right to require the Fund to repurchase its Shares. No public market for Shares exists, and none is expected to develop in the future. Consequently, Shareholders generally will not be able to liquidate their investment other than as a result of repurchases of their Shares by the Fund.

The Fund has adopted, pursuant to Rule 23c-3 under the 1940 Act, a fundamental policy, which cannot be changed without Shareholder approval, requiring the Fund to offer to repurchase at least 5% and up to 25% of its Shares at NAV quarterly. Although the policy permits repurchases of between 5% and 25% of the Fund's outstanding Shares, for each quarterly repurchase offer, the Fund currently expects to offer to repurchase 5% of the Fund's outstanding Shares at NAV subject to approval of the Board. The schedule requires the Fund to make repurchase offers every three months.

Repurchase Dates

The Fund will make quarterly repurchase offers in the months of March, June, September and December. As discussed below, the calculation of the NAV applicable to a repurchase offer is expected to occur as of the close of business on the Repurchase Request Deadline (defined below), provided doing so is not likely to result in significant dilution of the price of the shares, which is not presently expected.

Repurchase Request Deadline

The date by which Shareholders wishing to tender Shares for repurchase must respond to the repurchase offer typically falls within 22 days following the commencement of the repurchase offer (or the next business day thereafter if such date is not a business day).

When a repurchase offer commences, the Fund sends, at least 21 days before the Repurchase Request Deadline, written notice to each Shareholder setting forth, among other things:

- The percentage of outstanding Shares that the Fund is offering to repurchase and how the Fund will purchase Shares on a *pro rata* basis if the offer is oversubscribed.
- The date on which a shareholder's repurchase request is due (the "Repurchase Request Deadline"). The date that will be used to determine the Fund's NAV applicable to the repurchase offer (the "Repurchase Pricing Date"). See "Repurchase Dates" above.
- The date by which the Fund will pay to shareholders the proceeds from their Shares accepted for repurchase.
- The NAV of the Shares as of a date no more than seven days before the date of the written notice and the means by which shareholders may ascertain the NAV.
- The procedures by which shareholders may tender their Shares and the right of shareholders to withdraw or modify their tenders before the Repurchase Request Deadline.
- The circumstances in which the Fund may suspend or postpone the repurchase offer.

This notice may be included in a shareholder report or other Fund document. **The Repurchase Request Deadline will be strictly observed.** If a Shareholder fails to submit a repurchase request in good order by the Repurchase Request Deadline, the Shareholder will be unable to liquidate Shares until a subsequent repurchase offer, and will have to resubmit a request in the next repurchase offer. Shareholders may withdraw or change a repurchase request with a proper instruction submitted in good form at any point before the Repurchase Request Deadline.

Determination of Repurchase Price and Payment for Shares

The calculation of the NAV applicable to a repurchase offer is expected to occur as of the close of business on the Repurchase Request Deadline, provided doing so is not likely to result in significant dilution of the price of the shares, which is not presently expected. The Fund expects to distribute payment to Shareholders between one and three business days after the repurchase pricing date. The Fund's NAV per Share may change materially between the date a repurchase offer is mailed and the Repurchase Request Deadline. The method by which the Fund calculates NAV is discussed below under "Determination of Net Asset Value." During the period an offer to repurchase is open, Shareholders may obtain the current NAV by calling the Fund's transfer agent at (833) 834-4923.

The Fund does not currently charge a repurchase fee.

Suspension or Postponement of Repurchase Offers

The Fund may suspend or postpone a repurchase offer in limited circumstances set forth in Rule 23c-3 under the 1940 Act, as described below, but only with the approval of a majority of the Trustees, including a majority of Trustees who are not "interested persons" of the Fund, as defined in the 1940 Act.

The Fund may suspend or postpone a repurchase offer only: (1) if making or effecting the repurchase offer would cause the Fund to lose its status as a RIC under Subchapter M of the Code; (2) for any period during which the New York Stock Exchange ("NYSE") or any other market in which the securities owned by the Fund are principally traded is closed, other than customary weekend and holiday closings, or during which trading in such market is restricted; (3) for any period during which an emergency exists as a result of which disposal by the Fund of securities owned by it is not reasonably practicable, or during which it is not reasonably practicable for the Fund fairly to determine the value of its net assets; or (4) for such other periods as the SEC may by order permit for the protection of Shareholders of the Fund.

Oversubscribed Repurchase Offers

There is no minimum number of Shares that must be tendered before the Fund will honor repurchase requests. However, the Fund's Trustees set for each repurchase offer a maximum percentage of Shares that may be repurchased by the Fund. In the event a repurchase offer by the Fund is oversubscribed, the Fund may repurchase, but is not required to repurchase, additional Shares up to a maximum amount of 2% of the outstanding Shares of the Fund. If the Fund determines not to repurchase additional Shares beyond the repurchase offer amount, or if Shareholders tender an amount of Shares greater than that which the Fund is entitled to repurchase, the Fund will repurchase the Shares tendered on a pro rata basis. The Fund does not currently expect to offer to repurchase additional Shares in the event a repurchase offer is oversubscribed.

If any Shares that you wish to tender to the Fund are not repurchased because of proration, you will have to wait until the next repurchase offer and resubmit a new repurchase request, and your repurchase request will not be given any priority over other shareholders' requests. Thus, there is a risk that the Fund may not purchase all of the Shares you wish to have repurchased in a given repurchase offer or in any subsequent repurchase offer. In anticipation of the possibility of proration, some shareholders may tender more Shares than they wish to have repurchased in a particular quarter, increasing the likelihood of proration.

There is no assurance that you will be able to tender your Shares when or in the amount that you desire.

Consequences of Repurchase Offers

From the time the Fund distributes or publishes each repurchase offer notification until the Repurchase Pricing Date for that offer, the Fund must maintain liquid assets at least equal to the percentage of its Shares subject to the repurchase offer. For this purpose, "liquid assets" means assets that may be sold or otherwise disposed of in the ordinary course of business, at approximately the price at which the Fund values them, within the period between the Repurchase Request Deadline and the repurchase payment deadline, or which mature by the repurchase payment deadline. The Fund is also permitted to borrow up to the maximum extent permitted under the 1940 Act to meet repurchase requests.

If the Fund borrows to finance repurchases, interest on that borrowing may negatively affect Shareholders who do not tender their Shares by increasing the Fund's expenses and reducing any net investment income. There is no assurance that the Fund will be able sell a significant amount of additional Shares so as to mitigate these effects.

These and other possible risks associated with the Fund's repurchase offers are described under "Principal Risks— our repurchase policy may subject us to additional risks" above. In addition, the repurchase of Shares by the Fund will be a taxable event to Shareholders, potentially even to those Shareholders that do not participate in the repurchase. For a discussion of these tax consequences, see "Material U.S. Federal Income Tax Considerations – Taxation of U.S. Shareholders".

DETERMINATION OF NET ASSET VALUE

Shares of each class of the Fund are offered at NAV, plus a sales load (if applicable). NAV per Share is determined on each business day. The NAV per Share for each class is calculated by subtracting liabilities attributable to the class (including accrued expenses and indebtedness) from total assets attributable to the class (the value of the investments plus cash or other assets, including interest accrued but not yet received) and dividing the result by the total number of Shares of the class outstanding.

Investments for which market quotes are readily available are valued at market value. We may utilize quotations or analyses provided by third-party pricing sources/services. If market quotes are not readily available (as may be the case of many of the Fund's investments), securities are valued at fair value as determined by the Valuation Designee, i.e., the Adviser.

Accounting Standards Codification Topic 820, Fair Value Measurements (“ASC 820”), issued by the Financial Accounting Standards Board defines fair value as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.” ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value. The three-level hierarchy for fair value measurement is defined as follows: Level 1, inputs are quoted market prices available in active markets; Level 2, inputs are observable either directly or indirectly, such as quoted prices for similar investments in active markets and quoted prices for identical investments where there is little or no activity in the market; and Level 3, inputs are unobservable and reflects the Adviser’s best estimate of what market participants would use in pricing the investment. This method includes situations where there may be little, if any market activity. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment’s level within the fair value hierarchy is based on the lowest level of input that is significant to the overall fair value measurement. The Adviser’s or Board’s assessment of the significance of a particular input to the fair value measurement in its entirety requires subjective judgement and considers factors specific to the investment.

Methodologies for fair valuing Fund investments are determined by the Adviser, the Fund’s Valuation Designee.

Inputs that are used in determining the value of an investment may include price information, quotations received from market makers, brokers, dealers, and/or counterparties (when available and considered reliable), credit data, volatility statistics, and other factors. Inputs, including price information, may be provided by independent pricing services or derived from market data. In addition, inputs can be either observable or unobservable.

The availability of observable inputs can vary from instrument to instrument and is affected by a wide variety of factors. The Valuation Committee expects to use prices and other inputs that are current as of the measurement date, including during periods of market dislocations. In periods of market dislocation, the availability of prices and other inputs may be reduced for certain investments. This condition could cause an instrument to be reclassified to or from the various levels within the fair value hierarchy.

Generally, the Fund expects to be able to obtain pricing and other inputs from 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 valuation models as developed or adopted by the Valuation Designee.

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 portfolio company’s ability to make payments; the principal markets and financial environment in which the portfolio company 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 values 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 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.

DISTRIBUTIONS

The Fund’s present policy, which may be changed from time to time by the Fund’s Board of Trustees, is to declare and pay dividends/distributions of substantially all net investment income quarterly, but in no event less frequently than annually. The Fund also intends to distribute substantially all net realized capital gains at least annually. Unless you elect to receive your distributions in cash, your ordinary income and capital gain distributions will be reinvested in additional Shares of the same share class of the Fund at the NAV calculated as of the payment date. The Fund will pay distributions on a per-share basis. As a result, on the ex-dividend date of such a payment, the NAV of the Fund will be reduced by the amount of the payment.

DIVIDEND REINVESTMENT PLAN

Dividends and capital gains distributions are automatically reinvested, unless otherwise elected. You may notify the Transfer Agent in writing to:

- Choose to receive dividends or distributions (or both) in cash; or
- Change the way you currently receive distributions.

The number of Shares that will be distributed in lieu of cash is determined by dividing the dollar amount of the distribution to be reinvested by the NAV as of the close of business on the day of the distribution.

Reinvested dividends increase the Fund’s total gross assets on which a management fee is payable to Fund’s Adviser. Your taxable income is the same regardless of which option you choose. For further information about dividend reinvestment, contact the Transfer Agent by telephone at (833) 834-4923.

DESCRIPTION OF SHARES

The Fund is an unincorporated statutory trust organized under the laws of the State of Delaware. The Fund is authorized to issue an unlimited number of shares of beneficial interest, $0.001 par value (“Shares”). The Board is authorized to increase or decrease the number of Shares issued. Each Share has one vote and, when issued and paid for in accordance with the terms of this offering, will be fully paid and non-assessable. The Trustees have the power to pay expenses of the Fund prior to paying dividends or distributions to Shareholders.

All Shares are equal as to assets and voting privileges and have no conversion, preemptive or other subscription rights. The Fund will send annual and semi-annual reports, including financial statements, to all holders of its Shares. Shareholders do not have preemptive, subscription or conversion rights, and are not liable for further calls or assessments. Shareholders are entitled to receive dividends only if and to the extent declared by the Board and only after the Board has made provision for working capital and reserves as it in its sole discretion deems advisable. Shares are not available in certificated form.

Shares of closed-end investment companies frequently trade on an exchange at prices lower than net asset value. Shares of the Fund are not traded on any exchange and the Fund does not expect that any secondary market will develop for the Shares, except that brokers or dealers that have entered into selling agreements with the Distributor (*i.e.*, Selling Agents) may make a market in the Shares among their customers that meet the eligibility and investment requirements discussed above. Prices received or paid for the Shares in such transactions will not be available to the public, thus, the Fund and Shareholders will not be able to inform themselves if such transactions were effected at a premium or a discount to net asset value. The Fund cannot offer any assurance that any broker or dealer will make a market in the Shares or that transactions in any such market will be effected at a price equal to or higher than net asset value.

Certain Provisions in the Declaration of Trust

To convert the Fund to an open-end investment company, the Fund's declaration of trust (the "Declaration of Trust") requires the favorable vote of a majority of the Trustees then in office followed by the favorable vote of the holders of not less than 75% of the outstanding Shares, unless such amendment has been approved by at least 75% of the Trustees, in which case approval by a vote of "a majority of the outstanding voting securities" (as defined in the 1940 Act) would be required. The foregoing vote would satisfy a separate requirement in the 1940 Act that any conversion of the Fund to an open-end investment company be approved by the Shareholders. The Board believes, however, that the closed-end structure is desirable in light of the Fund's investment objective and policies. Therefore, investors should assume that it is not likely that the Board would vote to convert the Fund to an open-end fund.

The Board has determined that provisions with respect to the Board and the Shareholder voting requirements described above, which voting requirements are greater than the minimum requirements under Delaware law or the 1940 Act, are in the best interest of Shareholders generally. Reference should be made to the Declaration of Trust on file with the SEC for the full text of these provisions.

Reports to Shareholders

The Fund is required to file periodic reports and other information with the SEC. This information is available at the SEC's public reference room at 100 F Street, NE, Washington, D.C. 20549 and on the SEC's website at *www.sec.gov*. The public may obtain information on the operation of the SEC's public reference room by calling the SEC at (202) 551-8090. This information also is available free of charge by contacting us by telephone at (833) 834-4923. These reports should not be considered a part of or as incorporated by reference in this prospectus, or the registration statement of which this prospectus is a part.

Subject to availability, you may authorize us to provide prospectuses, prospectus supplements, periodic reports and other information ("documents") electronically by so indicating on your subscription agreement, or by sending us instructions in writing in a form acceptable to us to receive such documents electronically. Unless you elect in writing to receive documents electronically, all documents will be provided in paper form by mail. You must have internet access to use electronic delivery. While we impose no additional charge for this service, there may be potential costs associated with electronic delivery, such as on-line charges. Documents will be available on our website. You may access and print all documents provided through this service. As documents become available, we will notify you of this by sending you an e-mail message that will include instructions on how to retrieve the document. If our e-mail notification is returned to us as "undeliverable," we will contact you to obtain your updated e-mail address. If we are unable to obtain a valid e-mail address for you, we will resume sending a paper copy by regular U.S. mail to your address of record. You may revoke your consent for electronic delivery at any time and we will resume sending you a paper copy of all required documents. However, in order for us to be properly notified, your revocation must be given to us a reasonable time before electronic delivery has commenced. We will provide you with paper copies at any time upon request. Such request will not constitute revocation of your consent to receive required documents electronically.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a general summary of certain material U.S. federal income tax considerations applicable to us and to an investment in our Shares. This summary does not purport to be a complete description of the U.S. federal income tax considerations applicable to such an investment. For example, we have not described tax consequences that may be relevant to certain types of holders subject to special treatment under U.S. federal income tax laws, including Shareholders subject to the alternative minimum tax, tax-exempt organizations, insurance companies, dealers in securities, pension plans and trusts and financial institutions. This summary assumes that investors hold our Shares as capital assets (within the meaning of the Code). The discussion is based upon the Code, Treasury regulations and administrative and judicial interpretations, each as of the date of this prospectus and all of which are subject to change, possibly retroactively, which could affect the continuing validity of this discussion. We have not sought and will not seek any ruling from the Internal Revenue Service (the "IRS") regarding any tax considerations applicable to us or an investment in our Shares. This summary does not discuss any aspects of U.S. estate or gift tax or foreign, state or local tax. It does not discuss the special treatment under U.S. federal income tax laws that could result if we invested in tax-exempt securities or certain other investment assets.

A "U.S. Shareholder" generally is a beneficial owner of our Shares who is for U.S. federal income tax purposes:

- A citizen or individual resident of the United States;
- A corporation or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or any political subdivision thereof;

- A trust, if a court in the United States has primary supervision over its administration and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person; or

- An estate, the income of which is subject to U.S. federal income taxation regardless of its source.

A "non-U.S. Shareholder" generally is a beneficial owner of our Shares that is not a U.S. Shareholder or a partnership.

If a partnership (including an entity treated as a partnership for U.S. federal income tax purposes) holds our Shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A prospective Shareholder that is a partner in a partnership holding our Shares should consult his, her or its tax advisers with respect to the purchase, ownership and disposition of our Shares.

Tax matters are very complicated and the tax consequences to an investor of an investment in our Shares will depend on the facts of his, her or its particular situation. We encourage investors to consult their own tax advisers regarding the specific consequences of such an investment, including tax reporting requirements, the applicability of U.S. federal, state, local and foreign tax laws, eligibility for the benefits of any applicable tax treaty and the effect of any possible changes in the tax laws.

Election to be Taxed as a RIC

We have elected and intend to qualify to be treated as a RIC under Subchapter M of the Code. As a RIC, we generally will not have to pay Fund-level U.S. federal income taxes on any income that we distribute to our Shareholders. To qualify as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements (as described below). In addition, in order to obtain RIC tax treatment, we must distribute to our Shareholders, for each taxable year, at least 90% of our "investment company taxable income," which is generally our net ordinary income plus the excess, if any, of realized net short-term capital gains over realized net long-term capital losses (the "Annual Distribution Requirement").

Taxation as a RIC

If we:

- qualify as a RIC; and

- satisfy the Annual Distribution Requirement,

then we will not be subject to U.S. federal income tax on the portion of our income we distribute (or are deemed to distribute) to Shareholders. We will be subject to U.S. federal income tax at the regular corporate rates on any income or capital gains not distributed (or deemed distributed) to our Shareholders. We will be subject to a 4% nondeductible federal excise tax on certain undistributed income unless we distribute in a timely manner an amount at least equal to the sum of (1) 98% of our net ordinary income for each calendar year, (2) 98.2% of our capital gain net income for the one-year period ending October 31 in that calendar year and (3) any income recognized, but not distributed, in preceding years and on which we paid no U.S. federal income tax (the "Excise Tax Avoidance Requirement").

In order to qualify as a RIC for U.S. federal income tax purposes, we must, among other things:

- derive in each taxable year at least 90% of our gross income from dividends, interest, payments with respect to certain securities loans, gains from the sale of stock or securities, net income from certain "qualified publicly traded partnerships," or other income derived with respect to our business of investing in such stock or securities (the "90% Income Test"); and

- diversify our holdings so that at the end of each quarter of the taxable year:

- at least 50% of the value of our assets consists of cash, cash equivalents, U.S. government securities, securities of other RICs, and other securities if such other securities of any one issuer do not represent more than 5% of the value of our assets or more than 10% of the outstanding voting securities of the issuer; and

- no more than 25% of the value of our assets is invested in the securities, other than U.S. government securities or securities of other RICs, of one issuer, of two or more issuers that are controlled, as determined under applicable Code rules, by us and that are engaged in the same or similar or related trades or businesses or of certain "qualified publicly traded partnerships" (the "Diversification Tests.").

No statutory, judicial or administrative authority directly addresses how all of the Fund's investments should be treated for tax purposes. As a result, the tax treatment of certain of the Fund's investments may be uncertain. The tax treatment of the Fund's investments could be affected by changes in tax laws or regulations, or interpretations thereof, or by judicial authority that could adversely affect its ability to qualify as a RIC.

If, for any taxable year, the Fund did not qualify as a RIC for U.S. federal income tax purposes, it would be treated as a U.S. corporation subject to U.S. federal income tax, and possibly state and local income tax, and distributions to its Shareholders would not be deductible by the Fund in computing its taxable income. In such event, the Fund's distributions, to the extent derived from the Fund's current or accumulated earnings and profits, would generally constitute ordinary dividends, which would generally be eligible for the dividends received deduction available to corporate Shareholders, and non-corporate Shareholders would generally be able to treat such distributions as "qualified dividend income" eligible for reduced rates of U.S. federal income taxation, provided in each case that certain holding period and other requirements are satisfied.

For U.S. federal income tax purposes, we may be required to recognize taxable income in circumstances in which we do not receive a corresponding payment in cash. For example, if we hold debt obligations that are treated under applicable tax rules as having original issue discount (such as debt instruments with pay-in-kind interest or, in certain cases, increasing interest rates or debt instruments that were issued with warrants), we must include in income each year a portion of the original issue discount that accrues over the life of the obligation, regardless of whether cash representing such income is received by us in the same taxable year. We anticipate that a portion of our income may constitute original issue discount or other income required to be included in taxable income prior to receipt of cash, including as a result of any investments in PFICs or CFCs. Further, we may elect to amortize market discounts and include such amounts in our taxable income in the current year, instead of upon disposition, as an election not to do so would limit our ability to deduct interest expenses for tax purposes.

We may, after consultation with our tax advisers, make an election under Section 475(f) of the Code to have the mark-to-market rules of Section 475 of the Code apply to our investments. There is very little authority regarding whether or not we would be eligible to make a Section 475(f) election, which requires that we be a “trader” in securities for that purpose. If we make a valid Section 475(f) election, we will recognize any gain or loss on the investments we hold at the end of each taxable year as if we sold such investments for their fair market value on the last business day of the taxable year. Any such gain or loss will be treated as ordinary income or loss. The Section 475(f) election may alter the timing and character of our distributions to Shareholders, and may result in the imposition of withholding tax on certain distributions to non-U.S. Shareholder. If the Section 475(f) election made were to be successfully challenged, we may have not made sufficient distributions to satisfy the Annual Distribution Requirement. In such an instance, we may need to apply for the benefits of certain relief provisions, if available, but if not available, we may fail to qualify as a RIC with the consequences of such failure as described above.

As a result of a valid Section 475(f) election, the accrual of any original issue discount or other amounts required to be included in our investment company taxable income, we may be required to make a distribution to our Shareholders in order to satisfy the Annual Distribution Requirement, even though we will not have received any corresponding cash amount. As a result, we may have difficulty meeting the Annual Distribution Requirement necessary to qualify for and maintain RIC tax treatment under the Code. We may have to sell some of our investments at times or at prices we would not consider advantageous, raise additional debt or equity capital or forgo new investment opportunities for this purpose. If we are not able to obtain cash from other sources, we may fail to qualify for RIC tax treatment and thus become subject to Fund-level income tax.

We are authorized to borrow funds and to sell assets in order to satisfy distribution requirements. However, under the 1940 Act, we are not permitted to make distributions to our Shareholders while our debt obligations and other senior securities are outstanding unless certain “asset coverage” tests are met. Moreover, our ability to dispose of assets to meet our distribution requirements may be limited by (1) the illiquid nature of our portfolio or (2) other requirements relating to our status as a RIC, including the Diversification Tests. If we dispose of assets in order to meet the Annual Distribution Requirement or the Excise Tax Avoidance Requirement, we may make such dispositions at times that, from an investment standpoint, are not advantageous.

If we hold more than 10% of the shares in a foreign corporation that is treated as a controlled foreign corporation (“CFC”), for U.S. federal income tax purposes, we may be treated as receiving a deemed distribution (taxable as ordinary income) each year from such foreign corporation in an amount equal to our *pro rata* share of the corporation’s income for the tax year (including both ordinary earnings and capital gains), whether or not the corporation makes an actual distribution during such year. In general, a foreign corporation will be classified as a CFC if more than 50% of the shares of the corporation, measured by reference to combined voting power or value, is owned (directly, indirectly or constructively through the application of certain complex attribution rules) by “10% U.S. Shareholders”. A “10% U.S. Shareholder,” for this purpose, is any U.S. person that possesses (directly, indirectly or constructively) 10% or more of the combined voting power or value of all classes of shares of a corporation. Our wholly-owned subsidiary in the Cayman Islands is treated as a CFC for U.S. income tax purposes and we are a 10% U.S. Shareholder of such subsidiary.

If we are treated as receiving a deemed distribution from a CFC, we will be required to include such distribution in our investment company taxable income (as ordinary income) regardless of whether we receive any actual distributions from such CFC, and we may need to distribute such income to satisfy the Annual Distribution Requirement and the Excise Tax Avoidance Requirement.

The remainder of this discussion assumes that we qualify as a RIC and have satisfied the Annual Distribution Requirement.

Taxation of Cayman Island Subsidiary

We invest a portion of our assets in a wholly-owned subsidiary formed under the laws of the Cayman Islands, which will generally be classified as a corporation for U.S. federal income tax purposes. A foreign corporation, such as such subsidiary, will generally not be subject to U.S. federal income taxation unless it is deemed to be engaged in a U.S. trade or business. It is expected that the subsidiary will conduct its activities in a manner so as to meet the requirements of a safe harbor under Section 864(b)(2) of the Code (the “Safe Harbor”) pursuant to which the subsidiary, provided it is not a dealer in stocks, securities or commodities, may engage in the following activities without being deemed to be engaged in a U.S. trade or business: (1) trading in stocks or securities (including contracts or options to buy or sell securities) for its own account; and (2) trading, for its own account, in commodities that are “of a kind customarily dealt in on an organized commodity exchange” if the transaction is of a kind customarily consummated at such place. Thus, the subsidiary’s securities trading activities should not constitute a U.S. trade or business. However, if certain of the subsidiary’s activities were determined not to be of the type described in the Safe Harbor or if a subsidiary’s gains are attributable to investments in securities that constitute U.S. real property interests (which is not expected), then the activities of the subsidiary may constitute a U.S. trade or business, or be taxed as such.

In general, a foreign corporation that does not conduct a U.S. trade or business is nonetheless subject to tax at a flat rate of 30 percent (or lower tax treaty rate if applicable) on the gross amount of certain U.S.-source income that is not effectively connected with a U.S. trade or business tax which is generally payable through withholding. There is presently no tax treaty in force between the U.S. and the Cayman Islands that would reduce this rate of withholding tax. Income subject to such a flat tax includes dividends and certain interest income. The 30 percent tax does not apply to U.S.-source capital gains (whether long-term or short-term) or to interest paid to a foreign corporation on its deposits with U.S. banks. The 30 percent tax also does not apply to interest which qualifies as “portfolio interest.” The term “portfolio interest” generally includes interest (including original issue discount) on an obligation in registered form which has been issued after July 18, 1984 if certain other conditions are met and with respect to which the person, who would otherwise be required to deduct and withhold the 30 percent tax, received the required statement that the beneficial owner of the obligation is not a U.S. person within the meaning of the Code. Under certain circumstances, interest on bearer obligations may also be considered portfolio interest.

Taxation of Real Estate Investment Trust Subsidiary

The Fund may invest a portion of our assets in a Real Estate Investment Trust ("REIT") subsidiary formed under the laws of the State of Delaware. The subsidiary will generally be classified as a corporation for U.S. federal income taxes. The Internal Revenue Code does not currently impose any income, corporate or capital gains tax on REIT entities. If the law changes such that the REIT subsidiary would be required to pay income taxes, Shareholders would likely suffer decreased investment returns. To qualify as a REIT under the Internal Revenue Code, the REIT subsidiary is required to meet certain requirements, including income, asset, and annual minimum dividend tests. Additionally, the REIT subsidiary is required to have greater than 100 investors. We intend to meet this requirement by issuing non-participating preferred shares to third-party investors. To the extent the REIT subsidiary fails to meet such requirements, the REIT subsidiary may become subject to corporate income tax. Additionally, the REIT subsidiary may be subject to state and local tax in certain US jurisdictions.

Taxation of U.S. Shareholders

Distributions by us generally are taxable to U.S. Shareholders as ordinary income or capital gains. Distributions of our "investment company taxable income" (which is, generally, our net ordinary income plus realized net short-term capital gains in excess of realized net long-term capital losses) will be taxable as ordinary income to U.S. Shareholders to the extent of our current or accumulated earnings and profits, whether paid in cash or reinvested in additional Shares. To the extent such distributions paid by us to non-corporate U.S. Shareholders (including individuals) are attributable to dividends from U.S. corporations and certain qualified foreign corporations, such distributions, or Qualifying Dividends, may be eligible for a preferential tax rate. In this regard, it is anticipated that distributions paid by us will generally not be attributable to dividends and, therefore, generally will not qualify for the reduced rates applicable to Qualifying Dividends. Distributions of our net capital gains (which is generally our realized net long-term capital gains in excess of realized net short-term capital losses) properly designated by us as "capital gain dividends" will be taxable to a U.S. Shareholder as long-term capital gains in the case of individuals, trusts or estates, regardless of the U.S. Shareholder's holding period for his, her or its Shares and regardless of whether paid in cash or reinvested in additional Shares. Distributions in excess of our earnings and profits first will reduce a U.S. Shareholder's adjusted tax basis in such Shareholder's Shares and, after the adjusted basis is reduced to zero, will constitute capital gains to such U.S. Shareholder.

We may retain some or all of our realized net long-term capital gains in excess of realized net short-term capital losses, but designate the retained net capital gain as a "deemed distribution." In that case, among other consequences, we will pay tax on the retained amount, each U.S. Shareholder will be required to include his, her or its share of the deemed distribution in income as if it had been actually distributed to such U.S. Shareholder, and such U.S. Shareholder will be entitled to claim a credit equal to his, her or its allocable share of the tax paid thereon by us. Because we expect to pay tax on any retained capital gains at our regular corporate income tax rate, and because that rate is in excess of the maximum rate currently payable by U.S. Shareholders taxed at individual rates on long-term capital gains, the amount of tax that individual U.S. Shareholders will be treated as having paid will exceed the tax they owe on the deemed capital gain distribution and such excess generally may be refunded or claimed as a credit against such U.S. Shareholder's other U.S. federal income tax obligations. The amount of the deemed distribution net of such tax will be added to the U.S. Shareholder's cost basis for his, her or its Shares. In order to utilize the deemed distribution approach, we must provide written notice to our Shareholders prior to the expiration of 60 days after the close of the relevant taxable year. We cannot treat any of our investment company taxable income as a "deemed distribution."

We do not expect that special Share distributions that we pay ratably to all Shareholders from time to time, if any, will be taxable. However, in the future, we may distribute taxable dividends that are payable in cash or Shares at the election of each Shareholder. Under certain applicable provisions of the Code and the Treasury regulations, distributions payable in cash or in Shares at the election of Shareholders are treated as taxable dividends whether a Shareholder elects to receive cash or Shares. The IRS has issued private rulings indicating that this rule will apply even where the total amount of cash that may be distributed is limited to no more than 20% of the total distribution. The IRS has also issued guidance under which if we are a publicly offered RIC, such distributions will be treated as taxable dividends in cases where the total amount of cash that may be distributed is not less than 20% of the total distribution (not less than 10% of the total distribution, for distributions declared on or after November 1, 2021, and on or before June 30, 2022). Under these rulings and guidance, if too many Shareholders elect to receive their distributions in cash, each such Shareholder would receive a pro rata share of the total cash to be distributed and would receive the remainder of their distribution in Shares. If we decide to make any distributions consistent with these rulings or guidance that are payable in part in our Shares, taxable Shareholders receiving such dividends will be required to include the full amount of the dividend (whether received in cash, Shares, or a combination thereof) as ordinary income (or as long-term capital gain to the extent such distribution is properly reported as a capital gain dividend) to the extent of our current and accumulated earnings and profits for U.S. federal income tax purposes. As a result, a U.S. Shareholder may be required to pay tax with respect to such dividends in excess of any cash received. If a U.S. Shareholder sells the Shares it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our Shares at the time of the sale.

For purposes of determining (1) whether the Annual Distribution Requirement is satisfied for any year and (2) the amount of dividends paid for that year, we may, under certain circumstances, elect to treat a dividend that is paid during the following taxable year as if it had been paid during the taxable year in question. If we make such an election, the U.S. Shareholder will still be treated as receiving the dividend in the taxable year in which the distribution is made. However, any dividend declared by us in October, November or December of any calendar year, payable to Shareholders of record on a specified date in such a month and actually paid during January of the following year, will be treated as if it had been received by our U.S. Shareholders on December 31 of the year in which the dividend was declared.

If a Shareholder purchases our Shares shortly before the record date of a distribution, the price of the Shares will include the value of the distribution and the Shareholder will be subject to tax on the distribution even though economically it may represent a return of such Shareholder's investment.

A Shareholder generally will recognize taxable gain or loss if the Shareholder sells or otherwise disposes of his, her or its Shares (other than a repurchase as described below). The amount of gain or loss will be measured by the difference between such Shareholder's adjusted tax basis in the Shares sold and the amount of the proceeds received in exchange. Any gain arising from such sale or disposition generally will be treated as long-term capital gain or loss if the Shareholder has held his, her or its Shares for more than one year. Otherwise, it will be classified as short-term capital gain or loss. However, any capital loss arising from the sale or disposition of our Shares held for six months or less will be treated as long-term capital loss to the extent of the amount of capital gain dividends received, or undistributed capital gain deemed received, with respect to such Shares. In addition, all or a portion of any loss recognized upon a disposition of our Shares may be disallowed if other Shares are purchased (whether through reinvestment of distributions or otherwise) within 30 days before or after the disposition.

If a Shareholder incurs a sales charge in acquiring Shares, disposes of those Shares within 90 days of their acquisition and, as a result of having initially acquired those Shares, subsequently pays a reduced sales charge on a new purchase of Shares or shares of another regulated investment company during the period beginning on the date of the disposition and ending on January 31 of the calendar year following the calendar year of the disposition, the sales charge previously incurred in acquiring the Shares disposed of generally will not be taken into account (to the extent such sales charge does not exceed the reduction in the sales charge on the new purchase) for purposes of determining the amount of gain or loss on the disposition, but generally will be treated as having been incurred in the new purchase.

The repurchase of Shares generally will be a taxable transaction, regardless of whether such repurchase is treated as a sale or exchange or, under certain circumstances, as a dividend. A repurchase of Shares generally will be treated as a sale or exchange if the receipt of cash by the Shareholder results in a complete redemption of such Shareholder's interest in the Fund or is treated as substantially disproportionate distribution or as a distribution that is not essentially equivalent to a dividend with respect to the Shareholder. In determining whether any of these tests have been met, Shares actually owned and Shares considered to be owned by the Shareholder by reason of certain constructive ownership rules generally must be taken into account. If any of the tests for sale or exchange treatment is met, a Shareholder will generally recognize a gain or loss on a repurchase equal to the difference between the amount of cash received by the Shareholder and the adjusted tax basis of the Shares repurchased. If such Shares are held as a capital asset, the gain or loss will be a capital gain or loss.

If none of the tests for sale or exchange treatment is met, the amount received by a Shareholder on a repurchase of Shares will be taxable to the Shareholder as a dividend to the extent of such Shareholder's allocable share of the Fund's current and accumulated earnings and profits. The excess of such amount received over the portion that is taxable as a dividend would constitute a non-taxable return of capital to the extent of the Shareholder's adjusted tax basis in the Shares repurchased, and any amount in excess of the Shareholder's adjusted tax basis would constitute taxable gain. Any remaining tax basis in the Shares repurchased will be transferred to any remaining Shares held by such Shareholder. In addition, if the Fund were treated as a non-publicly offered RIC, then if a repurchase of shares is treated as a dividend to a tendering Shareholder, a constructive dividend may result to a non-tendering Shareholder whose proportionate interest in the earnings and assets of the Fund has been increased by such repurchase.

If we are not a publicly offered RIC for any period, a non-corporate Shareholder's pro rata portion of our affected expenses, including our management and incentive fees, will be treated as an additional dividend to the Shareholder and will be deductible by such Shareholder only to the extent permitted under the limitations described below. For non-corporate Shareholders, including individuals, trusts, and estates, significant limitations generally apply to the deductibility of certain expenses of a non-publicly offered RIC, including management and incentive fees. In particular, these expenses, referred to as miscellaneous itemized deductions, are not deductible in taxable years beginning before 2026. For taxable years beginning after December 31, 2025, these expenses are deductible only to the extent they exceed 2% of such Shareholder's adjusted gross income, and are not deductible for alternative minimum tax purposes. A "publicly offered" RIC is a RIC whose shares are either (i) continuously offered pursuant to a public offering, (ii) regularly traded on an established securities market or (iii) held by at least 500 persons at all times during the taxable year. While we anticipate that we will constitute a publicly offered RIC for our current tax year, there can be no assurance that we will in fact so qualify for any taxable years.

In general, individual U.S. Shareholders currently are subject to a preferential tax rate on their net capital gain, or the excess of realized net long-term capital gain over realized net short-term capital loss for a taxable year, including long-term capital gain derived from an investment in our Shares. Such rate is lower than the maximum rate on ordinary income currently payable by individuals. Corporate U.S. Shareholders currently are subject to U.S. federal income tax on net capital gain at ordinary income tax rates.

Certain U.S. Shareholders who are individuals, estates or trusts and whose income exceeds certain thresholds will be required to pay a 3.8% tax on all or a portion of their "net investment income," which includes dividends received from us and capital gains from the sale or other disposition of our Shares.

We will make available to each of our U.S. Shareholders, as promptly as possible after the end of each calendar year, a notice detailing, on a per share basis, the amounts includible in such U.S. Shareholder's taxable income for such year as ordinary income and as long-term capital gain on I.R.S. Form 1099-DIV. In addition, the amount and the U.S. federal tax status of each year's distributions generally will be reported to the IRS. Distributions may also be subject to additional state, local and foreign taxes depending on a U.S. Shareholder's particular situation.

Payments of dividends, including deemed payments of constructive dividends, or the proceeds of the sale or other taxable disposition of our Shares generally are subject to information reporting unless the U.S. Shareholder is an exempt recipient. Such payments may also be subject to U.S. federal backup withholding at the applicable rate if the recipient of such payment fails to supply a taxpayer identification number and otherwise comply with the rules for establishing an exemption from backup withholding. Backup withholding is not an additional tax, and any amounts withheld under the backup withholding rules generally will be allowed as a refund or credit against the holder's U.S. federal income tax liability, provided that certain required information is provided timely to the IRS.

Taxation of non-U.S. Shareholders

Whether an investment in our Shares is appropriate for a non-U.S. Shareholder will depend upon that person's particular circumstances. An investment in our Shares by a non-U.S. Shareholder may have adverse tax consequences. Non-U.S. Shareholders should consult their tax advisers before investing in our Shares.

Distributions of our investment company taxable income to non-U.S. Shareholders (including interest income and realized net short-term capital gains in excess of realized long-term capital losses, which capital gain generally would be free of withholding if paid to non-U.S. Shareholders directly) will be subject to U.S. federal withholding tax at a 30% rate (or lower rate provided by an applicable treaty) to the extent of our current and accumulated earnings and profits unless an applicable exception applies. If the distributions are effectively connected with a

U.S. trade or business of the non-U.S. Shareholder, and, if an income tax treaty applies, attributable to a permanent establishment in the United States, we will not be required to withhold U.S. federal tax if the non-U.S. Shareholder complies with applicable certification and disclosure requirements, although the distributions will be subject to U.S. federal income tax at the rates applicable to U.S. persons. (Special certification requirements apply to a non-U.S. Shareholder that is a foreign partnership or a foreign trust, and such entities are urged to consult their own tax advisers.)

For distributions made to non-U.S. Shareholders, no withholding is required and the distributions generally are not subject to U.S. federal income tax if (i) the distributions are properly reported to our Shareholders as “interest-related dividends” or “short-term capital gain dividends,” (ii) the distributions were derived from sources specified in the Code for such dividends and (iii) certain other requirements are satisfied. No assurance can be given as to whether any significant portion of our distributions would be designated as eligible for this exemption from withholding.

Actual or deemed distributions of our net capital gains to a non-U.S. Shareholder, and gains realized by a non-U.S. Shareholder upon the sale of our Shares, will not be subject to U.S. federal withholding tax and generally will not be subject to U.S. federal income tax unless (i) the distributions or gains, as the case may be, are effectively connected with a U.S. trade or business of the non-U.S. Shareholder and, if an income tax treaty applies, are attributable to a permanent establishment maintained by the non-U.S. Shareholder in the United States, or (ii) such non-U.S. Shareholder is an individual present in the United States for 183 days or more during the year of the distribution or gain.

If we distribute our net capital gains in the form of deemed rather than actual distributions, a non-U.S. Shareholder will be entitled to a U.S. federal income tax credit or tax refund equal to the Shareholder’s allocable share of the tax we pay on the capital gains deemed to have been distributed. In order to obtain the refund, the non-U.S. Shareholder must obtain a U.S. taxpayer identification number and file a U.S. federal income tax return even if the non-U.S. Shareholder would not otherwise be required to obtain a U.S. taxpayer identification number or file a U.S. federal income tax return. For a corporate non-U.S. Shareholder, distributions (both actual and deemed) and gains realized upon the sale of our Shares that are effectively connected with a U.S. trade or business may, under certain circumstances, be subject to an additional “branch profits tax” at a 30% rate (or at a lower rate if provided for by an applicable treaty). Accordingly, investment in our Shares may not be appropriate for a non-U.S. Shareholder.

A non-U.S. Shareholder who is a non-resident alien individual, and who is otherwise subject to U.S. federal withholding tax, may be subject to information reporting and backup withholding of U.S. federal income tax on dividends unless the non-U.S. Shareholder provides us or the dividend paying agent with an IRS Form W-8BEN (or an acceptable substitute form) or otherwise meets documentary evidence requirements for establishing that it is a non-U.S. Shareholder or otherwise establishes an exemption from backup withholding.

In addition, withholding at a rate of 30% will be required on dividends on Shares held by or through certain foreign financial institutions (including investment funds), unless such institution enters into an agreement with the Secretary of the Treasury to report, on an annual basis, information with respect to interests in, and accounts maintained by, the institution to the extent such interests or accounts are held by certain U.S. persons or by certain non-U.S. entities that are wholly or partially owned by U.S. persons and to withhold on certain payments. Accordingly, the entity through which our Shares are held will affect the determination of whether such withholding is required. An intergovernmental agreement between the United States and an applicable foreign country, or future Treasury regulations or other guidance, may modify these requirements. Similarly, dividends on our Shares held by an investor that is a non-financial non-U.S. entity that does not qualify under certain exemptions will be subject to withholding at a rate of 30%, unless such entity either (i) certifies to us that such entity does not have any “substantial United States owners” or (ii) provides certain information regarding the entity’s “substantial United States owners,” which we will in turn provide to the IRS. Under proposed regulations on which taxpayers may rely until the issuance of final regulations, withholding on the gross proceeds from the sale of Shares, scheduled to take effect beginning January 1, 2019, has been eliminated. We will not pay any additional amounts to Shareholders in respect of any amounts withheld. Non-U.S. Shareholders are encouraged to consult their tax advisors regarding the possible implications of these requirements on their investment in our Shares.

A non-U.S. Shareholder generally will be required to comply with certain certification procedures to establish that such holder is not a U.S. person in order to avoid backup withholding with respect to payments of dividends, including deemed payments of constructive dividends, or the proceeds of a disposition of Shares. In addition, we are required to annually report to the IRS and each non-U.S. Shareholder the amount of any dividends or constructive dividends treated as paid to such non-U.S. Shareholder, regardless of whether any tax was actually withheld. Copies of the information returns reporting such dividend or constructive dividend payments and the amount withheld may also be made available to the tax authorities in the country in which a non-U.S. Shareholder resides under the provisions of an applicable treaty. Backup withholding is not an additional tax, and any amounts withheld under the backup withholding rules generally will be allowed as a refund or credit against a non-U.S. Shareholder’s U.S. federal income tax liability, if any, provided that certain required information is provided timely to the IRS.

Non-U.S. persons should consult their own tax advisers with respect to the U.S. federal income tax and withholding tax, and state, local and foreign tax consequences of an investment in our Shares.

The discussion set forth herein does not constitute tax advice, and potential investors should consult their own tax advisors concerning the tax considerations relevant to their particular situation.

THIRD PARTY BENEFICIARIES

The Fund enters into contractual arrangements (“Contracts”) with various parties, including, among others, the Adviser, the Distributor, the Transfer Agent and the Fund’s custodian. The Fund’s Contracts are solely among the parties thereto. Shareholders are not parties to, or intended to be third-party beneficiaries of, any Contracts. Further, this prospectus, the Statement of Additional Information (SAI) and any Contracts are not intended to give rise to any agreement, duty, special relationship or other obligation between the Fund and any investor, or give rise to any contractual, tort or other rights in any individual Shareholder, group of Shareholders or other person, including any right to assert a fiduciary or other duty, enforce the Contracts against the parties or to seek any remedy thereunder, either directly or on behalf of the Fund. Nothing in the previous sentence should be read to suggest any waiver of any rights under federal or state securities laws.

CONFLICTS OF INTEREST

The Adviser (which includes its managing member, OWS, as applicable) and the Fund have adopted compliance policies and procedures that are designed to avoid, mitigate, monitor and oversee areas that could present potential conflicts of interest. The Adviser attempts to address these potential conflicts of interest through various compliance policies. For example, the Adviser has adopted investment allocation procedures that are designed to facilitate the fair allocation of limited investment opportunities among multiple clients and/or affiliates (collectively referred to as "clients"). Allocations are reviewed on a periodic basis as part of the Adviser's trade oversight procedures in an attempt to ensure fairness over time across clients and to monitor whether any client is systematically favored over time in contravention of the Adviser's trade allocation policy. There is no guarantee, however, that the policies and procedures adopted by the Adviser and the Fund will be able to detect and/or prevent every situation in which an actual or potential conflict may appear.

These potential conflicts include:

Allocation of Limited Time and Attention. A portfolio manager who is responsible for managing multiple client accounts may devote unequal time and attention to the management of those accounts. As a result, the portfolio manager may not be able to formulate as complete a strategy or identify equally attractive investment opportunities for each of the accounts as might be the case if he were to devote substantially more attention to the management of a single account. The effects of this potential conflict may be more pronounced where accounts overseen by a particular portfolio manager have different investment strategies.

Allocation of Opportunities. The Adviser will seek to allocate orders and investment opportunities among clients in a manner that it believes is equitable and in the best interests of all of its clients. Although such allocations may be *pro rata* among participating clients, they will not necessarily be so, where the Adviser's allocation policies (*e.g.*, taking into account differing objectives or other considerations) dictate a different result. There can be no assurance that a particular order or investment opportunity will be allocated in a particular manner. In any case, the Adviser seeks to allocate investment opportunities in a way that is fair and equitable among all clients.

As a general matter, the Adviser allocates securities among the clients in each strategy on a *pro rata* basis. When an investment is appropriate for multiple clients, the Adviser typically will allocate the investment among all of the pertinent clients pursuant to the following criteria: (1) the appropriateness of the investment for each client strategy; (2) amount of available securities; (3) available liquidity in each client account; (4) diversity of each client account; (5) tax considerations relating to the type of investment; (6) risk equity limits for each client account; and (7) other relevant factors. Accordingly, the allocation among clients will change over time based on the above criteria. Further, the Adviser may allocate investments to avoid creating odd lots of securities so long as the allocation is equitable among clients.

With respect to allocations of limited investment opportunities, such as privately placed securities and initial public offerings of securities, the Adviser will determine which clients are eligible to participate in those opportunities. Limited investment opportunities will generally be allocated among all eligible clients in proportion to their target allocations in accordance with the procedures set forth above. Clients without sufficient available capital will not participate.

The above considerations may result in allocations among the Fund and one or more of the affiliated accounts on other than a *pro rata* basis. Orders may be combined for all such accounts, and if any order is not filled at the same price, they may be allocated on an average price basis. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, securities may be allocated among the different accounts on a basis which the Adviser considers equitable.

In certain circumstances, negotiated co-investments by the Fund and other funds managed by the Adviser may be made only pursuant to an order from the SEC permitting the Fund to do so. The Adviser has received an exemptive order from the SEC (the "Order") granting funds managed by the Adviser or certain affiliates, the ability to fully negotiate terms of co-investment transactions with other funds managed by the Adviser or certain affiliates, subject to the conditions included therein. In certain situations, such as when there is an opportunity to invest in different securities of the same issuer, the personnel of the Adviser or its affiliates will need to decide which client will proceed with the investment. These limitations may limit the scope of investment opportunities that would otherwise be available to the Fund. Such personnel will make these determinations based on policies and procedures, which are designed to reasonably ensure that investment opportunities are allocated fairly and equitably among affiliated funds/accounts over time and in a manner that is consistent with applicable laws, rules and regulations. Moreover, except in certain circumstances, when relying on the Order, the Fund will be unable to invest in any issuer in which one or more funds managed by the Adviser or its affiliates has previously invested.

Conflicts of Interest Among Accounts. At times, the Adviser and/or its affiliates may determine that an investment opportunity may be appropriate for only some clients (including the Fund), or may decide that certain clients should take differing positions with respect to a particular security even though they share investment objectives. In these cases, the portfolio manager may place separate transactions for one or more clients, which may affect the market price of the security or the execution of the transaction, or both, to the detriment or benefit of one or more other clients. Similarly, the Adviser or its affiliates may take positions that are different from those taken by one or more clients. The Fund, for example, may make an investment at the same time that one or more affiliated accounts is disposing of the same or a similar investment. Conflicts may also arise in cases when clients invest in different parts of an issuer's capital structure, including circumstances in which one or more clients own private securities or obligations of an issuer and other clients may own public securities of the same issuer. Actions by investors in one part of the capital structure could disadvantage investors in another part of the capital structure. In addition, purchases or sales of the same investment may be made for two or more clients on the same date. There can be no assurance that a client will not receive less (or more) of a certain investment than it would otherwise receive if this conflict of interest among clients did not exist. In effecting transactions, it may not be possible, or consistent with the investment objectives of clients, to purchase or sell securities at the same time or at the same prices.

Related Business Opportunities. The Adviser or its affiliates may provide more services (such as recordkeeping) for some types of clients than for others. In such cases, a portfolio manager may benefit, either directly or indirectly, by devoting disproportionate attention to the management of clients that provide greater overall returns to the Adviser and its affiliates.

Variation in Compensation. A conflict of interest may arise where the financial or other benefits available to a portfolio manager differ among the accounts that he manages. If the structure of the Adviser's management fee and/or a portfolio manager's compensation differs among clients (such as where certain clients pay higher management fees), a portfolio manager might be motivated to help certain clients over others. A portfolio manager might be motivated to favor accounts in which he has an interest or in which the Adviser and/or its affiliates have interests. Similarly, the desire to maintain or raise assets under management or to enhance a portfolio manager's performance record or to derive other rewards, financial or otherwise, could influence a portfolio manager to lend preferential treatment to those accounts that could most significantly benefit a portfolio manager.

Investments by Adviser or Related Entities. The Adviser or a related entity may make investments in Credit Investments for its own accounts.

ADDITIONAL INFORMATION

The Fund's fiscal year ends on each October 31. The Fund's tax year for U.S. federal income tax purposes ends on each October 31.

We have filed with the SEC a registration statement on Form N-2, together with all amendments and related exhibits, under the Securities Act, with respect to our shares offered by this prospectus. Another class of Shares of the Fund, Class I, is offered using a separate prospectus. The registration statement contains additional information about us and our shares being offered by this prospectus, and include the SAI. The SAI, as it may be amended from time to time, is incorporated by reference herein to this prospectus.

We are required to file with or submit to the SEC annual, semi-annual and quarterly reports, proxy statements and other information meeting the informational requirements of the Exchange Act. You may inspect and copy these reports, proxy statements and other information, as well as the registration statement and related exhibits and schedules, at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements and other information filed electronically by us with the SEC, which are available on the SEC's website at *www.sec.gov*. Copies of these reports, proxy and information statements and other information may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov, or by writing the SEC's Public Reference Section, 100 F Street, N.E., Washington, D.C. 20549. This information will also be available free of charge by contacting us by telephone at (833) 834-4923.

THE FUND'S PRIVACY POLICY

Your privacy is very important to us. This Privacy Policy sets forth the policies of the Adviser 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; (ii) in correspondence and conversations with the Fund's representatives; and (iii) through transactions in the Funds, 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, management and distribution of the Fund and in accordance with applicable laws. Thus, 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 our Adviser's affiliates, and to others that perform marketing services on our behalf or on behalf of the Adviser or its affiliates. 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.

APPENDIX A
SUPPLEMENTAL INTERMEDIARY INFORMATION

Intermediaries, in their discretion, charge different sales charge schedules and fees to Fund investors. Certain Intermediaries apply the following three sales charge structures to purchases of Class A-2 Shares. Other charges/fees may also be applied by the Intermediaries.

(1) The Distributor understands that one or more other Intermediaries charge a front-end sales charge of up to 2.00% of the amount invested.

(2) The Distributor understands that one or more Intermediaries apply the following specific front-end sales charge schedule:

Your Investment	As a % of offering price	As a % of net amount invested	Dealer's concession as a % of offering price
Less than $100,000	2.5%	2.56%	2.5%
$100,000 to $249,999	2.0%	2.04%	2.0%
Over $250,000*	None	None	1.5%

Note: The above percentages may vary for particular investors due to rounding.

* *A contingent deferred sales charge ("CDSC") may be imposed by such Intermediary if the investor did not pay a sales load and the Shares are repurchased before the first day of the month in which the one year anniversary of the purchase falls.*

(3) The Distributor understands that one or more Intermediaries (including LPL Financial LLC and its affiliated broker-dealers) apply the following specific front-end sales charge schedule:

Your Investment	As a % of offering price	As a % of net amount invested	Dealer's concession as a % of offering price
Less than $100,000	2.5%	2.56%	2.5%
$100,000 to $249,999	2.0%	2.04%	2.0%
Over $250,000	1.5%	1.52%	1.5%

Note: The above percentages may vary for particular investors due to rounding.

The foregoing schedules/structures are only three examples used by certain Intermediaries and are subject to change at any time. Further, the stated charges may be subject to waivers/reductions based on the Intermediary's specific policies disclosed to their clients. Other Intermediaries may apply different sales charge schedules and/or impose other fees and charges in their discretion and other terms/conditions may apply.

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