

POLEN CREDIT OPPORTUNITIES FUND

Common Shares Institutional Class Shares Statement of Additional Information

August 21, 2023, as revised May 6, 2024

Polen Credit Opportunities Fund (the “Fund”) is a recently organized Delaware statutory trust that is registered under the Investment Company Act of 1940, as amended (the “1940 Act”). The Fund is a non-diversified, closed-end management investment company that is operated as an “interval fund.”

This Statement of Additional Information (this “Statement of Additional Information”) is not a prospectus and is authorized for distribution to prospective investors only if preceded or accompanied by the prospectus. This Statement of Additional Information should be read in conjunction with the prospectus dated August 21, 2023, a copy of which may be obtained upon request and without charge by writing to the Fund at P.O. Box 534410, Pittsburgh, PA 15253-4410 or by calling toll-free 1-833-996-2518 or by accessing the Fund’s website at www.polencapital.com. The information on the website is not incorporated by reference into this Statement of Additional Information and investors should not consider it a part of this Statement of Additional Information. The prospectus, and other information about the Fund, is also available on the U.S. Securities and Exchange Commission’s (the “SEC”) website at <http://www.sec.gov>. The address of the SEC’s website is provided solely for the information of prospective investors and is not intended to be an active link.

Capitalized terms used but not defined in this Statement of Additional Information have the meanings ascribed to them in the prospectus.

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THE FUND

The Fund is recently organized, a non-diversified, closed-end management investment company that continuously offers its Shares and is operated as an “interval fund.” The Fund currently offers one class of Shares, Institutional Class Shares, and intends to offer additional classes of Shares at a later date. The Fund has obtained exemptive relief from the SEC that permits the Fund to issue multiple classes of Shares and to, among other things, impose asset-based distribution fees and early-withdrawal fees. The Fund was formed on February 13, 2023 as a Delaware statutory trust.

INVESTMENT OBJECTIVE, POLICIES, AND RISKS

This section provides further information on certain types of investments and investment techniques that the Fund may use and some of the risks associated with such investments and techniques. The composition of the Fund's portfolio and the investments and techniques that the Fund uses in seeking its investment objective and employing its investment strategies will vary over time. The Fund may use the investments and techniques described below at all times, at some times, or not at all.

Duration. Duration is a measure of the expected life of a bond or other fixed income instrument on a present value basis. Duration incorporates the bond or other fixed income instrument's yield, coupon interest payments, final maturity, and call features into one measure. Duration allows an investment adviser to make certain predictions as to the effect that changes in the level of interest rates will have on the value of the Fund's portfolio of bonds or fixed income instruments. However, various factors, such as changes in anticipated prepayment rates, qualitative considerations, and market supply and demand, can cause particular securities to respond somewhat differently to changes in interest rates. This is particularly true during periods of market volatility.

The Fund's portfolio will have a duration that is equal to the weighted average of the durations of the bonds or other fixed income instruments in its portfolio. The longer the Fund's portfolio's duration, the more sensitive it is to interest rate risk. The shorter the Fund's portfolio's duration, the less sensitive it is to interest rate risk. For example, the value of a portfolio with a duration of five years would be expected to fall approximately five percent if interest rates rose by one percentage point and the value of a portfolio with a duration of two years would be expected to fall approximately two percent if interest rates rose by one percentage point.

Some securities may have periodic interest rate adjustments based upon an index such as the 90-day Treasury Bill rate. This periodic interest rate adjustment tends to lessen the volatility of the security's price. With respect to securities with an interest rate adjustment period of one year or less, the Fund will, when determining average-weighted duration, treat such a security's maturity as the amount of time remaining until the next interest rate adjustment.

Instruments such as securities guaranteed by the Government National Mortgage Association ("Ginnie Mae"), the Federal National Mortgage Association ("Fannie Mae"), and the Federal Home Loan Mortgage Corporation ("Freddie Mac") and similar securities backed by amortizing loans generally have shorter effective maturities than their stated maturities. This is due to changes in amortization caused by demographic and economic forces such as interest rate movements. These effective maturities are calculated based upon historical payment patterns and, therefore, have a shorter duration than would be implied by their stated final maturity. For purposes of determining the Fund's average maturity, the maturities of such securities will be calculated based upon the issuing agency's payment factors using industry accepted valuation models.

Bank Obligations. Bank obligations in which the Fund may invest include certificates of deposit, bankers' acceptances and fixed time deposits. Certificates of deposit are negotiable certificates issued against funds deposited in a commercial bank for a definite period of time and earning a specified return. Bankers' acceptances are negotiable drafts or bills of exchange, normally drawn by an importer or exporter to pay for specific merchandise, which are "accepted" by a bank, meaning, in effect, that the bank unconditionally agrees to pay the face value of the instrument on maturity. Fixed time deposits are bank obligations payable at a stated maturity date and bearing interest at a fixed rate. Fixed time deposits may be withdrawn on demand by the investor but may be subject to early withdrawal penalties which vary depending upon market conditions and the remaining maturity of the obligation. There are no contractual restrictions on the right to transfer a beneficial interest in a fixed time deposit to a third party, although there is no market for such deposits.

Obligations of foreign banks involve somewhat different investment risks than those affecting obligations of United States banks, including the possibilities that their liquidity could be impaired because of future political and economic developments, that their obligations may be less marketable than comparable obligations of United States banks, that a foreign jurisdiction might impose withholding taxes on interest income payable on those obligations, that foreign deposits may be seized or nationalized, that foreign governmental restrictions such as exchange controls may be adopted which might adversely affect the payment of principal and interest on those obligations and that the selection of those obligations may be more difficult because there may be less publicly available information concerning foreign banks or the accounting, auditing and financial reporting standards, practices and requirements applicable to foreign banks may differ from those applicable to United States banks. Foreign banks are not generally subject to examination by any U.S. Government agency or instrumentality.

Bankers Acceptances. Bankers' acceptances are credit instruments evidencing the obligation of a bank to pay a draft that has been drawn on it by a customer. These instruments reflect the obligation of both the bank and the drawer to pay the face amount of the instrument upon maturity.

Certificates of Deposit. Certificates of deposit are certificates evidencing the indebtedness of a commercial bank to repay funds deposited with it for a definite period of time (usually from 14 days to one year) at a stated or variable interest rate. Variable rate certificates of deposit provide that the interest rate will fluctuate on designated dates based on changes in a designated base rate (such as the composite rate for certificates of deposit established by the Federal Reserve Bank of New York).

Time Deposits. Time deposits are bank deposits for fixed periods of time. Fixed time deposits may be withdrawn on demand by the investor, but may be subject to early withdrawal penalties which may vary depending upon market conditions and the remaining maturity of the obligation. There are no contractual restrictions on the right to transfer a beneficial interest in a fixed time deposit to a third party, although there is no market for such deposits.

Cash Management Practices. The Fund receives cash as a result of investments in the Fund's shares, from the sale of the Fund's investments, and from any income or dividends generated by its portfolio investments and may handle that cash in different ways. The Fund may maintain a cash balance pending investments in other securities, payment of dividends or repurchase consideration, or in other circumstances where the Fund's portfolio management team believes additional liquidity is necessary or advisable. To the extent that the Fund maintains a cash balance, that portion of the Fund's portfolio will not be exposed to the potential returns (positive or negative) of the market in which the Fund typically invests. The Fund may invest its cash balance in short-term investments, such as repurchase agreements.

Consistent with its investment objective, policies, and restrictions, however, the Fund also may invest in securities, such as exchange-traded funds ("ETFs"), or derivatives related to its cash balance.

These cash management practices are ancillary to, and not part of, the Fund's principal investment strategies. As such, the Fund does not intend to invest substantially in this manner under normal circumstances.

Collateralized Loan Obligations and Other Collateralized Obligations. A collateralized loan obligation ("CLO") is a type of structured product that issues securities collateralized by a pool of loans, which may include, among others, domestic and foreign senior secured loans, senior unsecured loans, second lien loans, and subordinate corporate loans. The underlying loans may be rated below investment grade by a rating agency. A CLO is not merely a conduit to a portfolio of loans; it is a pooled investment vehicle that may be actively managed by the collateral manager. Therefore, an investment in a CLO can be viewed as investing in (or through) another investment adviser and is subject to the layering of fees associated with such an investment.

The cash flows from a CLO are divided into two or more classes called "tranches," each having a different risk-reward structure in terms of the right (or priority) to receive interest payments from the CLO. The risks of an investment in a CLO depend largely on the type of the collateral held in the CLO portfolio and the tranche of securities in which the Fund invests. Generally, the risks of investing in a CLO can be summarized as a combination of economic risks of the underlying loans combined with the risks associated with the CLO structure governing the priority of payments. In addition to the general risks associated with fixed income securities and structured products discussed elsewhere in this Statement of Additional Information and in the prospectus, CLOs carry additional risks including but not limited to the following:

- **Subordination and Risk of Default:** Lower tranche CLOs provide subordination and enhancement to higher tranches, and, therefore, lower tranches are subject to a higher risk of defaults in the underlying collateral. Although supported by the lower tranches, defaults or losses above certain levels could reduce or eliminate all current cash flow to the highest tranche and entail loss of principal. Among other things, defaults, downgrades, and principal losses with respect to CLO collateral can trigger an event of default under the terms of the CLO structure, which could result in the liquidation of the collateral and accelerate the payments of the Fund's investments in the CLO, which may be at a loss.
- **Transparency Risk:** Collateral managers of CLOs may actively manage the portfolio. Accordingly, the collateral and the accompanying risks underlying a CLO in which the Fund invests will change, and will do so without transparency. Therefore, the Fund's investment in a CLO will not benefit from detailed or ongoing due diligence on the underlying collateral.

- **Credit Risk:** CLO collateral is subject to credit and liquidity risks, as substantially all of the collateral held by CLOs will be rated below investment grade or be unrated. Because of the lack of transparency, the credit and liquidity risk of the underlying collateral can change without visibility to the CLO investors.
- **Lack of Liquidity:** CLOs typically are privately offered and sold, and, thus, are not registered under the federal securities laws and subject to transfer restrictions. As a result, the Fund may characterize investments in CLOs as illiquid. Certain securities issued by a CLO (typically the highest tranche) may have an active dealer market and, if so, the Fund may deem such securities to be liquid.
- **Interest Rate Risk:** The CLO portfolio may have exposure to interest rate fluctuations as well as mismatches between the interest rate on the underlying bank loans and the CLO securities.
- **Prepayment Risk:** CLO securities may pay earlier than expected due to defaults (triggering liquidation) or prepayments on the underlying collateral, optional redemptions, or refinancing, or forced sale in certain circumstances.
- **Documentation Risk:** CLO documentation is highly complex and can contain inconsistencies or errors, creating potential risk and requiring significant interpretational expertise, disputes with issuers, or unintended investment results.

Other structured products in which the Fund may invest include collateralized debt obligations (“CDOs”), collateralized bond obligations (“CBOs”), and collateralized mortgage obligations (“CMOs”). A CDO is a security backed by pools of corporate or sovereign bonds, bank loans to corporations, or a combination of bonds and loans, many of which may be unsecured. A CBO is an obligation of a trust or other special purpose vehicle backed by a pool of fixed income securities, which are often a diversified pool of securities that are high risk and below investment grade. These securities are collateralized by many different types of fixed income securities, including high yield debt, trust preferred securities, and emerging market debt, which are subject to varying degrees of credit and counterparty risk. A CMO is a security that is collateralized by whole loan mortgages or mortgage pass-through securities. CMOs, CDOs and CBOs are structured similarly to CLOs and carry additional risks that include, but are not limited to, the risks of investing in CLOs described above and the risks associated with the pool of underlying securities. For more information about CMOs, please see “Collateralized Mortgage Obligations and Real Estate Mortgage Investment Conduits” below.

Convertible Securities. Convertible securities are preferred stock or debt obligations that may be converted into or exchanged for shares of common stock (or cash or other securities) of the same or a different issuer at a stated price or exchange ratio. Convertible securities generally rank senior to common stock in a corporation’s capital structure but usually are subordinated to comparable non-convertible securities. A convertible security entitles the holder to receive a dividend or interest that generally is paid or accrued on the underlying security until the convertible security matures or is redeemed, converted, or exchanged. While convertible securities generally do not participate directly in any dividend increases or decreases of the underlying securities, market prices of convertible securities may be affected by such dividend changes or other changes in the underlying securities. In addition, if the market price of the common stock underlying a convertible security approaches or exceeds the conversion price of the convertible security, the convertible security tends to reflect the market price of the underlying common stock. Alternatively, a convertible security may lose much or all of its value if the value of the underlying common stock falls below the conversion price of the security.

Convertible securities have both equity and fixed income risk characteristics. A significant portion of convertible securities have below investment grade credit ratings and are subject to increased credit and liquidity risks. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security’s governing instrument. If a convertible security held by the Fund is called for redemption, the Fund will be required to convert it into the underlying common stock, sell it to a third party, or permit the issuer to redeem the security. Any of these actions could have an adverse effect on the Fund’s ability to achieve its investment objective, which, in turn, could result in losses to the Fund.

Synthetic convertible securities are derivative instruments comprising two or more securities whose combined investment characteristics resemble a convertible security. A typical convertible security combines fixed income securities or preferred stock with an equity component, such as a warrant, which offers the potential to own the underlying equity security. The value of a synthetic convertible security may respond differently to market fluctuations than the value of a traditional convertible security in response to the same market fluctuations.

Credit Rating Agencies. Credit rating agencies are companies that assign credit ratings, which operate as a preliminary evaluation of the credit risk of a prospective debtor. Credit rating agencies include, but are not limited to, S&P, Moody's, and Fitch. Credit ratings are provided by credit rating agencies that specialize in evaluating credit risk, but there is no guarantee that a highly rated debt instrument will not default or be downgraded. Credit ratings issued by these agencies are designed to evaluate the safety of principal and interest payments of rated securities. They do not evaluate the market risk and, therefore, may not fully reflect the true risks of an investment. In addition, credit rating agencies may not make timely changes in a rating to reflect changes in the economy or in the conditions of the issuer that affect the market value of the security. Consequently, credit ratings are used only by the Adviser as a preliminary indicator of investment quality. The Adviser may use any nationally recognized statistical rating organization when evaluating investment quality. Each agency applies its own methodology in measuring creditworthiness and uses a specific rating scale to publish its ratings opinions. More information on credit rating agency ratings is located in Appendix A.

Debt Securities. Debt securities are used by issuers to borrow money. The issuer usually pays a fixed, variable, or floating rate of interest and typically must repay the amount borrowed at the maturity of the instrument. Debt securities include, but are not limited to, bonds, debentures, government obligations, commercial paper, repurchase agreements, and pass-through instruments. A debt security is typically considered "investment grade" if it is rated BBB/Baa or higher by a rating agency or if the Adviser determines the security to be of comparable quality. For a discussion of the specific risks associated with debt securities not considered "investment grade," please see "High Yield or Lower-Rated Debt Securities" below.

Risks Affecting Debt Securities. Prices of debt securities fluctuate and, in particular, are subject to several key risks including, but not limited to, interest rate risk, credit risk, prepayment risk, extension risk, and spread risk.

When interest rates rise or the issuer's or the counterparty's financial condition worsens or is perceived by the market to be at greater risk, the value of debt securities typically declines. Investments in debt securities may face a heightened level of interest rate risk, especially because the Federal Reserve Board has begun to raise rates after a period of historically low rates. While fixed income securities with longer final maturities often have higher yields than those with shorter maturities, their prices are usually more sensitive to changes in interest rates and other factors.

Credit risk, also known as default risk, represents the possibility that an issuer may be unable to meet scheduled interest and principal payment obligations. If the market perceives a deterioration in the creditworthiness of an issuer, the value and liquidity of debt securities issued by that issuer may decline. Spread risk is the potential for the value of the Fund's debt security investments to fall due to the widening of spreads. Debt securities generally compensate for greater credit risk by paying interest at a higher rate. The difference (or "spread") between the yield of a security and the yield of a benchmark, such as a U.S. Treasury security with a comparable maturity, measures the additional interest paid for such greater credit risk. As the spread on a security widens (or increases), the price (or value) of the security falls. Spread widening may occur, among other reasons, as a result of market concerns over the stability of the market, excess supply, general credit concerns in other markets, security- or market-specific credit concerns, or general reductions in risk tolerance.

Prepayment risk, also known as call risk, arises due to the issuer's ability to prepay all or most of the debt security before the stated final maturity date. Prepayments generally rise in response to a decline in interest rates as debtors take advantage of the opportunity to refinance their obligations. This risk often is associated with mortgage securities where the underlying mortgage loans can be refinanced, although it also can be present in corporate or other types of bonds with call provisions. When a prepayment occurs, the Fund may be forced to reinvest in lower yielding debt securities. Extension risk is the chance that, during periods of rising interest rates, certain debt obligations will be paid off substantially more slowly than originally anticipated, and the value of those securities may fall. Extension risk generally is low for short-term bond funds, moderate for intermediate-term bond funds, and high for long-term bond funds.

Debt securities trade on an over the counter ("OTC") basis in which parties buy and sell securities through bilateral transactions. While the total amount of assets invested in debt markets has grown in recent years, the capacity for traditional dealer counterparties to engage in debt trading has not kept pace and has decreased, in part due to regulations and capital requirements applicable to these entities. As a result, because market makers provide stability to a market through their intermediary services, a significant reduction in dealer inventories has decreased liquidity and potentially could increase volatility in the debt markets. Such issues may be exacerbated during periods of economic uncertainty or market volatility.

Economic, political, and other events also may affect the prices of broad debt markets, although the risks associated with such events are transmitted to the market via changes in the prevailing levels of interest rates, credit risk, prepayment risk, or spread risk.

Defaulted Bonds and Distressed Debt. Defaulted bonds are subject to greater risk of loss of income and principal than higher rated securities and are considered speculative. In the event of a default, the Fund may incur additional expenses to seek recovery. The repayment of defaulted bonds is subject to significant uncertainties, and, in some cases, there may be no recovery of repayment. Further, defaulted bonds might be repaid only after lengthy workout or bankruptcy proceedings, during which the issuer might not make any interest or other payments. Workout or bankruptcy proceedings typically result in only partial recovery of cash payments or an exchange of the defaulted bond for other securities of the issuer or its affiliates. Often, the securities received are illiquid or speculative. Investments in securities following a workout or bankruptcy proceeding typically entail a higher degree of risk than investments in securities that have not recently undergone a reorganization or restructuring. Moreover, these securities can be subject to heavy selling or downward pricing pressure after the completion of a workout or bankruptcy proceeding. If the Fund's evaluation of the anticipated outcome of an investment should prove inaccurate, the Fund could experience a loss. Such securities obtained in exchange may include, but are not limited to, equity securities, warrants, rights, participation interests in sales of assets, and contingent interest obligations.

The Fund may hold securities of issuers that are, or are about to be, involved in reorganizations, financial restructurings, or bankruptcy (also known as "distressed debt"). Defaulted bonds and distressed debt securities are speculative and involve substantial risks in addition to the risks of investing in junk bonds. To the extent that the Fund holds distressed debt, that Fund will be subject to the risk that it may lose a portion or all of its investment in the distressed debt and may incur higher expenses trying to protect its interests in distressed debt. The prices of distressed bonds are likely to be more sensitive to adverse economic changes or individual issuer developments than the prices of higher rated securities. During an economic downturn or substantial period of rising interest rates, distressed security issuers may experience financial stress that would adversely affect their ability to service their principal and interest payment obligations, to meet their projected business goals, or to obtain additional financing. The Fund may invest in additional securities of a defaulted issuer to retain a controlling stake in any bankruptcy proceeding or workout. Any distressed securities or any securities received in exchange for such securities may be subject to restrictions on resale. In any reorganization or liquidation proceeding, the Fund may lose its entire investment or may be required to accept cash or securities with a value less than its original investment. Moreover, it is unlikely that a liquid market will exist for the Fund to sell its holdings in distressed debt securities.

Derivatives. The Fund may invest in derivative securities for bona fide hedging purposes. A derivative security is a financial contract whose value is based on (or "derived from") a traditional security (such as a bond) or a market index. The use of futures, options, repurchase agreements and other derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments, and include leverage, volatility, liquidity, credit and tracking risks. Long options positions may expire worthless. Derivatives may provide a cheaper, quicker, or more efficient or specifically focused way for the Fund to invest or to hedge than "traditional" securities would. The Fund's portfolio management team, however, may decide not to employ some or all of these strategies. Similarly, suitable derivatives transactions may not be available or available on the terms desired, and derivatives transactions may not perform as intended. There is no assurance that any derivatives strategy used by the Fund will succeed.

Derivatives can be volatile and involve various types and degrees of risk, depending upon the characteristics of the particular derivative and the portfolio as a whole. Derivatives permit the Fund to increase or decrease the level of risk, or change the character of the risk, to which its portfolio is exposed in much the same way as the Fund can increase or decrease the level of risk, or change the character of the risk, of its portfolio by making investments in specific securities. However, derivatives may entail investment exposures that are greater than their cost or notional value would suggest, meaning that a small investment in derivatives could have a large potential impact on the Fund's performance. The Fund's notional derivatives exposure and/or the percentage of total investment exposure may be greater than the total value of its assets, which would have the result of leveraging the Fund.

If the Fund invests in derivatives at inopportune times or judges market conditions incorrectly, such investments may lower the Fund's return or result in a loss. The Fund also could experience losses if its derivatives were poorly correlated with its other investments (or not correlated as expected), or if the Fund were unable to liquidate its position because of an illiquid secondary market. The market for many derivatives is, or suddenly can become, illiquid. Changes in liquidity may result in significant, rapid, and unpredictable changes in the prices for derivatives.

Derivatives may be purchased on established exchanges or through privately negotiated transactions (referred to as “OTC derivatives”). Exchange-traded derivatives generally are guaranteed by the clearing agency that is the issuer or counterparty to such derivatives. This guarantee usually is supported by a daily variation margin system operated by the clearing agency in order to reduce overall credit risk. As a result, unless the clearing agency defaults, there is relatively little counterparty credit risk associated with derivatives purchased on an exchange. In contrast, many OTC derivatives are not guaranteed by a clearing agency. Therefore, each party to an OTC derivative that is not centrally cleared bears the risk that the counterparty will default. Accordingly, the Adviser will consider the creditworthiness of counterparties to non-centrally cleared OTC derivatives in the same manner as it would review the credit quality of a security to be purchased by the Fund. OTC derivatives generally are less liquid than exchange-traded derivatives.

New requirements also may result in increased uncertainty about counterparty credit risk, and they also may limit the flexibility of the Fund to protect its interests in the event of an insolvency of a derivatives counterparty. In the event of a counterparty’s (or its affiliate’s) insolvency, the Fund’s ability to exercise remedies, such as the termination of transactions, netting of obligations and realization of collateral, could be stayed or eliminated under new special resolution regimes adopted in the United States, the European Union and various other jurisdictions. Such regimes provide government authorities with broad authority to intervene when a financial institution is experiencing financial difficulty and may prohibit the Fund from exercising termination rights based on the financial institution’s insolvency. In particular, with respect to counterparties who are subject to such proceedings in the European Union, the liabilities of such counterparties to the Fund could be reduced, eliminated, or converted to equity in such counterparties (sometimes referred to as a “bail in”).

Pursuant to Rule 18f-4 under the 1940 Act, a fund’s derivatives exposure is limited through a value-at-risk test. Funds whose use of derivatives is more than a limited specified exposure amount are required to adopt and implement a value-at-risk based limit to their use of certain derivatives instruments, maintain a comprehensive derivatives risk management program, subject to oversight by a fund’s board of trustees, and appoint a derivatives risk manager. A fund that limits its use of derivatives instruments is not subject to the full requirements of Rule 18f-4 and qualifies as a “limited derivatives user.” Rule 18f-4 also governs a fund’s use of certain other transactions that create future payment and/or delivery obligations by the fund, such as reverse repurchase agreements or similar financing transactions, and certain transactions entered into on a when-issued, delayed-delivery or forward-commitment basis. Under Rule 18f-4, a fund may enter into an unfunded commitment agreement that is not a derivatives transaction, such as an agreement to provide financing to a portfolio company, if the fund has, among other things, a reasonable belief, at the time it enters into such an agreement, that it will have sufficient cash and cash equivalents to meet its obligations with respect to all of its unfunded commitment agreements, in each case as it becomes due. Collectively, these requirements may limit our ability to use derivatives and/or enter into certain other financial contracts and/or increase the cost of such transactions, which could adversely impact the value or performance of the Fund.

Other Risks. The risks associated with derivatives may be different from and greater than the risks associated with directly investing in securities and other investments. Derivatives may increase the Fund’s volatility and reduce its returns. The risks associated with derivatives include, among other things, the following:

- The risk that the value of a derivative may not correlate with the value of the underlying asset, rate, or index in the manner anticipated by the portfolio management team and may be more sensitive to changes in economic or market conditions than anticipated.
- Derivatives may be difficult to value, especially under stressed or unforeseen market conditions.
- The risk that the counterparty may fail to fulfill its contractual obligations under the derivative contract. Central clearing of derivatives is intended to decrease counterparty risk but does not eliminate it.
- The risk that there will not be a liquid secondary trading market for the derivative, or that the Fund will otherwise be unable to sell or otherwise close a derivatives position when desired, exposing the Fund to additional losses.
- Because derivatives generally involve a small initial investment relative to the risk assumed (known as leverage), derivatives can magnify the Fund’s losses and increase its volatility.
- The Fund’s use of derivatives may affect the amount, timing, and character of distributions, and may cause the Fund to realize more short-term capital gain and ordinary income than if the Fund did not use derivatives.

There is no assurance that the Fund will be able to employ its derivatives strategies successfully. Derivatives may not perform as expected and the Fund may not realize the intended benefits. Whether the Fund's use of derivatives is successful will depend on, among other things, the portfolio managers' ability to correctly forecast market movements, company and industry valuation levels and trends, changes in foreign exchange and interest rates, and other factors. If the portfolio managers incorrectly forecast these and other factors, the Fund's performance could suffer. Although hedging may reduce or eliminate losses, it also may reduce or eliminate gains. When used for hedging purposes, the changes in value of a derivative may not correlate as expected with the currency, security, portfolio, or other risk being hedged. When used as an alternative or substitute for, or in combination with, direct investments, the return provided by the derivative may not provide the same return as direct investment. In addition, given their complexity, derivatives are subject to the risk that improper or misunderstood documentation may expose the Fund to losses.

The U.S. Government has enacted legislation that provides for new regulation of the derivatives market, including clearing, margin, reporting, and registration requirements. The European Union and other countries are implementing similar requirements, which will affect the Fund when it enters into a derivatives transaction with a counterparty organized in such a country or otherwise subject to that country's derivatives regulations. Because these requirements are new and evolving, their ultimate impact on the Fund remains unclear. It is possible that government regulation of various types of derivative instruments could potentially limit or restrict the ability of the Fund to use these instruments as a part of its investment strategy, increase the costs of using these instruments, make them less effective, or otherwise adversely affect their value. Limits or restrictions applicable to the counterparties with which the Fund engages in derivative transactions could also prevent the Fund from using these instruments or affect the pricing or other factors relating to these instruments.

Regulatory and Market Considerations. New U.S. and non-U.S. rules and regulations could, among other things, further restrict the Fund's ability to engage in, or increase the cost to the Fund of, derivatives transactions by, for example, making some types of derivatives no longer available to the Fund or making them less liquid. The implementation of the clearing requirement has increased the costs of derivatives transactions for the Fund, because the Fund has to pay fees to its clearing members and is typically required to post more margin for cleared derivatives than it has historically posted for bilateral derivatives. The costs of derivatives transactions are expected to increase further as clearing members raise their fees to cover the costs of additional capital requirements and other regulatory changes applicable to the clearing members. These rules and regulations are new and evolving, so their potential impact on the Fund and the financial system are not yet known. While the new rules and regulations and central clearing of some derivatives transactions are designed to reduce systemic risk (*i.e.*, the risk that the interdependence of large derivatives dealers could cause them to suffer liquidity, solvency, or other challenges simultaneously), there is no assurance that they will achieve that result, and, in the meantime, central clearing and related requirements expose the Fund to new kinds of costs and risks.

Credit Derivatives. The Fund may engage in credit derivative transactions, such as those involving default price risk derivatives and market spread derivatives. Default price risk derivatives are linked to the price of reference securities or loans after a default by the issuer or borrower, respectively. Market spread derivatives are based on the risk that changes in certain market factors, such as credit spreads, can cause a decline in the value of a security, loan, or index. There are three basic transactional forms for credit derivatives: swaps, options, and structured instruments. The use of credit derivatives is a highly specialized activity that involves strategies and risks different from those associated with ordinary portfolio security transactions. If the Adviser is incorrect in its forecasts of default risks, market spreads, or other applicable factors, the investment performance of the Fund would diminish compared with what it would have been if these techniques were not used. Moreover, even if the Adviser is correct in its forecasts, there is a risk that a credit derivative position may correlate imperfectly with the price of the asset or liability being hedged. The Fund's risk of loss in a credit derivative transaction varies with the form of the transaction. For example, if the Fund purchases a default option on a security, and, if no default occurs, with respect to the security, the Fund's loss is limited to the premium it paid for the default option. In contrast, if there is a default by the grantor of a default option, the Fund's loss will include both the premium it paid for the option and the decline in value of the underlying security that the default option hedged. If the Fund "writes" (sells) protection, it may be liable for the entire value of the security underlying the derivative.

Options, Futures and Forward Contracts. The writing (selling) and purchasing of options and futures contracts and entering into forward currency contracts, involves complex rules that will determine for income tax purposes the amount, character and timing of recognition of the gains and losses the Fund realizes in connection with such transactions.

Gains and losses on the sale, lapse, or other termination of options and futures contracts, options thereon and certain forward contracts (except certain foreign currency options, forward contracts and futures contracts) will generally be treated as capital gains and losses. Some regulated futures contracts, certain foreign currency contracts, and certain non-equity options (such as certain listed options or options on broad based securities indexes) held by the Fund (“Section 1256 contracts”), other than contracts on which they have made a “mixed-straddle election,” will be required to be “marked-to-market” for federal income tax purposes, that is, treated as having been sold at their market value on the last day of the Fund’s taxable year. These provisions may require the Fund to recognize income or gains without a concurrent receipt of cash. Any gain or loss recognized on actual or deemed sales of Section 1256 contracts will be treated as 60% long-term capital gain or loss and 40% short-term capital gain or loss, although certain foreign currency gains and losses from such contracts may be treated as ordinary income or loss as described below. Transactions that qualify as designated hedges are exempt from the mark-to-market rule, but may require the Fund to defer the recognition of losses on futures contracts, foreign currency contracts and certain options to the extent of any unrecognized gains on related positions held by it.

The tax provisions described above applicable to options, futures and forward contracts may affect the amount, timing, and character of the Fund’s distributions to its shareholders. For example, the Section 1256 rules described above may operate to increase the amount the Fund must distribute to satisfy the minimum distribution requirement for the portion treated as short-term capital gain which will be taxable to its shareholders as ordinary income, and to increase the net capital gain it recognizes, without, in either case, increasing the cash available to it. The Fund may elect to exclude certain transactions from the operation of Section 1256, although doing so may have the effect of increasing the relative proportion of net short-term capital gain (taxable as ordinary income) and, thus, increasing the amount of dividends it must distribute. Section 1256 contracts also may be marked-to-market for purposes of the Excise Tax.

When a covered call or put option written (sold) by the Fund expires, the Fund will realize a short-term capital gain equal to the amount of the premium it received for writing the option. When the Fund terminates its obligations under such an option by entering into a closing transaction, it will realize a short-term capital gain (or loss), depending on whether the cost of the closing transaction is less than (or exceeds) the premium received when it wrote the option. When a covered call option written by the Fund is exercised, such Fund will be treated as having sold the underlying security, producing long-term or short-term capital gain or loss, depending upon the holding period of the underlying security and whether the sum of the option price received upon the exercise plus the premium received when it wrote the option is more or less than the basis of the underlying security.

CFTC Regulation. The U.S. Commodity Futures Trading Commission (“CFTC”) has adopted regulations that subject registered investment companies and their investment advisers to regulation by the CFTC if the registered investment company invests more than a prescribed level of its liquidation value in futures, options on futures or commodities, swaps, or other financial instruments regulated under the Commodity Exchange Act (“CEA”) and the rules thereunder (“commodity interests”), or if a fund markets itself as providing investment exposure to such instruments. With respect to the Fund, the Adviser has filed a claim of exclusion from the definition of the term CPO and therefore, the Adviser is not subject to registration or regulation as a pool operator under the CEA. To remain eligible for this exclusion, the Fund must comply with certain limitations, including limits on its ability to use any commodity interests and limits on the manner in which the Fund holds out its use of such commodity interests. These limitations may restrict the Fund’s ability to pursue its investment objectives and strategies, increase the costs of implementing its strategies, result in higher expenses for the Fund, and/or adversely affect the Fund’s total return.

Swaps. As a result of entering into swap agreements, the Fund may make or receive periodic net payments. The Fund may also make or receive a payment when a swap is terminated prior to maturity through an assignment of the swap, derivative or other closing transaction. Periodic net payments will generally constitute ordinary income or deductions, while termination of a swap will generally result in capital gain or loss (which will be a long-term capital gain or loss if the Fund has been a party to a swap or derivative for more than one year). With respect to certain types of swaps or derivatives, the Fund may be required to currently recognize income or loss with respect to future payments on such swaps or derivatives or may elect under certain circumstances to mark such swaps or derivatives to market annually for tax purposes as ordinary income or loss. The Fund’s transactions in swaps may be subject to one or more special tax rules (e.g., notional principal contract, straddle, constructive sales, wash sales and short sale rules). These rules may affect whether gains or losses recognized by the Fund are treated as ordinary or capital or as short-term or long-term, accelerate the recognition of income or gains to the Fund, defer losses to the Fund, and cause adjustments in the holding periods of the Fund’s securities. These rules could therefore affect the amount, timing and/or character of distributions to shareholders.

Rules governing the tax aspects of swap agreements are not entirely clear in certain respects, in particular whether income generated is Qualifying Income. Accordingly, while the Fund intends to account for such transactions in a manner it deems appropriate, the IRS might not accept such treatment. If the IRS did not accept such treatment, the status of the Fund as a RIC might be adversely affected. The Fund intends to monitor developments in this area. Certain requirements that must be met under the IRC in order for the Fund to qualify as a RIC may limit the extent to which the Fund will be able to engage in swap agreements and certain derivatives.

Equity Securities. Equity securities generally represent equity or ownership interests in an issuer. These include common stock, preferred stock, convertible preferred stock, warrants, and similar instruments. The value of equity securities fluctuates based on changes in a company's financial condition, and on market, economic, and political conditions, as well as changes in inflation and consumer demand.

Common Stock. Common stock represents an ownership interest in a company. The prices of common stock generally fluctuate more than the prices of other securities and reflect changes in, among other things, a company's financial condition and in overall market, economic, and political conditions, changes in inflation, and consumer demand. A company's common stock generally is a riskier investment than its fixed income securities, and it is possible that the Fund may experience a substantial or complete loss on an individual equity investment.

Preferred Stock. Preferred stock is a security that evidences ownership in a corporation and pays a fixed or variable stream of dividends. These stocks represent an ownership interest and provide the holder with claims on the issuer's earnings and assets, which generally come before common stockholders but after bond holders and other creditors. The obligations of an issuer of preferred stock, including dividend and other payment obligations, typically may not be accelerated by the holders of such preferred stock on the occurrence of an event of default or other non-compliance by the issuer. Investments in preferred stock are also subject to market and liquidity risks. The value of a preferred stock may be highly sensitive to the economic condition of the issuer, and markets for preferred stock may be less liquid than the market for the issuer's common stock.

Contingent Capital Securities. Contingent capital securities (sometimes referred to as "CoCos"), are debt or preferred securities with loss absorption characteristics built into the terms of the security, for example, an automatic write-down of principal or a mandatory conversion into common stock of the issuer under certain circumstances, such as the issuer's capital ratio falling below a certain level. Banks and other financial companies are large issuers of CoCos.

In one version of a CoCo, the security has loss absorption characteristics whereby the liquidation value of the security may be adjusted downward to below the original par value (even to zero) under certain circumstances. This may occur, for instance, in the event that business losses have eroded capital to a substantial extent. The write down of the par value would occur automatically and would not entitle the holders to seek bankruptcy of the company. In addition, an automatic write-down could result in a reduced income rate if the dividend or interest payment is based on the security's par value. Such securities may, but are not required to, provide for circumstances under which the liquidation value may be adjusted back up to par, such as an improvement in capitalization and/or earnings.

Another version of a CoCo provides for mandatory conversion of the security into common shares of the issuer under certain circumstances. The mandatory conversion might relate, for instance, to maintenance of a capital minimum, whereby falling below the minimum would trigger automatic conversion. Since the common stock of the issuer may not pay a dividend, investors in these instruments could experience a reduced income rate, potentially to zero, and conversion would deepen the subordination of the investor, hence worsening the Fund's standing in a bankruptcy. In addition, some such instruments also provide for an automatic write-down if the price of the common stock is below the conversion price on the conversion date.

An automatic write-down or conversion event is typically triggered by a reduction in the capital level of the issuer, but may also be triggered by regulatory actions (e.g., a change in capital requirements) or by other factors. Because trigger events are not consistently defined among contingent convertible securities, this risk is greater for contingent convertible securities that are issued by banks with capital ratios close to the level specified in the trigger event.

In addition, coupon payments on contingent convertible securities are discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. The discretionary cancellation of payments is not an event of default and there are no remedies to require re-instatement of coupon payments or payment of any past

missed payments. Coupon payments may also be subject to approval by the issuer's regulator and may be suspended in the event there are insufficient distributable reserves. Due to uncertainty surrounding coupon payments, contingent convertible securities may be volatile and their price may decline rapidly in the event that coupon payments are suspended. Contingent convertible securities typically are structurally subordinated to traditional convertible bonds in the issuer's capital structure. In certain scenarios, investors in contingent convertible securities may suffer a loss of capital ahead of equity holders or when equity holders do not.

Warrants and Rights. Warrants and rights are types of securities that give a holder a right to purchase shares of common stock. Warrants are options to buy from the issuer a stated number of shares of common stock at a specified price, usually higher than the market price at the time of issuance, until a stated expiration date. Rights represent a privilege offered to holders of record of issued securities to subscribe (usually on a pro rata basis) for additional securities of the same class, of a different class or of a different issuer, usually at a price below the initial offering price of the common stock and before the common stock is offered to the general public. The holders of warrants and rights have no voting rights, receive no dividends and have no rights with respect to the assets of the issuer. Warrants and rights may be transferable. The value of a warrant or right may not necessarily change with the value of the underlying securities. The risk of investing in a warrant or a right is that the warrant or the right may expire before the market value of the common stock exceeds the price specified by the warrant or the right. If not exercised before their stated expiration date, warrants and rights cease to have value and may result in a total loss of the money invested. Investments in warrants and rights are considered speculative.

Fixed Income Securities with Buy-Back Features. Fixed income securities with buy-back features enable the Fund to recover principal upon tendering the securities to the issuer or a third party. Letters of credit issued by domestic or foreign banks often support these buy-back features. In evaluating a foreign bank's credit, the Adviser considers whether adequate public information about the bank is available and whether the bank may be subject to unfavorable political or economic developments, currency controls or other governmental restrictions that could adversely affect the bank's ability to honor its commitment under the letter of credit. Buy-back features include standby commitments, put bonds and demand features.

Standby Commitments. The Fund may acquire standby commitments from broker-dealers, banks or other financial intermediaries to enhance the liquidity of portfolio securities. A standby commitment entitles the Fund to same day settlement at amortized cost plus accrued interest, if any, at the time of exercise. The amount payable by the issuer of the standby commitment during the time that the commitment is exercisable generally approximates the market value of the securities underlying the commitment. Standby commitments are subject to the risk that the issuer of a commitment may not be in a position to pay for the securities at the time that the commitment is exercised.

Ordinarily, the Fund will not transfer a standby commitment to a third party, although the Fund may sell securities subject to a standby commitment at any time. The Fund may purchase standby commitments separate from or in conjunction with the purchase of the securities subject to the commitments. In the latter case, the Fund may pay a higher price for the securities acquired in consideration for the commitment.

Put Bonds. A put bond (also referred to as a tender option or third party bond) is a bond created by coupling an intermediate or long-term fixed rate bond with an agreement giving the holder the option of tendering the bond to receive its par value. As consideration for providing this tender option, the sponsor of the bond (usually a bank, broker-dealer or other financial intermediary) receives periodic fees that equal the difference between the bond's fixed coupon rate and the rate (determined by a remarketing or similar agent) that would cause the bond, coupled with the tender option, to trade at par. By paying the tender offer fees, the Fund in effect holds a demand obligation that bears interest at the prevailing short-term rate. Any investments in tender option bonds by the Fund will be accounted for subject to Financial Accounting Standards Board Statement No. 140 and amendments thereto.

In selecting put bonds for the Fund, the Adviser takes into consideration the creditworthiness of the issuers of the underlying bonds and the creditworthiness of the providers of the tender option features. A sponsor may withdraw the tender option feature if the issuer of the underlying bond defaults on interest or principal payments, the bond's rating is downgraded or, in the case of a municipal bond, the bond loses its tax-exempt status.

Demand Features. Many variable rate securities carry demand features that permit the holder to demand repayment of the principal amount of the underlying securities plus accrued interest, if any, upon a specified number of days' notice to the issuer or its agent. A demand feature may be exercisable at any time or at specified intervals. Variable rate securities with demand features are treated as having a maturity equal to the time remaining before the

holder can next demand payment of principal. The issuer of a demand feature instrument may have a corresponding right to prepay the outstanding principal of the instrument plus accrued interest, if any, upon notice comparable to that required for the holder to demand payment.

Foreign Securities. Investments in foreign companies and in U.S. companies with economic ties to foreign markets generally involve special risks that can increase the likelihood that the Fund will lose money or experience volatility in the values of its portfolio assets. As compared with companies organized and operated in the U.S., foreign companies may be more vulnerable to economic, political, and social instability and subject to less government supervision, lack of transparency, and inadequate regulatory, reporting, accounting, auditing, and financial standards. Investments in securities of foreign companies may be subject to foreign withholding or other taxes. There may be less publicly available financial and other information regarding foreign issuers.

The securities of foreign companies also may be subject to inadequate or otherwise unfavorable exchange control regulations, the imposition of economic sanctions or other government restrictions, and higher transaction and other costs, including transaction costs associated with currency exchange. To the extent the securities of foreign companies are traded on non-U.S. exchanges or markets, settlement, clearing, and registration of such securities transactions are subject to risks because registration systems may be less developed or subject to inadequate government supervision. This may result in significant delays or problems in registering the transfer of securities. If the Fund is delayed in settling a transaction, it may not receive any return on the invested assets or it may lose money if the value of the security declines.

There is a risk that a foreign government may take action that impedes or prevents the Fund from taking income and/or capital gains earned in the local currency and converting into U.S. dollars (*i.e.*, “repatriating” local currency investments or profits), including temporary restrictions on foreign capital remittances. Certain foreign countries have sought to maintain foreign exchange reserves and/or address the economic volatility and dislocations caused by the large intentional capital flows by controlling or restricting the conversion of the local currency into other currencies. This risk tends to become more acute when economic conditions otherwise worsen. There can be no assurance that if the Fund earns income or capital gains in a foreign currency or the Adviser otherwise seeks to withdraw the Fund’s investments from a given foreign country, capital controls imposed by such country will not prevent, or cause significant expense in, doing so.

Investments in foreign companies also may be adversely affected by governmental actions such as the nationalization of companies or industries, expropriation of assets, or confiscatory taxation. In the event of nationalization, expropriation or other confiscation, the Fund could lose its entire investment in a foreign company. Some foreign countries also have policies or restrictions that may restrict the Fund’s investment opportunities, including restrictions on investing in issuers or industries deemed sensitive to relevant national interests, requirements that government approval be obtained prior to investment by foreign persons, or impositions of penalties for increases in the value of the Fund’s investment. Any of these actions could severely affect securities prices or impair the Fund’s ability to purchase or sell non-U.S. securities or transfer the Fund’s assets or income back into the U.S., or otherwise adversely affect the Fund’s operations. In addition, due to differences in legal systems, there is the risk that there may be difficulty in enforcing contractual obligations and obtaining and enforcing court judgments outside the U.S., which may affect the value of the Fund’s foreign investments.

Foreign company securities also include ADRs, GDRs and other similar depositary receipts. ADRs, GDRs and other similar depositary receipts may be less liquid than the underlying shares in their primary trading market. Foreign company securities also may be subject to thin trading volumes and reduced liquidity, which may lead to greater price fluctuation. A change in the value of a foreign currency relative to the U.S. dollar will change the value of securities held by the Fund that are denominated in that foreign currency, including the value of any income distributions payable to the Fund as a holder of such securities. Currency exchange rates may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates and the overall economic health of the issuer. Devaluation of a currency by a country’s government or banking authority also will have an adverse impact on the U.S. dollar value of any investments denominated in that currency. These and other factors can materially adversely affect the prices of securities the Fund holds, impair the Fund’s ability to buy or sell securities at their desired price or time, or otherwise adversely affect the Fund’s operations. The Fund may invest in securities of issuers whose economic fortunes are linked to non-U.S. markets, but which principally are traded on a U.S. securities market or exchange and denominated in U.S. dollars. To the extent the Fund invests in this manner, the percentage of the Fund’s assets that is exposed to the risks associated with foreign companies may exceed the percentage of the Fund’s assets that is invested in foreign securities that are principally traded outside of the U.S.

Guaranteed Investment Contracts. The Fund may invest in guaranteed investment contracts (“GIC”). A GIC is a general obligation of an insurance company. A GIC is generally structured as a deferred annuity under which the purchaser agrees to pay a given amount of money to an insurer (either in a lump sum or in installments) and the insurer promises to pay interest at a guaranteed rate (either fixed or variable) for the life of the contract. Some GICs provide that the insurer may periodically pay discretionary excess interest over and above the guaranteed rate. At the GIC’s maturity, the purchaser generally is given the option of receiving payment or an annuity. Certain GICs may have features that permit redemption by the issuer at a discount from par value. Generally, GICs are not assignable or transferable without the permission of the issuer. As a result, the acquisition of GICs is subject to the limitations applicable to the Fund’s acquisition of illiquid and restricted securities. The holder of a GIC is dependent on the creditworthiness of the issuer as to whether the issuer is able to meet its obligations.

High Yield or Lower Rated Debt Securities. Debt securities are typically considered “non-investment grade” (also referred to as “high yield debt securities,” “lower rated debt securities,” or “junk bonds”) if they are rated Ba1 or lower by Moody’s and BB+ or lower by S&P or Fitch or instruments comparably rated by other rating agencies, or in unrated instruments determined by the Adviser to be of comparable quality. At any given time and from time to time substantially all of the Fund’s portfolio may consist of high yield (or below investment grade) debt securities. Non-investment grade debt securities may pay a higher yield, but entail greater risks, than investment grade debt securities, and are considered speculative. When compared to investment grade debt securities, high yield debt securities:

- have a higher risk of default and their prices can be much more volatile due to lower liquidity;
- tend to be less sensitive to interest rate changes;
- are susceptible to negative perceptions of the junk markets generally; and
- pose a greater risk that exercise of any of their redemption or call provisions in a declining market may result in their replacement by lower yielding bonds.

The risk of loss from default for the holders of high yield debt securities is significantly greater than is the case for holders of other debt securities because such high yield securities generally are unsecured, often are subordinated to the rights of other creditors of the issuers of such securities, and are issued by issuers with weaker financials.

An economic downturn could severely affect the ability of highly leveraged issuers of junk bond investments to service their debt obligations or to repay their obligations upon maturity. If an issuer of high yield securities in which the Fund is invested defaults, the Fund may incur additional expenses to seek recovery. Investment by the Fund in already defaulted securities poses an additional risk of loss should nonpayment of principal and interest continue for such securities. Even if such securities are held to maturity, the Fund’s recovery of its initial investment and any anticipated income or appreciation is uncertain. The Fund may be required to liquidate other portfolio securities to satisfy annual distribution obligations of the Fund in respect of accrued interest income on securities that are subsequently written off, even though the Fund has not received any cash payments of such interest.

Because the risk of default is higher among high yield debt securities, the Adviser’s research and analysis are important factors in the selection of such securities. Through portfolio diversification, good credit analysis, and attention to current developments and trends in interest rates and economic conditions, the Fund seeks to reduce this risk. There can be no assurance, however, that this risk will, in fact, be reduced and that losses will not occur.

The secondary market for high yield debt securities is not as liquid as, and is more volatile than, the secondary market for higher rated securities. In addition, market trading volume for lower-rated securities generally is lower and the secondary market for such securities could shrink or disappear suddenly and without warning as a result of adverse market or economic conditions, independent of any specific adverse changes in the condition of a particular issuer. Because of the lack of sufficient market liquidity, the Fund may incur losses because it may be required to effect sales at a disadvantageous time and then only at a substantial drop in price. These factors may have an adverse effect on the market price and the Fund’s ability to dispose of particular portfolio investments when needed for repurchase obligations or other liquidity needs. A less liquid secondary market also may make it more difficult for the Fund to obtain precise valuations of lower-rated securities in its portfolio. Legislative and regulatory developments such as those discussed under “Debt Securities” above have adversely affected the secondary market for high yield debt securities and the financial condition of issuers of these securities.

High yield debt securities also present risks based on payment expectations. High yield debt securities frequently contain “call” or buy-back features that permit the issuer to call or repurchase the security from its holder. If an issuer exercises such a “call option” and redeems the security, the Fund may have to replace such security with a lower yielding security, resulting in a decreased return for investors.

Factors having an adverse impact on the market value of high yield securities will have an adverse effect on the Fund’s NAV to the extent the Fund holds such investments. In addition, in order to satisfy repurchase obligations, the Fund may be forced to sell its higher rated securities, resulting in a decline in the overall credit quality of its portfolio and increasing its exposure to the risks of high yield securities.

Illiquid Securities. An illiquid security is a security that the Fund reasonably expects cannot be sold or disposed of in then-current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the security. Illiquid securities include, but are not limited to:

- securities that are not readily marketable;
- certain structured securities and certain defaulted securities; and
- certain restricted securities.

The purchase price and subsequent valuation of restricted and illiquid securities normally reflect a discount, which may be significant, from the market price of comparable securities for which a liquid market exists. The amount of the discount from the prevailing market price varies depending upon the type of security, the character of the issuer, the party who will bear the expenses of registering the restricted securities (if needed), and prevailing supply and demand conditions.

The Fund may not be able to readily liquidate its investment in illiquid securities and may have to sell other investments if necessary to raise cash to meet its obligations. In this event, illiquid securities would become an increasingly larger percentage of the Fund’s portfolio. The lack of a liquid secondary market for illiquid securities may make it more difficult for the Fund to assign a value to those securities for purposes of valuing its portfolio and calculating its NAV.

144A Securities. The Fund also may invest in illiquid securities that are governed by Rule 144A under the 1933 Act (“144A Securities”). These securities may be resold under certain circumstances to other institutional buyers. Specifically, 144A Securities may be resold to a qualified institutional buyer (“QIB”) without registration and without regard to whether the seller originally purchased the security for investment. Investing in 144A Securities may decrease the liquidity of the Fund’s portfolio to the extent that QIBs become, for a time, uninterested in purchasing these securities. Because of the resale restrictions in 144A Securities, there is a greater risk that they will become illiquid than securities registered with the SEC.

Inflation-Indexed Securities. Inflation-indexed securities are fixed income securities whose principal value is periodically adjusted according to the rate of inflation. Two structures are common. The U.S. Treasury and some other issuers use a structure that accrues inflation into the principal value of the bond. Many other issuers pay out the CPI accruals as part of a semiannual coupon.

Inflation-indexed securities issued by the U.S. Treasury (“TIPS”) have maturities of five, ten, or thirty years, although it is possible that securities with other maturities will be issued in the future. TIPS pay interest on a semiannual basis, equal to a fixed percentage of the inflation-adjusted principal amount. For example, if the Fund purchased an inflation-indexed bond with a par value of \$1,000 and a 3% real rate of return coupon (payable 1.5% semiannually), and inflation over the first six months was 1%, the mid-year par value of the bond would be \$1,010 and the first semiannual interest payment would be \$15.15 (\$1,010 times 1.5%). If inflation during the second half of the year resulted in the whole year’s inflation equaling 3%, the end-of-year par value of the bond would be \$1,030 and the second semiannual interest payment would be \$15.45 (\$1,030 times 1.5%).

If the periodic adjustment rate measuring inflation falls, the principal value of the inflation-indexed bonds will be adjusted downward, and, consequently, the interest payable on these securities (calculated with respect to a smaller principal amount) will be reduced. At maturity, TIPS are redeemed at the greater of their inflation- adjusted principal and the par amount at original issue. If an inflation-indexed bond does not provide a guarantee of principal at maturity,

the adjusted principal amount of the bond repaid at maturity may be less than the original principal amount. Other types of inflation-indexed bonds may be adjusted in response to changes in the rate of inflation by different mechanisms (such as by changes in the rates of interest paid on their principal amounts).

The values of inflation-indexed bonds are expected to change in response to changes in real interest rates, which are tied to the relationship between nominal interest rates and the rate of inflation. For example, if inflation were to rise at a faster rate than nominal interest rates, real interest rates would likely decline, leading to an increase in value of inflation-indexed bonds. In contrast, if nominal interest rates increase at a faster rate than inflation, real interest rates would likely rise, leading to a decrease in value of inflation-indexed bonds.

While these securities, if held to maturity, are expected to be protected to some extent from long-term inflationary trends, short-term increases in inflation may lead to a decline in value. If nominal interest rates rise due to reasons other than inflation (for example, due to changes in currency exchange rates or an expansion of non-inflationary economic activity), investors in these securities may not be protected to the extent that the increase is not reflected in the bond's inflation measure.

The periodic inflation adjustment of U.S. inflation-indexed bonds is tied to the Consumer Price Index for Urban Consumers ("CPI-U"), which is calculated monthly by the U.S. Bureau of Labor Statistics. The CPI-U is a measurement of price changes in the cost of living, made up of components such as housing, food, transportation, and energy. Inflation-indexed bonds issued by a foreign government generally are adjusted to reflect a comparable inflation index, calculated by that government. There can be no assurance that the CPI-U or any foreign inflation index will accurately measure the real rate of inflation in the prices of goods and services. Moreover, there can be no assurance that the rate of inflation in a foreign country will be correlated to the rate of inflation in the United States. Any increase in the principal amount of an inflation-indexed bond will be considered taxable ordinary income, even though investors do not receive their principal until maturity.

Initial Public Offerings ("IPOs"). IPOs are new issues of equity and fixed income securities. IPOs have many of the same risks as small company stocks and bonds. IPOs do not have trading history, and information about the company may be available only for recent periods. The Fund's purchase of shares or bonds issued in IPOs also exposes it to the risks inherent in those sectors of the market where these new issuers operate. The market for IPO issuers has been volatile and share and bond prices of newly priced companies have fluctuated in significant amounts over short periods of time. The Fund may be limited in the quantity of IPO and secondary offering shares and bonds that it may buy at the offering price, or the Fund may be unable to buy any shares or bonds of an IPO or secondary offering at the offering price. The Fund's investment return earned during a period of substantial investment in IPOs may not be sustained during other periods when the Fund makes more limited, or no, investments in IPOs. As the size of the Fund increases, the impact of IPOs on the Fund's performance generally would decrease; conversely, as the size of the Fund decreases, the impact of IPOs on the Fund's performance generally would increase.

Investments in Other Investment Companies. Subject to the limitations prescribed by the 1940 Act and the Fund's investment objective, policies, and restrictions, the Fund may invest in other investment companies, including, but not limited to, money market funds, ETFs, closed-end funds, and other pooled vehicles. These limitations prohibit the Fund from acquiring more than 3% of the voting shares of any one other investment company, and prohibit the Fund investing more than 5% of its total assets in the securities of any one other investment company or more than 10% of its total assets in securities of other investment companies in the aggregate. The percentage limitations above apply to investments in any investment company. (However, pursuant to certain SEC rules, these percentage limitations do not apply to the Fund's investments in certain registered money market funds.) The Fund's investments in another investment company will be subject to the risks of the purchased investment company's portfolio securities. The Fund's shareholders must bear not only their proportionate share of the Fund's fees and expenses, but they also must bear indirectly the fees and expenses of the other investment company.

ETFs. ETFs are investment companies whose shares are listed on a securities exchange and trade like a stock throughout the day. Certain ETFs use a "passive" investment strategy and will not attempt to take defensive positions in volatile or declining markets. Other ETFs are actively managed (*i.e.*, they do not seek to replicate the performance of a particular index). Investments in ETFs are subject to a variety of risks, including risks of a direct investment in the underlying securities that the ETF holds. For example, the general level of stock prices may decline, thereby adversely affecting the value of the underlying common stock investments of the ETF and, consequently, the value of the ETF. Moreover, the market value of the ETF may differ from the value of its portfolio holdings because the market

for ETF shares and the market for underlying securities are not always identical. Also, ETFs that track particular indices typically will be unable to match the performance of the index exactly due to the ETF's operating expenses and transaction costs, among other things. Similar to investments in other investment companies, the Fund's shareholders must bear not only their proportionate share of the Fund's fees and expenses, but they also must bear indirectly the fees and expenses of the ETF.

Other Risks. The Fund may invest in foreign countries through investment companies, including closed-end funds. Some foreign countries have laws and regulations that currently preclude direct foreign investments in the securities of their companies. However, indirect foreign investment in the securities of such countries is permitted through investment companies that have been specifically authorized to make such foreign investments. These investments are subject to the risks of investing in foreign securities.

Because closed-end funds do not issue redeemable securities and, thus, do not need to maintain liquidity to meet daily shareholder redemptions, such funds may invest in less liquid portfolio securities. Moreover, the Fund's investment in a closed-end fund is exposed to the risk that a secondary market for such shares may cease to exist. Accordingly, the Fund's investment in closed-end fund shares is subject to increased liquidity risk.

Leverage. The Fund may opportunistically add leverage to its portfolio by utilizing instruments such as reverse repurchase agreements, credit default swaps, dollar rolls or borrowings, such as through bank loans or commercial paper and/or other credit facilities. The Fund may also enter into transactions other than those noted above that may give rise to a form of leverage including, among others, futures and forward contracts (including foreign currency exchange contracts), total return swaps and other derivative transactions, loans of portfolio securities and when-issued, delayed delivery and forward commitment transactions. Although it has no current intention to do so, the Fund may also determine to issue preferred shares or other types of senior securities to add leverage to its portfolio.

The net proceeds the Fund obtains from credit default swaps, reverse repurchase agreements, dollar rolls or other forms of leverage utilized will be invested in accordance with the Fund's investment objective and policies as described in this prospectus. The 1940 Act generally prohibits the Fund from engaging in most forms of leverage (including the use of reverse repurchase agreements, dollar rolls, bank loans, commercial paper or other credit facilities, credit default swaps, total return swaps and other derivative transactions, loans of portfolio securities and when-issued, delayed delivery and forward commitment transactions, to the extent that these instruments are not covered as described below) unless immediately after the issuance of the leverage the Fund has satisfied the asset coverage test with respect to senior securities representing indebtedness prescribed by the 1940 Act; that is, the value of the Fund's total assets less all liabilities and indebtedness not represented by senior securities (for these purposes, "total net assets") is at least 300% of the senior securities representing indebtedness (effectively limiting the use of leverage through senior securities representing indebtedness to 33 $\frac{1}{3}$ % of the Fund's total net assets, including assets attributable to such leverage). In addition, the Fund is not permitted to declare any cash dividend or other distribution on Shares unless, at the time of such declaration, this asset coverage test is satisfied.

Leveraging is a speculative technique and there are special risks and costs involved. There is no assurance that the Fund will utilize credit default swaps, reverse repurchase agreements, dollar rolls or borrowings, issue preferred shares or utilize any other forms of leverage (such as the use of derivatives strategies). If used, there can be no assurance that the Fund's leveraging strategies will be successful or result in a higher yield on your Shares. When leverage is used, the net asset value of the Shares and the yield to shareholders will be more volatile. In addition, interest and other expenses borne by the Fund with respect to its use of reverse repurchase agreements, dollar rolls, borrowings or any other forms of leverage are borne by the shareholders and result in a reduction of the net asset value of the Shares.

The Fund also may borrow money in order to repurchase its shares or as a temporary measure for extraordinary or emergency purposes, including for the payment of dividends or the settlement of securities transactions which otherwise might require untimely dispositions of portfolio securities held by the Fund.

Asset-Backed Securities. The Fund, in accordance with its investment objectives and policies, may invest in asset-backed securities (unrelated to mortgage loans). Asset-backed securities are securities whose principal and interest payments are collateralized by pools of assets such as auto loans, credit card receivables, leases, installment contracts, and personal property. In addition to prepayment and extension risks, these securities present credit risks that are not inherent in mortgage-related securities because asset-backed securities generally do not have the benefit of a security interest in collateral that is comparable to mortgage assets. Credit card receivables generally are unsecured

and the debtors on such receivables are entitled to the protection of a number of state and federal consumer credit laws, many of which give such debtors the right to set off certain amounts owed on the credit cards, thereby reducing the balance due. Automobile receivables generally are secured, but by automobiles rather than residential real property. Most issuers of automobile receivables permit the loan 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 asset-backed securities. 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 a proper security interest in the underlying automobiles. Therefore, if the issuer of an asset-backed security defaults on its payment obligations, there is the possibility that, in some cases, the Fund will be unable to possess and sell the underlying collateral and that the Fund's recoveries on repossessed collateral may not be available to support payments on these securities.

Credit-Linked Notes ("CLNs"). The Fund may invest in CLNs. CLNs are privately negotiated obligations whose returns are linked to the returns of one or more designated securities or other instruments that are referred to as "reference securities." A CLN is generally issued by one party, typically a trust or a special purpose vehicle, with investment exposure or risk that is linked to a second party. The CLN's price or coupon is linked to the performance of the reference security of the second party.

The Fund has the right to receive periodic interest payments from the CLN issuer at an agreed upon interest rate and, if there has been no default or other applicable declines in credit quality, a return of principal at the maturity date. The cash flows are dependent on specified credit-related events. Should the second party default or declare bankruptcy, the CLN holder will generally receive an amount equivalent to the recovery rate. The Fund also is exposed to the credit risk of the CLN issuer up to the full CLN purchase price, and CLNs are often not secured by the reference securities or other collateral. CLNs are also subject to the credit risk of the reference securities. If a reference security defaults or suffers certain other applicable declines in credit quality, the Fund may, instead of receiving repayment of principal, receive the security that has defaulted.

As with most derivative investments, valuation of a CLN may be difficult due to the complexity of the security. The market for CLNs may suddenly become illiquid. The other parties to the transactions may be the only investors with sufficient understanding of the CLN to be interested in bidding for it. Changes in liquidity may result in significant, rapid, and unpredictable changes in CLN prices. In certain cases, a CLN's market price may not be available or the market may not be active.

Other Risks of Asset-Backed Securities. Asset-backed securities are subject to risks in addition to those described above. These securities are often extremely complex and their documentation may be unclear, ambiguous, or poorly understood, which could lead to a misunderstanding or incorrect application of the securities' terms, and may also lead to disputes. More junior securities are often illiquid and hard to value, and even senior securities may become so during periods of market stress or if there are issues relating to the underlying collateral. Regulatory issues relating to the underlying collateral may have unforeseen effects on the value of the securities and may cause them to decrease in value. In addition, servicers or trustees may not always act in the best interests of the holders of securities or of certain tranches of securities.

Repurchase Agreements. A repurchase agreement is a transaction by which the Fund acquires a security (or basket of securities) and simultaneously commits to resell that security to the seller (typically, a bank or securities dealer) at an agreed upon date on an agreed upon price, which represents the Fund's cost plus interest. The resale price reflects the purchase price plus an agreed upon market rate of interest that is unrelated to the coupon rate or date of maturity of the purchased security. The Fund requires at all times that the repurchase agreement be collateralized by cash or by securities of the U.S. Government, its agencies, its instrumentalities, or U.S. Government sponsored enterprises having a value equal to, or in excess of, the value of the repurchase agreement (including accrued interest).

Repurchase agreements are considered a form of lending under the 1940 Act. A repurchase agreement with more than seven days to maturity is considered an illiquid security.

The use of repurchase agreements involves certain risks. For example, if the seller of the agreement defaults on its obligation to repurchase the underlying securities at a time when the value of these securities has declined, the Fund may incur a loss upon disposition of them. In addition, if the seller should be involved in bankruptcy or insolvency proceedings, the Fund may incur delay and costs in selling the underlying security or may suffer a loss of principal and

interest if the Fund is treated as an unsecured creditor and required to return the underlying collateral to the seller's estate. Even though the repurchase agreements may have maturities of seven days or less, they may lack liquidity, especially if the issuer encounters financial difficulties. To reduce credit risk and counterparty risk, the Fund intends to limit repurchase agreements to transactions with dealers and financial institutions believed by the Adviser to present minimal credit risks. The Adviser will monitor the creditworthiness of the repurchase agreement sellers on an ongoing basis.

Reverse Repurchase Agreements. In a reverse repurchase agreement, the Fund sells a security to a securities dealer or bank for cash and also agrees to repurchase the same security at an agreed upon price on an agreed upon date. Reverse repurchase agreements expose the Fund to credit risk (that is, the risk that the counterparty will fail to resell the security to the Fund). Engaging in reverse repurchase agreements also may involve the use of leverage, in that the Fund may reinvest the cash it receives in additional securities. The Fund will attempt to minimize this risk by managing its duration.

Prepayment. Senior loans may require or permit, in addition to scheduled payments of interest and principal, the prepayment of the senior loan from free cash flow. The degree to which borrowers prepay senior loans, whether as a contractual requirement or at their election, is unpredictable. Upon a prepayment, either in part or in full, the actual outstanding debt on which the Fund derives interest income will be reduced, and the Fund may decide to invest in lower yielding investments. However, the Fund may receive both a prepayment penalty fee from the prepaying borrower and a facility fee upon the purchase of a new senior loan with the proceeds from the prepayment of the former. The effect of prepayments on the Fund's performance may be mitigated by the receipt of prepayment fees and the Fund's ability to reinvest prepayments in other senior loans that have similar or identical yields.

Bridge Loans. Bridge loans are short-term loan arrangements (typically 12 to 18 months) usually made by a borrower in anticipation of receipt of intermediate-term or long-term permanent financing. Most bridge loans are structured as floating-rate debt with "step-up" provisions under which the interest rate on the bridge loan rises (or "steps up") the longer the loan remains outstanding. In addition, bridge loans commonly contain a conversion feature that allows the bridge Loan Investor to convert its interest to senior exchange notes if the loan has not been prepaid in full on or before its maturity date. Bridge loans may be subordinate to other debt and may be secured or undersecured.

Assignments. An investor in senior loans typically purchases "Assignments" from the Agent or other Loan Investors and, by doing so, typically becomes a Loan Investor under the loan agreement with the same rights and obligations as the assigning Loan Investor. Assignments may, however, be arranged through private negotiations between potential assignees and potential assignors, and the rights and obligations acquired by the purchaser of an Assignment may differ from, and be more limited than, those held by the assigning Loan Investor.

Participations. "Participations" in a Loan Investor's portion of a senior loan typically will result in the investing Fund having a contractual relationship only with such Loan Investor, rather than with the borrower. As a result, the Fund may have the right to receive payments of principal, interest, and any fees to which it is entitled only from the Loan Investor selling the Participation and only upon receipt by such Loan Investor of such payments from the borrower. In connection with purchasing Participations, the Fund generally will have no right to enforce compliance by the borrower with the terms of the loan agreement and the Fund may not directly benefit from the collateral supporting the senior loan in which it has purchased the Participation. As a result, the Fund may assume the credit risk of both the borrower and the Loan Investor selling the Participation. If a Loan Investor selling a Participation becomes insolvent, the Fund may be treated as a general creditor of such Loan Investor.

Revolving Credit Facility Loans. For some loans, such as revolving credit facility loans ("revolvers"), a Loan Investor may be obligated under the loan agreement to, among other things, make additional loans in certain circumstances. The Fund generally will place assets in reserve for these contingent obligations by segregating or otherwise designating a sufficient amount of permissible liquid assets. Delayed draw term loans are similar to revolvers, except that, once drawn upon by the borrower during the commitment period, they remain permanently drawn and become term loans. A prefunded letter of credit (L/C) term loan is a facility created by the borrower in conjunction with an Agent, with the loan backed by letters of credit. Each participant in a prefunded L/C term loan fully funds its commitment amount to the Agent for the facility.

U.S. Government Securities. The Fund may invest in debt securities issued or guaranteed by agencies, instrumentalities and sponsored enterprises of the U.S. Government. U.S. Government securities are obligations of the U.S. Government and its agencies and instrumentalities, including Treasury bills, notes, bonds, and certificates

of indebtedness that are issued or guaranteed as to principal or interest by the U.S. Treasury or U.S. Government sponsored enterprises. The U.S. Government is under no legal obligation, in general, to purchase the obligations of or provide financial support to its agencies, instrumentalities, or sponsored enterprises. No assurance can be given that the U.S. Government will purchase the obligations of or provide financial support to U.S. Government agencies, instrumentalities, or sponsored enterprises in the future, and the U.S. Government may be unable or unwilling to pay debts when due. For more information, please see the “*Securities of Government Sponsored Enterprises*” section below.

Some U.S. Government securities, such as U.S. Treasury bills, notes and bonds, and mortgage-related securities guaranteed by the GNMA, are supported by the full faith and credit of the United States; others, such as those of the FHLBs or the FHLMC, are supported by the right of the issuer to borrow from the U.S. Treasury; others, such as those of the FNMA, are supported by the discretionary authority of the U.S. Government to purchase the agency’s obligations; and still others, such as those of the Student Loan Marketing Association, are supported only by the credit of the issuing agency, instrumentality or enterprise. Although U.S. Government-sponsored enterprises, such as the FHLBs, FHLMC, FNMA and the Student Loan Marketing Association, may be chartered or sponsored by Congress, they are not funded by Congressional appropriations, and their securities are not issued by the U.S. Treasury or supported by the full faith and credit of the U.S. Government and involve increased credit risks. Although legislation has been enacted to support certain government sponsored entities, including the FHLBs, FHLMC and FNMA, there is no assurance that the obligations of such entities will be satisfied in full, or that such obligations will not decrease in value or default. It is difficult, if not impossible, to predict the future political, regulatory or economic changes that could impact the government sponsored entities and the values of their related securities or obligations. In addition, certain governmental entities, including FNMA and FHLMC, have been subject to regulatory scrutiny regarding their accounting policies and practices and other concerns that may result in legislation, changes in regulatory oversight and/or other consequences that could adversely affect the credit quality, availability or investment character of securities issued by these entities.

U.S. Government debt securities generally involve lower levels of credit risk than other types of debt securities of similar maturities, although, as a result, the yields available from U.S. Government debt securities are generally lower than the yields available from such other securities. Like other debt securities, the values of U.S. Government securities change as interest rates fluctuate. Fluctuations in the value of portfolio securities will not affect interest income on existing portfolio securities but will be reflected in the Fund’s NAV.

Securities of Government Sponsored Enterprises. The Fund may invest in securities issued or guaranteed by agencies or instrumentalities of the U.S. Government, such as Ginnie Mae, Fannie Mae, Freddie Mac, Federal Home Loan Banks (“FHL Banks”), Federal Farm Credit Bank, and Federal Agricultural Mortgage Corporation (“Farmer Mac”). Ginnie Mae is authorized to guarantee, with the full faith and credit of the U.S. Government, the timely payment of principal and interest on securities issued by institutions approved by Ginnie Mae (such as savings and loan institutions, commercial banks, and mortgage bankers) and backed by pools of mortgages insured or guaranteed by the FHA, the VA, the Rural Housing Service, or the U.S. Department of Housing and Urban Development. Fannie Mae, Freddie Mac, Federal Farm Credit Bank, and Farmer Mac are federally chartered public corporations owned entirely by their shareholders; the FHL Banks are federally chartered corporations owned by their member financial institutions. Although U.S. Government sponsored enterprises may be chartered or sponsored by Congress, many such enterprises are not funded by Congressional appropriations, their securities are not issued by the U.S. Treasury, and their obligations are not supported by the full faith and credit of the U.S. Government, so investments in their securities or obligations issued by them involve greater risk than investments in other types of U.S. Government securities. For example, although Fannie Mae, Freddie Mac, Farmer Mac, Federal Farm Credit Bank, and the FHL Banks guarantee the timely payment of interest and ultimate collection of principal with respect to the securities they issue, their securities are not backed by the full faith and credit of the U.S. Government. The value of such securities therefore may vary with the changing prospects of future support from the U.S. Government, as reflected in anticipated legislative or political developments. In the absence of support from the U.S. Government, money market fixed income securities, including asset-backed securities that may have diminished collateral protection from underlying mortgages or other assets, are subject to the risk of default. Although such securities commonly provide the Fund with a higher yield than direct U.S. Treasury obligations, they are also subject to the risk that the Fund will fail to recover additional amounts (*i.e.*, premiums) paid for securities with higher interest rates, resulting in an unexpected capital loss upon their sale.

Like most fixed income securities, the value of the money market instruments held by the Fund generally will fall when interest rates rise. In the case of a security that is issued or guaranteed by a government sponsored enterprise and backed by mortgages or other instruments with prepayment or call features, rising interest rates may cause prepayments to occur at a slower-than-expected rate, reducing the security's value. In contrast, falling interest rates may cause prepayments to occur at a faster-than-expected rate, depriving the Fund of income payments above market rates prevailing at the time of the prepayment.

When-Issued or Forward Transactions. When-issued or forward transactions involve a commitment by the Fund to purchase securities, with settlement to take place in the future. When-issued purchases and forward transactions are negotiated directly with the other party, and such commitments are not traded on exchanges. The value of fixed income securities to be delivered in the future will fluctuate as interest rates vary. Securities purchased or sold on a when-issued or forward commitment basis involve a risk of loss if the value of the security to be purchased declines before the settlement date or if the value of the security to be sold increases before the settlement date. At the time the Fund makes the commitment to purchase a security on a when-issued basis, it will record the transaction and reflect the liability for the purchase and the value of the security in determining its NAV. The Fund also generally is required to identify on its books cash and liquid assets in an amount sufficient to meet the purchase price unless the Fund's obligations are otherwise covered. The Fund generally will purchase securities on a when-issued basis or purchase or sell securities on a forward commitment basis only with the intention of completing the transaction and actually purchasing or selling the securities. If deemed advisable as a matter of investment strategy, however, the Fund may dispose of or negotiate a commitment after entering into it. The Fund also may sell securities it has committed to purchase before the commitment's settlement date.

The Fund may purchase new issues of municipal bonds, which generally are offered on a when-issued basis, with delivery and payment normally taking place approximately one month after the purchase date. However, the payment obligation and the interest rate to be received by the Fund are each fixed on the purchase date.

Zero Coupon, Deferred Interest, Pay-In-Kind, and Capital Appreciation Bonds. Zero coupon, deferred interest, and capital appreciation bonds are issued at a discount from their face value because interest payments typically are postponed until maturity. These securities also may take the form of debt securities that have been stripped of their unmatured interest coupons, the coupons themselves, or receipts or certificates representing interests in such stripped debt obligations or coupons. Pay-in-kind bonds allow the issuer, at its option, to make current interest payments on the bonds either in cash or in additional bonds. Similar to zero coupon bonds and deferred interest bonds, pay-in-kind securities are designed to give an issuer flexibility in managing cash flow. Pay-in-kind securities that are debt securities can be either senior or subordinated debt.

As the buyer of these types of securities, the Fund will recognize a rate of return determined by the gradual appreciation of the security, which is redeemed at face value on a specified maturity date. The discount varies depending on the time remaining until maturity, as well as market interest rates, liquidity of the security, and the issuer's perceived credit quality. The discount in the absence of financial difficulties of the issuer typically decreases as the final maturity date approaches. Moreover, unlike securities that periodically pay interest to maturity, zero coupon, deferred interest, capital appreciation, and pay-in-kind securities involve the additional risk that the Fund will realize no cash until a specified future payment date unless a portion of such securities is sold and, if the issuer of such securities defaults, the Fund may obtain no return at all on its investment.

The values of zero-coupon and pay-in-kind bonds are more volatile in response to interest rate changes than debt obligations of comparable maturities that make regular distributions of interest. Taxable income from these types of securities is accrued by the Fund without receiving regular interest payments in cash. As a result, the Fund may be required to sell portfolio securities in order to pay a dividend depending, among other things, upon the proportion of shareholders who elect to receive dividends in cash rather than reinvesting dividends in additional shares of the Fund.

Pay-in-kind securities generally carry higher interest rates compared to bonds that make cash payments of interest to reflect their payment deferral and increased credit risk. Pay-in-kind securities generally involve significantly greater credit risk than coupon loans because the Fund receives no cash payments until the maturity date or a specified cash payment date. Even if accounting conditions are met for accruing income payable at a future date under a pay-in-kind bond, the issuer could still default when the collection date occurs at the maturity of or payment date for the pay-in-kind bond. Pay-in-kind bonds may be difficult to value accurately because they involve ongoing judgments as to the collectability of the deferred payments and the value of any associated collateral. If the issuer of a pay-in-kind security defaults the Fund may lose its entire investment. Generally, the deferral of pay-in-kind interest will increase the loan to value ratio, which is a measure of the riskiness of a loan or bond.

Temporary Defensive Investments. As described in the prospectus, the Fund is authorized to temporarily invest a substantial amount, or even all, of its assets in various short-term fixed income securities to take a defensive position. Temporary defensive securities include:

Short-Term Taxable Securities. The Fund may invest in bonds, the interest on which is subject to federal income tax, and the Fund may be exempt from its state's (if applicable) income tax.

INVESTMENT RESTRICTIONS

Fundamental Investment Restrictions. The Fund is subject to the following fundamental investment restrictions that cannot be changed without the approval of the holders of a majority of the Fund's outstanding common Shares¹ and, if issued, preferred shares voting together as a single class, and of the holders of a majority of the outstanding preferred shares voting as a separate class.

1. **The Fund may not borrow money or issue senior securities, except as permitted by Section 18 of the 1940 Act or otherwise as permitted by applicable law, as such may be interpreted or modified by regulatory authorities having jurisdiction, from time to time.**
2. **The Fund may not purchase or sell real estate, but the Fund may purchase and sell securities that are secured by real estate or issued by companies that invest or deal in real estate or REITs and may acquire and hold real estate or interests therein through exercising rights or remedies with regard to such securities.**
3. **The Fund may not purchase or sell physical commodities, except that the Fund may purchase and sell options, forward contracts, contracts for difference, futures contracts, including those related to indices, and options on futures contracts or indices, and enter into swap agreements and other derivative instruments that are commodities or commodity contracts.**
4. **The Fund may not engage in the underwriting of securities, except pursuant to a merger or acquisition or to the extent that, in connection with the disposition of its portfolio securities, it may be deemed to be an underwriter under federal securities laws.**
5. **The Fund may not invest more than 25% of its total assets, taken at market value at the time of each investment, in the securities of issuers in any particular industry or group of industries (excluding securities of the U.S. Government, its agencies and instrumentalities).**
6. **The Fund may make loans to the maximum extent permitted by the 1940 Act and any exemptive order or other relief issued by the SEC, including, without limitation, through loans to other Funds in the same fund complex.**

In addition, the Fund has adopted the following fundamental policies with respect to repurchase offers that cannot be changed without the approval of the holders of a majority of the Fund's outstanding common Shares and, if issued, preferred shares voting together as a single class, and of the holders of a majority of the outstanding preferred shares voting as a separate class:

1. **The Fund will make quarterly repurchase offers pursuant to Rule 23c-3 of the 1940 Act, as such rule may be amended from time to time, for between 5% and 25% of the shares outstanding at NAV, unless suspended or postponed in accordance with regulatory requirements.**
2. **The Fund will repurchase shares that are tendered by the date by which shareholders can tender their shares in response to a repurchase offer (the "Repurchase Request Deadline"), which will be established by the Board of Trustees in accordance with Rule 23c-3 of the 1940 Act, as such rule may be amended from time to time.**
3. **Each repurchase pricing shall occur no later than the 14th calendar day after the Repurchase Request Deadline, or the next business day if the 14th calendar day is not a business day.**

Interpretations and guidance provided by the SEC staff may be taken into account to determine if a certain practice or the purchase of securities or other instruments is permitted by the 1940 Act, the rules or regulations thereunder or applicable orders of the SEC. As a result, the foregoing fundamental investment policies may be interpreted differently over time as the statute, rules, regulations or orders (or, if applicable, interpretations) that relate to the meaning and effect of these policies change, and no vote of shareholders, as applicable, will be required or sought.

¹ A "majority" of the Fund's outstanding shares means the vote of the lesser of (1) 67% or more of the voting securities present at a shareholder meeting, provided that more than 50% of the outstanding voting securities of the Fund are present at the meeting or represented by proxy, or (2) more than 50% of the outstanding voting securities of the Fund regardless of whether such shareholders are present at the meeting (or represented by proxy).

The 1940 Act, including the rules and regulations thereunder, generally prohibits the Fund from borrowing (other than certain temporary borrowings) unless immediately after the borrowing the Fund has satisfied the asset coverage test with respect to senior securities representing indebtedness prescribed by the 1940 Act; that is, the value of the Fund's total assets less all liabilities and indebtedness not represented by senior securities (for these purposes, "total net assets") is at least 300% of the senior securities representing indebtedness (effectively limiting the use of leverage through senior securities representing indebtedness to 33⅓% of the Fund's total net assets, including assets attributable to such leverage). Certain investments which may give rise to a form of leverage (including the use of reverse repurchase agreements, dollar rolls, bank loans, commercial paper or other credit facilities and other derivative transactions, loans of portfolio securities and when-issued, delayed delivery and forward commitment transactions) are subject to Rule 18f-4 under the 1940 Act. Rule 18f-4 imposes limits on the amount of derivatives and other transactions a fund can enter into and requires funds whose use of derivatives is more than a limited specified exposure to establish and maintain a comprehensive derivatives risk management program and appoint a derivatives risk manager.

Under the 1940 Act, the Fund may not issue senior securities representing stock unless immediately after such issuance the value of the Fund's total net assets is at least 200% of the liquidation value of the Fund's outstanding senior securities representing stock, plus the aggregate amount of any senior securities representing indebtedness (effectively limiting the use of leverage through senior securities to 50% of the Fund's total net assets).

In addition, the Fund is not permitted to declare any cash dividend or other distribution on Shares unless, at the time of such declaration, the asset coverage tests described above are satisfied after giving effect to such dividend or distribution.

The Fund may lend up to one-third of the value of its total assets (including assets attributable to leverage).

Non-Fundamental Investment Restriction. The Fund also is subject to the following non-fundamental investment restriction which may be changed by the Board of Trustees without shareholder approval:

1. **Except for U.S. Treasuries, U.S. government-sponsored enterprise and U.S. government agency securities, no more than 10% of the value of the Fund's Managed Assets may be invested in the securities of any one issuer; provided, however, that the Fund may treat one issuer as the "15% Issuer" with respect to which such restriction shall be 15% rather than 10%, and the Fund may thereafter treat a different issuer as the 15% Issuer if the investments in the previous 15% Issuer represent 10% or less of the value of the Fund's Managed Assets.**
2. **The Fund will not buy or sell futures, or option contracts or buy any securities or other property on margin, or purchase or sell puts or calls or combinations thereof, or engage in short sales of securities (unless by virtue of its ownership of other securities it has, or has a right to obtain, securities equivalent in kind and amount to the securities sold) or participate in credit default swaps, except as permitted by the 1940 Act.**
3. **The Fund will not invest in mutual funds or group trusts, except those designed for the temporary investment of cash, except as permitted by the 1940 Act.**
4. **The Fund will not participate in any securities lending program.**
5. **No more than 50% of the Fund's Managed Assets will be invested in preferred stock, common stock and convertible debt securities combined, provided that convertible debt securities that trade based on yields comparable to high yield securities as determined by the Adviser in its sole discretion shall not be included for purposes of this limitation.**

Compliance with any policy or limitation of the Fund that is expressed as a percentage of assets is determined at the time of purchase of portfolio securities. The policy will not be violated if these limitations are exceeded because of changes in the market value or investment rating of the Fund's assets or if a borrower distributes equity securities incident to the purchase or ownership of a portfolio investment or in connection with a reorganization of a borrower. The Fund interprets its policies with respect to borrowing and lending to permit such activities as may be lawful for the Fund, to the full extent permitted by the 1940 Act or by exemption from the provisions therefrom pursuant to an exemptive order of the SEC.

INVESTMENT ADVISORY AND OTHER SERVICES, FEES, AND EXPENSES

Polen Credit, an investment adviser registered with the SEC located at 1075 Main Street, Suite 320, Waltham, MA 02451 is the Fund's investment adviser. In January 2022, Polen Capital Management, LLC ("Polen Capital"), an investment adviser registered with the SEC located at 1825 NW Corporate Blvd., Suite 300, Boca Raton, FL 33431, acquired 100% of the Adviser's outstanding equity interests and, accordingly, Polen Credit became a wholly-owned subsidiary of Polen Capital.

The Management Agreement provides for the Fund to pay an annual fee, payable monthly by the Fund, in an amount equal to 1.25% of the Fund's average daily Managed Assets. "Managed Assets" means the total assets of the Fund (including any assets attributable to borrowings for investment purposes) minus the sum of the Fund's accrued liabilities (other than liabilities representing borrowings for investment purposes). Because the Fund is recently organized, no fees were paid to the Adviser pursuant to the Management Agreement in any prior fiscal year.

The Management Agreement was initially approved by the Trustees of the Fund (including all of the Trustees who are not "interested persons" of the Fund) on June 9, 2023 at a meeting called for such purpose. A discussion regarding the basis for the Board of Trustees' initial approval of the Management Agreement is available in the Fund's semiannual report to shareholders for the fiscal period ended October 31, 2023. The Management Agreement will remain in full force and effect, unless sooner terminated by the Fund, for an initial two-year period and shall continue thereafter for successive annual periods, provided that such continuance is specifically approved at least annually (i) by the vote of a majority of the Fund's Independent Trustees, cast in person at a meeting called for the purpose of voting on such approval, and (ii) by the vote of a majority of the outstanding voting securities of the Fund or by the Fund's Board of Trustees. It can also be terminated with respect to the Fund at any time, without payment of any penalty, by a vote of a majority of the outstanding voting securities of the Fund or by the Fund's Board of Trustees on 60 days' prior written notice to the Adviser, or by the Adviser, without payment of any penalty, on 90 days' prior written notice to the Fund. Additionally, the Management Agreement will terminate automatically in the event of its assignment. The Management Agreement may not be amended with respect to the Fund without a vote of a majority of the outstanding voting securities of the Fund, to the extent required by the 1940 Act.

The Fund pays all expenses attributable to its operations not expressly assumed by the Adviser, including, without limitation, organizational and offering expenses; investment expenses; filing fees and expenses relating to the registration and qualification of the Fund and its Shares; taxes and governmental fees; costs of insurance or fidelity bonds; costs, expenses or losses arising out of liability of or claim for damages or other relief asserted against the Fund for any violation of law; legal, accounting and auditing expenses; charges of custodians and other agents; printing fees and expenses; costs of preparing and distributing shareholder reports and materials; other reporting and compliance costs, including registration and listing fees; extraordinary expenses; cost of calculating individual asset values and NAV of the Fund; out-of-pocket expenses of the Adviser or its investment personnel relating to due diligence on prospective investments and enforcement of the Fund's rights; fees and expenses of dividend and transfer agents; administration fees; debt service and other costs of Borrowings or financing arrangements; placement fees; independent audit fees and expenses; costs of specialty or custom software for monitoring, risk, compliance and investments.

The Management Agreement provides that neither the Adviser nor its members, officers, directors or employees shall be subject to any liability for, or any damages, expenses or losses incurred in connection with, any act or omission or mistake in judgment connected with or arising out of any services rendered under the Management Agreement, except by reason of willful misfeasance, bad faith or gross negligence in performance of the Adviser's duties, or by reason of reckless disregard of the Adviser's obligations and duties under the Management Agreement.

The Adviser has contractually agreed to waive its fees and/or reimburse expenses to the extent necessary to ensure that total annual fund operating expenses (excluding distribution and service fees, interest, taxes, expenses related to litigation and potential litigation, and extraordinary expenses) do not exceed an annual rate of 0.75% (the "Expense Limitation"). The Expense Limitation will remain for 18 months from the commencement of the Fund's operations, unless the Board of Trustees approves its earlier termination. The Adviser is entitled to recover, subject to approval by the Board of Trustees, any fees waived and/or expenses reimbursed by the Adviser with respect to the Fund for a three-year period following the date of such fee waiver and/or expense reimbursement, to the extent the Fund's total annual operating expenses do not exceed the limits described above or any lesser limits in effect at the time of the reimbursement.

Administrative Services Fees

Pursuant to an Administration and Accounting Services Agreement dated June 9, 2023, The Bank of New York Mellon performs certain administrative services for the Fund including, among other things, assisting in the preparation of the annual post-effective amendments to the Fund's registration statement, assisting in obtaining the fidelity bond and trustees' and officers' errors and omissions insurance policies, preparing notices, agendas, and resolutions for quarterly Board of Trustees meetings, maintaining the Fund's corporate calendar, maintaining Fund contract files and providing executive and administrative services to support the Independent Trustees. The Bank of New York Mellon also performs certain administrative and accounting services for the Fund such as preparing shareholder reports, providing statistical and research data, assisting the Adviser in compliance monitoring activities, and preparing and filing federal and state tax returns on behalf of the Fund. In addition, The Bank of New York Mellon prepares and files certain reports with the appropriate regulatory agencies and prepares certain materials required by the SEC or any state securities commission having jurisdiction over the Fund. The accounting services performed by The Bank of New York Mellon include determining the NAV per share of the Fund and maintaining records relating to the securities transactions of the Fund.

Organizational and Offering Expenses

Organizational costs consist of the costs of forming the Fund, drafting of governing documents, administration, custody and transfer agency agreements, legal services in connection with the initial meeting of Board and the Fund's seed audit costs. Offering costs consist of the costs of preparation, review and filing with the SEC the Fund's registration statement, the costs of preparation, review and filing of any associated marketing or similar materials, the costs associated with the printing, mailing or other distribution of the Prospectus, Statement of Additional Information and/or marketing materials, and the amounts of associated filing fees and legal fees associated with the offering. The aggregate amount of the organizational costs and offering costs as of the date of this prospectus are \$280,685 and \$263,065, respectively.

The Adviser has agreed to advance the Fund's organizational costs and offering costs already incurred and any additional costs incurred prior to the commencement of operations of the Fund. Organizational costs are expensed as incurred and are subject to recoupment by the Adviser in accordance with the Expense Limitation. Offering costs, which are also subject to the Expense Limitation, are accounted for as a deferred charge until Shares are offered to the public and will thereafter be amortized to expense over twelve months on a straight-line basis.

Distributor

Foreside Funds Distributors LLC (the "Distributor"), located at Three Canal Plaza, Suite 100, Portland, ME 04101, serves as the principal underwriter for the Fund. The Distributor is a broker-dealer registered with the SEC and is a member of FINRA. Under the Fund's Distribution Agreement, the Distributor is obligated to use its best efforts to distribute shares of the Fund.

The Distribution Agreement will remain in full force and effect, unless sooner terminated by the Fund, for an initial two-year period and shall continue thereafter on an annual basis, provided that each such continuance is specifically approved: (i) by the vote of a majority of the Independent Trustees; and (ii) by the vote of a majority of the entire Board cast in person at a meeting called for that purpose.

The Fund offers one class of shares, Institutional Class Shares. Only certain investors are eligible to purchase Institutional Class Shares. Institutional Class Shares are sold at their offering price, which is NAV per share. The minimum initial investment for Institutional Class Shares is \$100,000 per account. The Fund reserves the right to waive the minimum initial investment requirement for any investor. There is no minimum subsequent investment amount for Institutional Class Shares. Shares also may be offered through certain financial firms that charge their customers transaction or other fees with respect to the customer's investment in the Fund. Financial firms may provide or arrange for the provision of some or all of the shareholder servicing, account maintenance and other services required by specified benefit plan accounts and their participants, for which fees or expenses may be charged in addition to those described in the prospectus and Statement of Additional Information.

MANAGEMENT OF THE FUND

The Board of Trustees of the Fund supervises the management, activities and affairs of the Fund and has approved contracts with various organizations to provide, among other services, the day-to-day management required by the Fund and its shareholders.

Board Leadership Structure

The basic responsibilities of the Trustees are to monitor the Fund's financial operations and performance, oversee the activities and legal compliance of the Adviser and other major service providers, keep themselves informed, and exercise their business judgment in making decisions important to the Fund's proper functioning based on what the Trustees reasonably believe to be in the best interests of the shareholders. The Board of Trustees is comprised of five individuals, each of whom is an Independent Trustee. The Board of Trustees meets multiple times during the year (but at least quarterly) to review the investment performance of the Fund and other operational matters, including policies and procedures with respect to compliance with regulatory and other requirements.

The Board of Trustees has appointed an Independent Trustee to serve in the role of Chairman. The Chairman's primary role is to participate in the preparation of the agenda for meetings of the Board of Trustees and the identification of information to be presented to the Board of Trustees with respect to matters to be acted upon by the Board of Trustees. The Chairman also presides at all meetings of the Board of Trustees and acts as a liaison with service providers, officers, attorneys, and other Trustees generally between meetings. The Chairman may perform such other functions as may be requested by the Board of Trustees from time to time. Except for any duties specified herein or pursuant to the Fund's Declaration of Trust or By-Laws, the designation of Chairman does not impose on such Independent Trustee any duties, obligations or liability that is greater than the duties, obligations or liability imposed on such person as a member of the Board of Trustees, generally.

Each Trustee was appointed to serve on the Board of Trustees because of his or her experience, qualifications, attributes and/or skills as set forth in the subsection "Qualifications of Trustees," below. Based on a review of the Board of Trustees and its function, the Trustees have determined that the leadership structure of the Board of Trustees is appropriate and that the Board of Trustees' role in the risk oversight of the Fund, as discussed below, allows the Board of Trustees to effectively administer its oversight function.

The Board of Trustees has an Audit Committee and a Nominating and Governance Committee. The responsibilities of each committee and its members are described below in the subsection "Committees".

Trustees and Officers

The following tables present certain information regarding the Board of Trustees and officers of the Fund. None of the Trustees are an "interested person" of the Fund, the Adviser, another investment adviser of a series of the Fund, or the Distributor, within the meaning of the 1940 Act and each Trustee is referred to as an "Independent Trustee" and is listed under such heading below. Employees of certain service providers to the Fund serve as officers of the Fund; such persons are not compensated by the Fund. The address of each Trustee and officer as it relates to the Fund's business is 301 Bellevue Parkway, 2nd Floor, Wilmington, DE 19809. Each Trustee and officer serves for an indefinite term (*i.e.*, until his or her death, resignation, retirement, or removal).

<u>Name (Year of Birth)</u>	<u>Position Held (Length of Time Served)</u>	<u>Principal Occupation(s) During Past 5 Years</u>	<u>Number of Portfolios in Fund Complex Overseen by Trustee</u>	<u>Other Directorships Held During Past 5 Years</u>
Independent Trustees				
Robert J. Christian (Born 02/1949)	Trustee (since inception)	Retired since February 2006; Executive Vice President of Wilmington Trust Company from February 1996 to February 2006; President of Rodney Square Management Corporation (“RSMC”) (investment advisory firm) from 1996 to 2005; Vice President of RSMC from 2005 to 2006.	34	FundVantage Trust (registered investment company with 33 portfolios); Optimum Fund Trust (registered investment company with 6 portfolios); Third Avenue Trust (registered investment company with 4 portfolios); Third Avenue Variable Series Trust (registered investment company with 1 portfolio).
Iqbal Mansur (Born 06/1955)	Trustee (since inception)	Retired since September 2020; Professor of Finance, Widener University from 1998 to August 2020; Member of the Investment Committee of ChristianaCare Health System from January 2022 to present.	34	FundVantage Trust (registered investment company with 33 portfolios); Third Avenue Trust (registered investment company with 4 portfolios); Third Avenue Variable Series Trust (registered investment company with 1 portfolio).
Nicholas M. Marsini, Jr. (Born 08/1955)	Trustee, Chairman (since inception)	Retired since March 2016. President of PNC Bank Delaware from June 2011 to March 2016; Executive Vice President of Finance of BNY Mellon from July 2010 to January 2011; Executive Vice President and Chief Financial Officer of PNC Global Investment Servicing from September 1997 to July 2010.	34	FundVantage Trust (registered investment company with 33 portfolios); Brinker Capital Destinations Trust (registered investment company with 10 portfolios). Third Avenue Trust (registered investment company with 4 portfolios); Third Avenue Variable Series Trust (registered investment company with 1 portfolio).
Nancy B. Wolcott (Born 11/1954)	Trustee (since inception)	Retired since May 2014; EVP, Head of GFI Client Service Delivery, BNY Mellon from January 2012 to May 2014; EVP, Head of US Funds Services, BNY Mellon from July 2010 to January 2012; President of PNC Global Investment Servicing from 2008 to July 2010; Chief Operating Officer of PNC Global Investment Servicing from 2007 to 2008; Executive Vice President of PFPC Worldwide Inc. from 2006 to 2007.	34	FundVantage Trust (registered investment company with 33 portfolios); Lincoln Variable Insurance Products Trust (registered investment company with 97 portfolios). Third Avenue Trust (registered investment company with 4 portfolios); Third Avenue Variable Series Trust (registered investment company with 1 portfolio).

<u>Name (Year of Birth)</u>	<u>Position Held (Length of Time Served)</u>	<u>Principal Occupation(s) During Past 5 Years</u>	<u>Number of Portfolios in Fund Complex Overseen by Trustee</u>	<u>Other Directorships Held During Past 5 Years</u>
Stephen M. Wynne (Born 01/1955)	Trustee (since inception)	Retired since December 2010; Chief Executive Officer of US Funds Services, BNY Mellon Asset Servicing from July 2010 to December 2010; Chief Executive Officer of PNC Global Investment Servicing from March 2008 to July 2010; President, PNC Global Investment Servicing from 2003 to 2008.	34	FundVantage Trust (registered investment company with 33 portfolios); Copeland Trust (registered investment company with 2 portfolios). Third Avenue Trust (registered investment company with 4 portfolios); Third Avenue Variable Series Trust (registered investment company with 1 portfolio).

Officers

<u>Name (Year of Birth)</u>	<u>Position Held with the Fund</u>	<u>Year Elected</u>	<u>Principal Occupation(s) During Past 5 Years</u>
Joel L. Weiss (Born 01/1963)	President and Chief Executive Officer	Since inception	President of JW Fund Management LLC since June 2016; Vice President and Managing Director of BNY Mellon Investment Servicing (US) Inc. and predecessor firms from 1993 to June 2016.
Christine S. Catanzaro (Born 08/1984)	Treasurer and Chief Financial Officer	Since inception	Financial Reporting Consultant from October 2020 to September 2022; Senior Manager, Ernst & Young LLP from March 2013 to October 2020.
T. Richard Keyes (Born 01/1957)	Vice President	Since inception	President of TRK Fund Consulting LLC since July 2016; Head of Tax — U.S. Fund Services of BNY Mellon Investment Servicing (US) Inc. and predecessor firms from February 2006 to July 2016.
Gabriella Mercincavage (Born 06/1968)	Assistant Treasurer	Since inception	Fund Administration Consultant since January 2019; Fund Accounting and Tax Compliance Accountant to financial services companies from November 2003 to July 2018.
Vincenzo A. Scarduzio (Born 04/1972)	Secretary	Since inception	Director and Vice President Regulatory Administration of The Bank of New York Mellon and predecessor firms since 2001.
John Canning (Born 11/1970)	Chief Compliance Officer and AML Officer	Since inception	Director of Chenery Compliance Group, LLC from March 2021 to present; Senior Consultant of Foreside Financial Group from August 2020 to March 2021; Chief Compliance Officer & Chief Operating Officer of Schneider Capital Management LP from May 2019 to July 2020; Chief Operating Officer and Chief Compliance Officer of Context Capital Partners, LP from March 2016 to March 2018 and February 2019, respectively.

Qualifications of Trustees

The following is a brief discussion of the experience, qualifications, attributes and/or skills that led to the Board of Trustees' conclusion that each individual identified below is qualified to serve as a Trustee of the Fund.

The Board of Trustees believes that the Trustees' ability to review critically, evaluate, question and discuss information provided to them, to interact effectively with the Adviser, other service providers, counsel and independent auditors, and to exercise effective business judgment in the performance of their duties, support the conclusion that each Trustee is qualified to serve as a Trustee of the Fund. In addition, the following specific experience, qualifications, attributes and/or skills apply as to each Trustee: Mr. Marsini is the former President of PNC Bank Delaware, former Executive Vice President of Finance of BNY Mellon, former Chief Financial Officer of PNC Global Investment Servicing and currently serves as a Trustee to other mutual fund complexes; Mr. Wynne is the former Chief Executive Officer of US Funds Services, BNY Mellon Asset Servicing, former Chief Executive Officer of PNC Global Investment Servicing and currently serves as a Trustee to other mutual fund complexes; Ms. Wolcott is the former Executive Vice President of US Fund Services, BNY Mellon Asset Servicing, former President of PNC Global Investment Servicing and currently serves as a Trustee of other mutual fund complexes; Mr. Christian served as the Executive Vice President of Wilmington Trust and currently serves as a Trustee to other mutual fund complexes; and Mr. Mansur is a Professor Emeritus at Widener University. He previously served as a Professor of Finance, School of Business Administration, at Widener University and currently serves as a Trustee to other mutual fund complexes.

In its periodic self-assessment of the effectiveness of the Board of Trustees, the Board of Trustees considers the complementary individual skills and experience of the individual Trustees primarily in the broader context of the Board of Trustees' overall composition so that the Board of Trustees, as a body, possesses the appropriate (and appropriately diverse) skills and experience to oversee the business of the Fund. The summaries set forth above as to the experience, qualifications, attributes and/or skills of the Trustees do not constitute holding out the Board of Trustees or any Trustee as having any special expertise or experience, and do not impose any greater responsibility or liability on any such person or on the Board of Trustees as a whole than would otherwise be the case.

Committees

The standing committees of the Board are the Audit Committee and the Nominating and Governance Committee. The table below provides information about each committee's composition, functions, and responsibilities.

Committee	Committee Members	Description
Audit Committee	Robert J. Christian, Iqbal Mansur, Nicholas M. Marsini, Jr., Nancy B. Wolcott, Stephen M. Wynne	The Audit Committee is comprised solely of Independent Trustees. Mr. Wynne serves as the chairman of the Audit Committee. The Board of Trustees has adopted a written charter (the "Audit Committee Charter") for the Audit Committee. Pursuant to the Audit Committee Charter, the Audit Committee has the responsibility, among others, to (1) select the Fund's independent registered public accountants; (2) review and approve the scope of the independent registered public accountants' audit activity; (3) oversee the audit process of the financial statements which are the subject of the independent registered public accountants' certifications; and (4) review with such independent registered public accountants the adequacy of the Fund's basic accounting system and the effectiveness of the Fund's internal accounting controls. The Audit Committee meets at least two times per year.
Nominating and Governance Committee	Robert J. Christian, Iqbal Mansur, Nicholas M. Marsini, Jr., Nancy B. Wolcott, Stephen M. Wynne	The Nominating and Governance Committee is comprised solely of Independent Trustees. Mr. Mansur serves as the chairman of the Nominating and Governance Committee. The Board of Trustees has adopted a written charter for the Nominating and Governance Committee. The Nominating and Governance Committee is responsible for formulating a statement of corporate governance; assessing the size, structure and composition of the Board of Trustees; determining trustee qualification guidelines as well as

Committee	Committee Members	Description
		<p>compensation, insurance and indemnification of Trustees; identifying Trustee candidates; oversight of Board of Trustees self-evaluations; reviewing certain regulatory and corporate matters of the Fund; and identifying, from time to time, qualified candidates to serve as the CCO for the Fund. The Nominating and Governance Committee meets at least once a year. The Nominating and Governance Committee identifies potential nominees in accordance with its Statement of Policy on Qualifications for Board of Trustees Membership. The Nominating and Governance Committee will consider nominee candidates recommended by shareholders. Shareholders who wish to recommend individuals for consideration by the Nominating and Governance Committee as nominee candidates may do so by submitting a written recommendation to the Secretary of the Fund at: 301 Bellevue Parkway, 2nd Floor, Wilmington, DE 19809. Submissions must include sufficient biographical information concerning the recommended individual, including age, at least ten years of employment history with employer names and a description of the employer's business, and a list of board memberships (if any). The submission must be accompanied by a written consent of the individual to stand for election if nominated by the Board of Trustees and to serve if elected. Recommendations must be received in a sufficient time, as determined by the Nominating and Governance Committee in its sole discretion, prior to the date proposed for the consideration of nominee candidates by the Board of Trustees.</p>

Committee Meetings

The Fund is newly-organized and the Fund's first fiscal year has not yet been completed.

Board Oversight of Risk Management

Through its direct oversight of officers and service providers (and indirectly through its Committees), the Board of Trustees performs risk oversight function for the Fund consisting, among other things, of the following activities: (1) at regular and special Board of Trustees meetings, and on an ad hoc basis as needed, receiving and reviewing reports related to the performance and operations of the Fund; (2) reviewing and approving, as applicable, the compliance policies and procedures of the Fund; (3) meeting with the portfolio management team to review investment strategies, techniques and the processes used to manage related risks; (4) meeting with representatives of key service providers, including the investment advisers, administrator, the distributor, the transfer agent, the custodian and the independent registered public accounting firm of the Fund, to review and discuss the activities of the Fund and to provide direction with respect thereto; and (5) engaging the services of the Chief Compliance Officer of the Fund to test the compliance procedures of the Fund and its service providers.

Codes of Ethics

In accordance with Rule 17j-1 of the 1940 Act, each of the Fund and the Adviser has adopted a code of ethics (each, a "CoE" and together, the "CoEs").

The CoEs are intended to prohibit or restrict transactions that may be deemed to create a conflict of interest among the Adviser, the Distributor or the Fund. Each CoE identifies the specific employees, officers or other persons who are subject thereto and all are required to abide by the provisions thereunder. Persons covered under the CoEs may engage in personal trading for their own accounts, including securities that may also be purchased or held or traded by the Fund under certain circumstances.

Under the CoE adopted by the Fund, personal trading is subject to specific restrictions, limitations, guidelines and other conditions. Under the CoE adopted by the Adviser, personal trading is subject to pre-clearance and other conditions set forth in its CoE.

On an annual basis, or whenever deemed necessary, the Board of Trustees reviews reports regarding all of the Codes including information about any material violations of the CoEs. The CoEs are on public file as exhibits to the Fund's registration statement with the SEC.

Compensation

The following table sets forth the compensation accrued by the Fund for the Independent Trustees and the total compensation paid by all funds in the fund complex to the Independent Trustees, including amounts payable but deferred at the option of each Independent Trustee. The Fund currently does not offer any pension, profit-sharing or retirement plan to Trustees.

Independent Trustees	For the Fiscal Year Ending April 30, 2024 Aggregate Compensation Accrued by the Fund⁽¹⁾	For the Calendar Year Ended December 31, 2022 Total Compensation Paid by the Fund Complex
Robert J. Christian.	\$ 3,750	\$ 108,325
Iqbal Mansur.	\$ 4,500	\$ 124,310
Nicholas M. Marsini, Jr.	\$ 5,625	\$ 134,500
Nancy B. Wolcott	\$ 3,750	\$ 108,250
Stephen M. Wynne	\$ 5,250	\$ 129,500

(1) Since the Fund has not completed its first full year since organization, compensation is estimated based upon future payments to be made by the Fund during its initial fiscal year ending April 30, 2024.

Fund Ownership

The following table sets forth the equity securities in the Fund and in all registered investment companies overseen by the Trustees within the family of investment companies that the Trustees beneficially owned as of the date of this SAI.

Name of Trustee	Dollar Range of Equity Securities in the Fund	Aggregate Dollar Range of Equity Securities in All Registered Investment Companies Overseen by Trustee within the Family of Investment Companies
Robert J. Christian.	None	Over \$100,000
Iqbal Mansur.	None	Over \$100,000
Nicholas M. Marsini, Jr.	None	None
Nancy B. Wolcott	None	None
Stephen M. Wynne	None	Over \$100,000

Other Accounts Managed

The table below includes details regarding the number of other registered investment companies, other pooled investment vehicles and other accounts managed by the portfolio managers, total assets under management for each type of account and total assets in each type of account with performance-based advisory fees as of December 31, 2023.

Type of Accounts	Total Number of Accounts Managed	Total Assets (millions)	Number of Accounts Managed subject to a Performance Based Advisory Fee	Total Assets Managed subject to a Performance Based Advisory Fee (millions)
Benjamin Santonelli				
Other Registered Investment Companies ⁽¹⁾ :	6	\$ 1,289	0	\$ 0
Other Pooled Investment Vehicles ⁽²⁾ :	4	\$ 292	0	\$ 0
Other Accounts ⁽³⁾ :	22	\$ 4,074	7	\$ 1,497
John Sherman				
Other Registered Investment Companies ⁽¹⁾ :	6	\$ 1,289	0	\$ 0
Other Pooled Investment Vehicles ⁽²⁾ :	4	\$ 292	0	\$ 0
Other Accounts ⁽³⁾ :	22	\$ 4,074	7	\$ 1,497

- (1) Represents the Adviser's mutual fund portfolios (either advised or sub-advised) that are registered with the SEC. Two legacy sub-advised mutual fund portfolios that remain in wind-down as of December 31, 2023 and with de minimis assets under management have been excluded.
- (2) Represents the Adviser's proprietary commingled vehicles (excluding any funds managed by the Adviser on behalf of a single investor or affiliated group of investors).
- (3) Represents the Adviser's separately managed portfolios that are not advised or sub-advised for registered investment companies (as well as funds managed by the Adviser on behalf of a single investor or an affiliated group of investors). Legacy accounts presently in wind-down and with insignificant assets under management have been excluded.

Holdings of Portfolio Managers

The following table indicate the dollar range of securities beneficially owned by each portfolio manager of the Fund:

Name of Portfolio Manager	Dollar Range of Equity Securities in the Fund
Benjamin Santonelli	\$100,001–\$500,000
John Sherman	\$100,001–\$500,000

Conflicts of Interest

The Adviser and its affiliates currently, and may in the future, advise other funds and clients with investment objectives that are the same as or similar to those of the Fund or which may invest in the same securities as the Fund or related securities and may compete with the Fund for the same investment opportunities, which may be limited. Through the course of advising and investing for these other clients, it is possible for conflicts of interest to arise that may adversely impact the Fund. The Adviser may, from time to time, be presented with investment opportunities that fall within the Fund's investment objectives and the investment objectives of one or more similar clients. While the Adviser will seek to manage such potential conflicts of interest in good faith, there may be situations in which the interests of the Fund with respect to a particular investment or other matter conflict with the interests of one or more similar clients, the Adviser or one or more of their respective affiliates.

In certain instances from time to time, the Fund may own one class of securities of an issuer and the Adviser's other clients own a different class of securities of the same issuer where it is anticipated that the Fund and/or other client will be active participants in a likely financial restructuring. In such instances, the Adviser would endeavor to mitigate any potential or actual conflicts of interest by treating each of its clients in as fair and equitable a manner as possible in light of the particular facts and circumstances. The actions taken by the Adviser on behalf of the Fund are expected to vary based on the particular facts and circumstances surrounding each investment by the Fund and one or more other clients in different classes, series or tranches of an issuer's capital structure, and, as such, shareholders should expect some degree of variation, and potential inconsistency, in the manner in which potential or actual conflicts are addressed.

With respect to the allocation of investments for the Fund and other clients, the Adviser shall act in accordance with its initial order and allocation guidelines. The Adviser is aware of its obligation to ensure that when orders for the same securities are entered on behalf of the Fund and other accounts, the Fund receives fair and equitable allocation of these orders, particularly where affiliated accounts may participate. The Adviser attempts to mitigate potential conflicts of interest by adopting policies and procedures regarding trade execution, brokerage allocation and order aggregation which provide a methodology for ensuring fair treatment for all clients in situations where orders cannot be completely filled or filled at different prices.

The 1940 Act imposes significant limits on co-investments with affiliates of the Fund. The Adviser and the Fund have applied for an exemptive order from the SEC that would expand the Fund's ability to co-invest alongside its affiliates in privately negotiated portfolio investments. However, even if granted, the SEC exemptive order will contain certain conditions that may limit or restrict the Fund's ability to participate in a portfolio investment, including, without limitation, in the event that the available capacity with respect to a portfolio investment is less than the aggregate recommended allocations to the Fund and the other accounts managed by the Adviser. In such cases, the Fund may participate in such investment to a lesser extent or, under certain circumstances, may not participate in such investment. There can be no assurance that the Fund and the Adviser will obtain any such exemptive order.

Compensation of Portfolio Managers

The Adviser compensates the Fund's portfolio managers for management of the Fund. Each portfolio manager's compensation consists of (i) a base salary, (ii) a year-end bonus and (iii) awards of equity-like ("phantom") interests in the Adviser, entitling each portfolio manager to an additional distribution based on the Adviser's revenue and/or profits. The Adviser's compensation strategy is to provide reasonable base salaries commensurate with an individual's responsibility and provide performance bonus awards. Total compensation of the Fund's portfolio managers is not directly related to the Fund's performance.

PORTFOLIO TRANSACTIONS

Subject to policies established by the Board of Trustees, the Adviser is primarily responsible for the execution of the Fund's portfolio transactions and the allocation of brokerage. The Adviser has no obligation to deal with any dealer or group of dealers in the execution of transactions in portfolio securities of the Fund. The Fund invests in securities traded in the over-the-counter markets, and the Adviser often deals directly with the dealers who make a market in the securities involved except in those circumstances where better prices and execution are available elsewhere. It is the objective of the Adviser to seek to obtain the best results in conducting portfolio transactions for the Fund, taking into account such factors as price (including the applicable dealer-spread or commission), the size, type and difficulty of the transaction involved, the firm's general execution and operations facilities and the firm's risk in positioning the securities involved. The cost of portfolio securities transactions of the Fund primarily consists of dealer or underwriter spreads and brokerage commissions.

While reasonable competitive spreads or commissions are sought, the Fund will not necessarily be paying the lowest spread or commission available. Subject to obtaining the best net results, dealers who provide supplemental investment research (such as quantitative and modeling information assessments and statistical data and provide other similar services) to the Adviser may receive orders for transactions by the Fund. Information so received will be in addition to and not in lieu of the services required to be performed by the Adviser under the Investment Advisory Agreement and the expense of the Adviser will not necessarily be reduced as a result of the receipt of such supplemental information. Supplemental investment research obtained from such dealers may be used by the Adviser in servicing all of its accounts and such research may or may not be useful to the Adviser in connection with the Fund. In all cases, the Adviser understands its on-going obligation to seek "best execution" of its clients' transactions. The Adviser considers the range of services provided by brokers in selecting those with whom to place trades including, but not limited to, value of research, commission rate, execution capability, responsiveness, and financial responsibility. In general, the Adviser receives a limited amount of research and/ or brokerage services paid for by brokers. Polen Capital, the parent company of the Adviser, maintains a Best Execution Committee, which comprises representatives from the trading, operations, portfolio management, investment research and compliance teams. The Best Execution Committee meets quarterly and is responsible for overseeing the Adviser's trading activities in accordance with the firm's Best Execution Policies and Procedures. The Best Execution Committee evaluates brokerage relationships annually. Under the 1940 Act, except as permitted by exemptive order or rule, persons affiliated with the Fund are prohibited from dealing with the Fund as principal in the purchase and sale of securities. However, affiliated persons of the Fund may serve as its brokers in certain over-the-counter transactions conducted on an agency basis.

Securities held by the Fund may also be held by, or be appropriate investments for, other funds or investment advisory clients for which the Adviser or its affiliates act as an adviser. Because of different investment objectives or other factors, a particular security may be bought for an advisory client when other clients are selling the same security. If purchases or sales of securities by the Adviser for the Fund or other funds for which it acts as investment adviser or for other advisory clients arise for consideration at or about the same time, transactions in such securities may be made, insofar as are feasible, for the respective funds and clients in a manner deemed by the Adviser to be on a fair and equitable basis. Transactions effected by the Adviser (or its affiliates) on behalf of more than one of its clients during the same period may increase the demand for securities being purchased or the supply of securities being sold, causing an adverse effect on price.

Neither the Fund nor the Adviser has an agreement or understanding with a broker-dealer, or other arrangements to direct the Fund's brokerage transactions to a broker-dealer because of the research services such broker provides to the Fund or the Adviser. While the Adviser does not have arrangements with any broker-dealers to direct such brokerage transactions to them because of research services provided, the Adviser may receive research services from such broker-dealers. The Fund may at times invest in securities of its regular broker-dealers or a parent of its regular broker-dealers.

TAX MATTERS

The following discussion of U.S. federal income tax consequences of investment in Shares of the Fund is based on the Internal Revenue Code of 1986, as amended (the “Code”), U.S. Treasury regulations, and other applicable authority, as of the date of this Statement of Additional Information. These authorities are subject to change by legislative or administrative action, possibly with retroactive effect. The following discussion is only a summary of some of the important U.S. federal income tax considerations generally applicable to investments in Shares of the Fund. This summary does not purport to be a complete description of the U.S. federal income tax considerations applicable to an investment in Shares of the Fund. There may be other tax considerations applicable to particular shareholders. For example, except as otherwise specifically noted herein, the Fund has not described tax consequences that the Fund has assumed to be generally known by investors or certain tax considerations that may be relevant to certain types of holders subject to special treatment under the U.S. federal income tax laws, including shareholders subject to the U.S. federal alternative minimum tax, insurance companies, tax-exempt organizations, pension plans and trusts, regulated investment companies, real estate investment trusts, dealers in securities, shareholders holding Shares through tax-advantaged accounts (such as 401(k) plans or individual retirement accounts), financial institutions, shareholders holding Shares as part of a hedge, straddle, or conversion transaction, shareholders that are treated as partnerships for U.S. federal income tax purposes, U.S. shareholders (as defined below) whose functional currency is not the U.S. dollar, entities that are not organized under the laws of the United States or a political subdivision thereof, and persons who are neither citizens nor residents of the United States. This summary does not discuss any aspects of U.S. estate or gift tax or foreign, state or local tax. This summary assumes that investors hold Shares as capital assets (within the meaning of the Code). Shareholders should consult their own tax advisors regarding their particular situation and the possible application of federal, state, local, non-U.S. or other tax laws, and any proposed tax law changes.

A “U.S. shareholder” is a beneficial owner of Shares that is for U.S. federal income tax purposes:

- an individual who is a citizen or 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 state thereof or the District of Columbia;
- a trust, if a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons (as defined in the Code) have the authority to control all of its substantial decisions, or if the trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a domestic trust for U.S. federal income tax purposes; or
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source.

A “non-U.S. shareholder” is a beneficial owner of Shares that is not a U.S. shareholder or an entity that is treated as a partnership for U.S. federal income tax purposes.

An investment in our Shares is complex, and certain aspects of the U.S. tax treatment of such investment are not certain. Tax matters are very complicated and the tax consequences to a shareholder of an investment in our Shares will depend on the facts of such shareholder’s particular situation. Shareholders are strongly encouraged to consult their own tax advisor regarding the U.S. federal income tax consequences of the acquisition, ownership and disposition of our Shares, as well as the effect of state, local and foreign tax laws and the effect of any possible changes in tax laws.

Taxation of the Fund

The Fund intends to elect to be treated and to qualify as a regulated investment company (“RIC”) under Subchapter M of the Code. As a RIC, the Fund generally will not be required to pay corporate-level federal income taxes on its net investment income or capital gains that it timely distributes (or is deemed to distribute, except with respect to certain retained capital gains as discussed below) to its Shareholders as dividends. Instead, dividends that the Fund distributes (or is deemed to timely distribute) generally will be taxable to Shareholders, and any net operating losses, foreign tax credits and most other tax attributes generally will not pass through to Shareholders. The Fund will be subject to U.S. federal corporate-level income tax on any undistributed income and/or gains. The Fund’s qualification and taxation as a RIC depends upon the Fund’s ability to satisfy on a continuing basis, through actual, annual operating results, distribution, income and asset, and other requirements imposed under the Code. However, no assurance can be given

that the Fund will be able to meet the complex and varied tests required to qualify as a RIC or to avoid corporate level tax. In addition, because the relevant laws may change, compliance with one or more of the RIC requirements may be impossible or impracticable.

In order to qualify for the special tax treatment accorded to regulated investment companies and their shareholders, the Fund must, among other things: (a) derive at least 90% of its gross income for each taxable year from (i) dividends, interest, payments with respect to certain securities loans, and gains from the sale or other disposition of stock, securities or foreign currencies, or other income (including but not limited to gains from options, futures, or forward contracts) derived with respect to its business of investing in such stock, securities, or currencies and (ii) net income derived from interests in “qualified publicly traded partnerships” (as defined below) (collectively, the “90% Income Test”); (b) diversify its holdings so that, at the end of each quarter of the Fund’s taxable year, (i) at least 50% of the value of the Fund’s total assets consists of cash and cash items, U.S. government securities, securities of other regulated investment companies, and other securities limited in respect of any one issuer to a value not greater than 5% of the value of the Fund’s total assets and not more than 10% of the outstanding voting securities of such issuer, and (ii) not more than 25% of the value of the Fund’s total assets is invested, including through corporations in which the Fund owns a 20% or more voting stock interest, (x) in the securities (other than those of the U.S. government or other regulated investment companies) of any one issuer or of two or more issuers that the Fund controls and that are engaged in the same, similar, or related trades or businesses, or (y) in the securities of one or more qualified publicly traded partnerships (as defined below) (collectively, the “Diversification Tests”); and (c) distribute with respect to each taxable year at least 90% of the sum of its investment company taxable income (as that term is defined in the Code without regard to the deduction for dividends paid—generally, taxable ordinary income and the excess, if any, of net short-term capital gains over net long-term capital losses) and any net tax-exempt interest income for such year (the “Annual Distribution Requirement”). The Fund will be subject to a 4% nondeductible U.S. federal excise tax on certain undistributed income unless the Fund distributes in a timely manner an amount at least equal to the sum of (1) 98% of our ordinary income for each calendar year, (2) 98.2% of our capital gain net income for each one-year period ending on October 31 of such year (or November 30 or December 31 of that year if the Fund is permitted to elect and so elects), and (3) any income realized, but not distributed, in preceding years (to the extent that U.S. federal income tax was not imposed on such amounts) less certain over-distributions in the prior year (collectively, the “Excise Tax Requirement”). For purposes of the Excise Tax Requirement, a RIC’s ordinary gains and losses from the sale, exchange, or other taxable disposition of property that would otherwise be taken into account after October 31 (or November 30 of that year if the RIC makes the election described above) generally are treated as arising on January 1 of the following calendar year; in the case of a RIC with a December 31 year end that makes the election described above, no such gains or losses will be so treated. Also, for these purposes, the Fund will be treated as having distributed any amount on which it is subject to corporate income tax for the taxable year ending within the calendar year. The Fund intends generally to make distributions sufficient to avoid imposition of the 4% excise tax, although there can be no assurance that it will be able to or will do so.

The Fund intends to distribute to its shareholders, at least annually, all or substantially all of its investment company taxable income (computed without regard to the dividends-paid deduction), its net tax-exempt income (if any) and its net capital gain (that is, the excess of net long-term capital gain over net short-term capital loss, in each case determined with reference to any loss carryforwards). Any taxable income including any net capital gain retained by the Fund will be subject to tax at the Fund level at regular corporate rates. In the case of net capital gain, the Fund is permitted to designate the retained amount as undistributed capital gain in a timely notice to its shareholders who would then, in turn, (i) be required to include in income for U.S. federal income tax purposes, as long-term capital gain, their share of such undistributed amount, and (ii) be entitled to credit their proportionate shares of the tax paid by the Fund on such undistributed amount against their U.S. federal income tax liabilities, if any, and to claim refunds on a properly filed U.S. tax return to the extent the credit exceeds such liabilities. If the Fund makes this designation, for U.S. federal income tax purposes, the tax basis of Shares owned by a shareholder of the Fund will be increased by an amount equal to the difference between the amount of undistributed capital gains included in the shareholder’s gross income under clause (i) of the preceding sentence and the tax deemed paid by the shareholder under clause (ii) of the preceding sentence. The Fund is not required to, and there can be no assurance that the Fund will, make this designation if it retains all or a portion of its net capital gain in a taxable year.

Although the Fund does not currently anticipate engaging in Borrowings, if the Fund employs leverage through Borrowings in the future, the Fund may be prevented by loan covenants from declaring and paying dividends in certain circumstances. Even if the Fund is authorized to borrow funds and to sell assets in order to satisfy distribution requirements, under the 1940 Act, the Fund is generally not permitted to make distributions to our shareholders while

our debt obligations and senior securities are outstanding unless certain “asset coverage” tests or other financial covenants are met. Limits on our payment of dividends may prevent us from meeting the Annual Distribution Requirement, and may, therefore, jeopardize our qualification for taxation as a RIC, or subject us to the 4% excise tax on undistributed income.

The Fund may be required to recognize taxable income for U.S. federal income tax purposes in circumstances in which the Fund does not receive a corresponding payment in cash. Because such amounts accrued will be included in our investment company taxable income for the year of accrual, the Fund may be required to make a distribution to our shareholders in order to satisfy the Annual Distribution Requirement and the Excise Tax Requirement, even though the Fund will not have received any corresponding cash amount. In order to enable us to make distributions to shareholders that will be sufficient to enable us to satisfy the Annual Distribution Requirement and the Excise Tax Requirement the Fund may need to liquidate or sell some of our assets at times or at prices that are not advantageous, raise additional equity or debt capital, take out loans, forego new investment opportunities or otherwise take actions that are disadvantageous to our business (or be unable to take actions that are advantageous to our business).

In general, for purposes of the 90% gross income requirement described in paragraph (a) above, income derived from a partnership will be treated as qualifying income only to the extent such income is attributable to items of income of the partnership that would be qualifying income if realized directly by the RIC. However, 100% of the net income derived from an interest in a “qualified publicly traded partnership” (a partnership (x) the interests in which are traded on an established securities market or are readily tradable on a secondary market or the substantial equivalent thereof and (y) that derives less than 90% of its income from the qualifying income described in paragraph (a)(i) above) will be treated as qualifying income. In general, such entities will be treated as partnerships for U.S. federal income tax purposes because they meet the passive income requirement under Code section 7704(c)(2). In addition, although in general the passive loss rules of the Code do not apply to regulated investment companies, such rules do apply to a RIC with respect to items attributable to an interest in a qualified publicly traded partnership.

For purposes of the diversification test in (b) above, the term “outstanding voting securities of such issuer” will include the equity securities of a qualified publicly traded partnership. Also, for purposes of the diversification test in (b) above, the identification of the issuer (or, in some cases, issuers) of a particular Fund investment can depend on the terms and conditions of that investment. In some cases, identification of the issuer (or issuers) is uncertain under current law, and an adverse determination or future guidance by the Internal Revenue Service (“IRS”) with respect to issuer identification for a particular type of investment may adversely affect the Fund’s ability to meet the diversification test in (b) above.

If the Fund fails to satisfy the 90% Income Test for any taxable year or the Diversification Tests for any quarter of the taxable year, the Fund may still continue to be taxed as a RIC for the relevant taxable year if the Fund is eligible for relief provisions if the failures are due to reasonable cause and not willful neglect and if a penalty tax is paid with respect to each failure to satisfy the applicable requirements. Additionally, relief is provided for certain *de minimis* failures of the diversification requirements where the Fund corrects the failure within a specified period. If the applicable relief provisions are not available or cannot be met, all of our income would be subject to corporate-level income tax as described below. The Fund cannot provide assurance that the Fund would qualify for any such relief should the Fund fail the 90% Income Test or the Diversification Tests.

If the Fund were to fail to meet the RIC requirements for more than two consecutive years and then seek to requalify as a RIC, the Fund would be required to pay corporate-level tax on the unrealized appreciation recognized during the succeeding five-year period unless the Fund make a special election to recognize gain to the extent of any unrealized appreciation in our assets at the time of requalification.

If the Fund is unable to qualify for treatment as a RIC, and relief is not available as discussed above, the Fund would be subject to tax on all of our taxable income at the regular corporate U.S. federal income tax rate (and the Fund also would be subject to any applicable state and local taxes). The Fund would not be able to deduct distributions to shareholders and would not be required to make distributions for U.S. federal income tax purposes. Distributions generally would be taxable to our shareholders as ordinary dividend income to the extent of our current and accumulated earnings and profits. Subject to certain limitations under the Code, corporate U.S. shareholders would be eligible for the dividends-received deduction. Distributions in excess of our current and accumulated earnings and profits would be treated first as a return of capital to the extent of the shareholder’s adjusted tax basis in its Shares, and any remaining distributions would be treated as capital gains.

Capital losses in excess of capital gains (“net capital losses”) are not permitted to be deducted against the Fund’s net investment income. Instead, potentially subject to certain limitations, the Fund may carry net capital losses from any taxable year forward to subsequent taxable years to offset capital gains, if any, realized during such subsequent taxable years. Capital loss carryforwards are reduced to the extent they offset current-year net realized capital gains, whether the Fund retains or distributes such gains. The Fund may carry net capital losses forward to one or more subsequent taxable years without expiration. The Fund must apply such carryforwards first against gains of the same character.

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

Fund Distributions

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

For U.S. federal income tax purposes, distributions of investment income are generally taxable as ordinary income. Taxes on distributions of capital gains are determined by how long the Fund owned (or is deemed to have owned) the investments that generated the gains, rather than how long a shareholder has owned his or her Shares. In general, the Fund will recognize long-term capital gain or loss on investments it has owned (or is deemed to have owned) for more than one year, and short-term capital gain or loss on investments it has owned (or is deemed to have owned) for one year or less. Tax rules can alter the Fund’s holding period in investments and thereby affect the tax treatment of gain or loss in respect of such investments. Distributions of net capital gain that are properly reported by the Fund as capital gain dividends (“Capital Gain Dividends”) will be taxable to shareholders as long-term capital gains includible in net capital gain and taxed to individuals at reduced rates relative to ordinary income. Distributions of net short-term capital gain (as reduced by any net long-term capital loss for the taxable year) will be taxable to shareholders as ordinary income. Distributions of investment income reported by the Fund as derived from “qualified dividend income” will be taxed in the hands of individuals at the rates applicable to net capital gain, provided holding period and other requirements are met at both the shareholder and Fund levels. The Fund does not expect a significant portion of distributions to be derived from qualified dividend income.

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

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

If, in and with respect to any taxable year, the Fund makes a distribution in excess of its current and accumulated “earnings and profits,” the excess distribution will be treated as a return of capital to the extent of a shareholder’s tax basis in his or her Shares, and thereafter as capital gain. A return of capital is not taxable, but it reduces a shareholder’s basis in his or her shares, thus reducing any loss or increasing any gain on a subsequent taxable disposition by

the shareholder of such shares. If the Fund issues one or more series of preferred shares, where one or more such distributions occur in and with respect to any taxable year of the Fund, the available earnings and profits will be allocated first to the distributions made to the holders of such preferred shares, and only thereafter to distributions made to holders of Shares. In such case, the holders of preferred shares will receive a disproportionate share of the distributions, if any, treated as dividends, and the holders of the Shares will receive a disproportionate share of the distributions, if any, treated as a return of capital.

A distribution by the Fund will be treated as paid on December 31 of any calendar year if it is declared by the Fund in October, November or December with a record date in such a month and paid by the Fund during January of the following calendar year. Such distributions will be taxable to shareholders in the calendar year in which the distributions are declared, rather than the calendar year in which the distributions are received.

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

Dividends and distributions on Shares are generally subject to U.S. federal income tax as described herein to the extent they do not exceed the Fund's realized income and gains, even though such dividends and distributions may economically represent a return of a particular shareholder's investment. Such distributions are likely to occur in respect of Shares purchased at a time when the Fund's net asset value reflects unrealized gains or income or gains that are realized but not yet distributed. Such realized income and gains may be required to be distributed even when the Fund's net asset value also reflects unrealized losses.

Distributions out of our current and accumulated earnings and profits will not be eligible for the 20% pass-through deduction under Section 199A of the Code.

The Code generally imposes a 3.8% Medicare contribution tax on the net investment income of certain individuals, trusts and estates to the extent their income exceeds certain threshold amounts. For these purposes, "net investment income" generally includes gross income from interest, dividends, annuities, royalties, and rents, and net capital gains (other than certain amounts earned from trades or businesses), reduced by certain deductions allocable to such income. Shareholders are advised to consult their tax advisors regarding the possible implications of this additional tax on their investment in the Fund.

The Fund will not be considered to be a "publicly offered" RIC if it does not have at least 500 shareholders at all times during a taxable year and its Shares are not treated as continuously offered pursuant to a public offering or its Shares are not regularly traded on an established securities market. It is possible that the Fund will not be treated as a "publicly offered" RIC for one or more of its taxable years. Very generally, pursuant to Treasury Department regulations, expenses of a RIC that is not "publicly offered," except those specific to its status as a RIC or separate entity (e.g., registration fees or transfer agency fees), are subject to special "pass-through" rules. These expenses (which include direct and certain indirect advisory fees) are treated as additional dividends to certain Fund shareholders (generally including other regulated investment companies that are not "publicly offered," individuals and entities that compute their taxable income in the same manner as an individual), and, other than in the case of a shareholder that is a RIC that is not "publicly offered," are not deductible by those shareholders under current law.

Sales, Exchanges or Redemptions of Shares

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

A repurchase by the Fund of a shareholder's Shares pursuant to a repurchase offer (as described in the Prospectus) generally will be treated as a sale or exchange of the Shares by a shareholder provided that either (i) the shareholder tenders, and the Fund repurchases, all of such shareholder's Shares, thereby reducing the shareholder's percentage ownership of the Fund, whether directly or by attribution under Section 318 of the Code, to 0%, (ii) the shareholder meets numerical safe harbors under the Code with respect to percentage voting interest and reduction in ownership of the Fund following completion of the repurchase offer, or (iii) the repurchase offer otherwise results in a "meaningful reduction" of the shareholder's ownership percentage interest in the Fund, which determination depends on a particular shareholder's facts and circumstances.

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

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

Use of the Fund's cash to repurchase Shares may adversely affect the Fund's ability to satisfy the distribution requirements for treatment as a RIC described above. The Fund may also recognize income in connection with the sale of portfolio securities to fund share purchases, in which case the Fund would take any such income into account in determining whether such distribution requirements have been satisfied.

The foregoing discussion does not address the tax treatment of tendering shareholders who do not hold their Shares as a capital asset. Such shareholders should consult their own tax advisors on the specific tax consequences to them of participating or not participating in the repurchase offer.

Issuer Deductibility of Interest

A portion of the interest paid or accrued on certain high yield discount obligations owned by the Fund may not be deductible, and interest paid on debt obligations, if any, that are considered for tax purposes to be payable in the equity of the issuer or a related party will not be deductible to the issuer. This may affect the cash flow of the issuer. If a portion of the interest paid or accrued on certain high yield discount obligations is not deductible, that portion will be treated as a dividend paid by the issuer for purposes of the corporate dividends received deduction. In such cases, if the issuer of the high yield discount obligations is a domestic corporation, dividend payments by the Fund may be eligible for the dividends-received deduction to the extent attributable to the deemed dividend portion of such accrued interest.

Original Issue Discount, Payment-in-Kind Securities, Market Discount, Preferred Securities and Commodity-Linked Notes

Some debt obligations with a fixed maturity date of more than one year from the date of issuance that are acquired by the Fund in the secondary market may be treated as having "market discount." Very generally, market discount is the excess of the stated redemption price of a debt obligation (or in the case of an obligation issued with OID, its "revised issue price") over the purchase price of such obligation. Subject to the discussion below regarding Section 451 of the Code, (i) generally, any gain recognized on the disposition of, and any partial payment of principal

on, a debt obligation having market discount is treated as ordinary income to the extent the gain, or principal payment, does not exceed the “accrued market discount” on such debt obligation, (ii) alternatively, the Fund may elect to accrue market discount currently, in which case the Fund will be required to include the accrued market discount on such debt obligation in the Fund’s income (as ordinary income) and thus distribute it over the term of the debt obligation, even though payment of that amount is not received until a later time, upon partial or full repayment or disposition of the debt obligation, and (iii) the rate at which the market discount accrues, and thus is included in the Fund’s income, will depend upon which of the permitted accrual methods the Fund elects. The Fund reserves the right to revoke such an election at any time pursuant to applicable IRS procedures. Notwithstanding the foregoing, effective for taxable years beginning after 2017, Section 451 of the Code generally requires any accrual method taxpayer to take into account items of gross income no later than the time at which such items are taken into account as revenue in the taxpayer’s financial statements. However, the Treasury Department has issued final regulations providing that Section 451 does not apply to accrued market discount. In the case of higher-risk securities, the amount of market discount may be unclear. See “Higher-Risk Securities.”

From time to time, a substantial portion of the Fund’s investments in loans and other debt obligations could be treated as having OID and/or market discount, which, in some cases could be significant. To generate sufficient cash to make the requisite distributions, the Fund may be required to sell securities in its portfolio (including when it is not advantageous to do so) that it otherwise would have continued to hold.

A portion of the OID accrued on certain high yield discount obligations may not be deductible to the issuer and will instead be treated as a dividend paid by the issuer for purposes of the dividends-received deduction. In such cases, if the issuer of the high yield discount obligations is a domestic corporation, dividend payments by the Fund may be eligible for the dividends-received deduction to the extent attributable to the deemed dividend portion of such OID.

Some debt obligations with a fixed maturity date of one year or less from the date of issuance may be treated as having OID or, in certain cases, “acquisition discount” (very generally, the excess of the stated redemption price over the purchase price). The Fund will be required to include the OID or acquisition discount in income (as ordinary income) and thus distribute it over the term of the debt obligation, even though payment of that amount is not received until a later time, upon partial or full repayment or disposition of the debt obligation. The rate at which OID or acquisition discount accrues, and thus is included in the Fund’s income, will depend upon which of the permitted accrual methods the Fund elects.

Some preferred securities may include provisions that permit the issuer, at its discretion, to defer the payment of distributions for a stated period without any adverse consequences to the issuer. If the Fund owns a preferred security that is deferring the payment of its distributions, the Fund may be required to report income for U.S. federal income tax purposes to the extent of any such deferred distributions even though the Fund has not yet actually received the cash distribution.

In addition, pay-in-kind obligations will, and commodity-linked notes may, give rise to income which is required to be distributed and is taxable even though the Fund receives no interest payment in cash on the security during the year.

If the Fund holds the foregoing kinds of obligations, or other obligations subject to special rules under the Code, the Fund may be required to pay out as an income distribution each year an amount which is greater than the total amount of cash interest the Fund actually received. Such distributions may be made from the cash assets of the Fund or by disposition of portfolio securities, if necessary (including when it is not advantageous to do so). The Fund may realize gains or losses from such dispositions. In the event the Fund realizes net capital gains from such transactions, its shareholders may receive a larger capital gain distribution than they might otherwise receive in the absence of such transactions.

Higher-Risk Securities

The Fund may invest in debt obligations that are in the lowest rating categories or are unrated, including debt obligations of issuers not currently paying interest or who are in default. Investments in debt obligations that are at risk of or in default present special tax issues for the Fund. Tax rules are not entirely clear about issues such as whether or to what extent the Fund should recognize market discount on such a debt obligation, when the Fund may cease to accrue interest, OID or market discount, when and to what extent the Fund may take deductions for bad debts or

worthless securities and how the Fund should allocate payments received on obligations in default between principal and income. These and other related issues will be addressed by the Fund when, as and if it invests in such securities, in order to seek to ensure that it distributes sufficient income to preserve its status as a RIC and does not become subject to federal income or excise tax.

Securities Purchased at a Premium

Very generally, where the Fund purchases a bond at a price that exceeds the redemption price at maturity (*i.e.*, a premium), the premium is amortizable over the remaining term of the bond. In the case of a taxable bond, if the Fund makes an election applicable to all such bonds it purchases, which election is irrevocable without consent of the IRS, the Fund reduces the current taxable income from the bond by the amortized premium and reduces its tax basis in the bond by the amount of such offset; upon the disposition or maturity of such bonds acquired on or after January 4, 2013, the Fund is permitted to deduct any remaining premium allocable to a prior period. In the case of a tax-exempt bond, tax rules require the Fund to reduce its tax basis by the amount of amortized premium.

Passive Foreign Investment Companies

Equity investments by the Fund in certain “passive foreign investment companies” (“PFICs”) could subject the Fund to a U.S. federal income tax (including interest charges) on distributions received from the PFIC or on proceeds received from the disposition of shares in the PFIC. This tax cannot be eliminated by making distributions to Fund shareholders. However, the Fund may elect to avoid the imposition of that tax. For example, Fund may elect to treat a PFIC as a “qualified electing fund” (*i.e.*, make a “QEF election”), in which case the Fund will be required to include its share of the company’s income and net capital gains annually, regardless of whether it receives any distribution from the company. The Fund also may make an election to mark the gains (and to a limited extent losses) in such holdings “to the market” as though it had sold and repurchased its holdings in those PFICs on the last day of the Fund’s taxable year. Such gains and losses are treated as ordinary income and loss. The QEF and mark-to-market elections may accelerate the recognition of income (without the receipt of cash) and increase the amount required to be distributed by the Fund to avoid taxation. Making either of these elections therefore may require the Fund to sell other investments (including when it is not advantageous to do so) to meet its distribution requirement, which also may accelerate the recognition of gain and affect the Fund’s total return. Because it is not always possible to identify a foreign corporation as a PFIC, the Fund may incur the tax and interest charges described above in some instances. Dividends paid by PFICs will not be eligible to be treated as “qualified dividend income.”

Controlled Foreign Corporations

A foreign issuer in which the Fund invests will not be treated as a PFIC with respect to the Fund if such issuer is a controlled foreign corporation (“CFC”) for U.S. federal income tax purposes and the Fund holds (directly, indirectly, or constructively) 10% or more of the voting interests in or total value of such issuer. In such a case, the Fund generally would be required to include in gross income each year, as ordinary income, its share of certain amounts of the CFC’s income, whether or not the CFC distributes such amounts to the Fund. Such inclusion may require the Fund to sell other investments (including when it is not advantageous to do so) to meet its distribution requirement, which also may accelerate the recognition of gain and affect the Fund’s total return.

Foreign Currency Transactions

The Fund’s transactions in foreign currencies, foreign currency-denominated debt obligations and certain foreign currency options, futures contracts and forward contracts (and similar instruments) may give rise to ordinary income or loss to the extent such income or loss results from fluctuations in the value of the foreign currency concerned. Any such net gains could require a larger dividend toward the end of the calendar year. Any such net losses will generally reduce and potentially require the recharacterization of prior ordinary income distributions and may accelerate Fund distributions to shareholders and increase the distributions taxed to shareholders as ordinary income. Any net ordinary losses so created cannot be carried forward by the Fund to offset income or gains earned in subsequent taxable years.

Options, Futures, and Forward Contracts, Swap Agreements, and other Derivatives

In general, option premiums received by the Fund are not immediately included in the income of the Fund. Instead, the premiums are recognized when the option contract expires, the option is exercised by the holder, or the Fund transfers or otherwise terminates the option (e.g., through a closing transaction). If a call option written by the Fund is exercised and the Fund sells or delivers the underlying stock, the Fund generally will recognize capital gain or loss equal to (a) the sum of the strike price and the option premium received by the Fund minus (b) the Fund's basis in the stock. Such gain or loss generally will be short-term or long-term depending upon the holding period of the underlying stock. If securities are purchased by the Fund pursuant to the exercise of a put option written by it, the Fund will generally subtract the premium received for purposes of computing its cost basis in the stock purchased. Gain or loss arising in respect of a termination of the Fund's obligation under an option other than through the exercise of the option will be short-term capital gain or loss depending on whether the premium income received by the Fund is greater or less than the amount paid by the Fund (if any) in terminating the transaction. Thus, for example, if an option written by the Fund expires unexercised, the Fund generally will recognize short-term capital gain equal to the premium received.

The Fund's options activities may include transactions constituting straddles for U.S. federal income tax purposes, that is, that trigger the U.S. federal income tax straddle rules contained primarily in Section 1092 of the Code. Such straddles include, for example, positions in a particular security, or an index of securities, and one or more options that offset the former position, including options that are "covered" by the Fund's long position in the subject security. Very generally, where applicable, Section 1092 requires (i) that losses be deferred on positions deemed to be offsetting positions with respect to "substantially similar or related property" to the extent of unrealized gain in the latter, and (ii) that the holding period of such a straddle position that has not already been held for the long-term holding period be terminated and begin anew once the position is no longer part of a straddle. Options on single stocks that are not "deep in the money" may constitute qualified covered calls, which generally are not subject to the straddle rules; the holding period on stock underlying qualified covered calls that are "in the money" although not "deep in the money" will be suspended during the period that such calls are outstanding. Thus, the straddle rules and the rules governing qualified covered calls could cause gains that would otherwise constitute long-term capital gains to be treated as short-term capital gains, and distributions that would otherwise constitute "qualified dividend income" or qualify for the dividends-received deduction to fail to satisfy the holding period requirements and therefore to be taxed as ordinary income or to fail to qualify for the dividends received deduction, as the case may be.

The tax treatment of certain positions entered into by the Fund, including regulated futures contracts, certain foreign currency positions and certain listed non-equity options, will be governed by section 1256 of the Code ("section 1256 contracts"). Gains or losses on section 1256 contracts generally are considered 60% long-term and 40% short-term capital gains or losses ("60/40"), although certain foreign currency gains and losses from such contracts may be treated as ordinary in character. Also, section 1256 contracts held by the Fund at the end of each taxable year (and, for purposes of the 4% excise tax, on certain other dates as prescribed under the Code) are "marked to market" with the result that unrealized gains or losses are treated as though they were realized and the resulting gain or loss is treated as ordinary or 60/40 gain or loss, as applicable.

Derivatives, Hedging, and Other Transactions

In addition to the special rules described above in respect of futures and options transactions, the Fund's transactions in other derivatives instruments (e.g., forward contracts and swap agreements), as well as any of its hedging, short sale, securities loan or similar transactions may be subject to one or more special tax rules (e.g., notional principal contract, straddle, constructive sale, wash sale and short sale rules). These rules may affect whether gains and losses recognized by the Fund are treated as ordinary or capital, accelerate the recognition of income or gains to the Fund, defer losses to the Fund, and cause adjustments in the holding periods of the Fund's securities, thereby affecting, among other things, whether capital gains and losses are treated as short-term or long-term. These rules could, therefore, affect the amount, timing and/or character of distributions to shareholders.

Because these and other tax rules applicable to these types of transactions are in some cases uncertain under current law, an adverse determination or future guidance by the IRS with respect to these rules (which determination or guidance could be retroactive) may affect whether the Fund has made sufficient distributions, and otherwise satisfied the relevant requirements, to maintain its qualification as a RIC and avoid the Fund-level tax.

Book-Tax Differences

Certain of the Fund's investments in derivative instruments and foreign currency-denominated instruments, and any of the Fund's transactions in foreign currencies and hedging activities, are likely to produce a difference between its book income and the sum of its taxable income and net tax-exempt income (if any). If such a difference arises, and the Fund's book income is less than the sum of its taxable income and net tax-exempt income (if any), the Fund could be required to make distributions exceeding book income to qualify as a RIC that is accorded special tax treatment and to avoid an entity-level tax. In the alternative, if the Fund's book income exceeds the sum of its taxable income (including realized capital gains) and net tax-exempt income, the distribution (if any) of such excess generally will be treated as (i) a dividend to the extent of the Fund's remaining earnings and profits (including earnings and profits arising from tax-exempt income), (ii) thereafter, as a return of capital to the extent of the recipient's basis in its shares, and (iii) thereafter as gain from the sale or exchange of a capital asset.

Foreign (non-U.S.) Taxation

Investment income received from sources within foreign countries, or capital gains earned by investing in securities of foreign issuers, may be subject to foreign income taxes withheld at the source. In this regard, withholding tax rates in countries with which the United States does not have a tax treaty can be as high as 35% or more. The United States has entered into tax treaties with many foreign countries that may entitle us to a reduced rate of tax or exemption from tax on this related income and gains. The effective rate of foreign tax cannot be determined at this time since the amount of our assets to be invested within various countries is not now known. The Fund does not anticipate being eligible for the special election that allows a RIC to treat foreign income taxes paid by such RIC as paid by its shareholders.

Tax-Exempt Shareholders

Income of a RIC that would be UBTI if earned directly by a tax-exempt entity will not generally be attributed as UBTI to a tax-exempt shareholder of the RIC. A tax-exempt shareholder could realize UBTI by virtue of its investment in the Fund if shares in the Fund constitute debt-financed property in the hands of the tax-exempt shareholder within the meaning of Code Section 514(b). A tax-exempt shareholder may also recognize UBTI if the Fund recognizes "excess inclusion income" derived from direct or indirect investments in residual interests in REMICs or equity interests in TMPs as described above, if the amount of such income recognized by the Fund exceeds the Fund's investment company taxable income (after taking into account deductions for dividends paid by the Fund).

Non-U.S. Shareholders

The following discussion only applies to certain non-U.S. shareholders. Whether an investment in the Shares is appropriate for a non-U.S. shareholder will depend upon that person's particular circumstances. An investment in the Shares by a non-U.S. shareholder may have adverse tax consequences. Non-U.S. shareholders should consult their tax advisers before investing in the Shares. The following discussion does not apply to non-U.S. shareholders that are engaged in a U.S. trade or business or hold their Shares in connection with a U.S. trade or business.

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 generally would be free of withholding if paid to Non-U.S. shareholders directly) will be subject to withholding of federal 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. Actual or deemed distributions of our net capital gain to a non-U.S. shareholder, and gains recognized by a non-U.S. shareholder upon the sale of our Shares, will not be subject to withholding of U.S. federal income tax and generally will not be subject to U.S. federal income tax unless the non-U.S. shareholder is an individual, has been present in the United States for 183 days or more during the taxable year, and certain other conditions are satisfied. No assurance can be provided as to whether any of our distributions will be reported as eligible for this exemption. (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 tax advisers.)

In general, no U.S. source withholding taxes will be imposed on dividends paid by RICs to non-U.S. shareholders to the extent the dividends are designated as "interest-related dividends" or "short-term capital gain dividends." Under this exemption, interest-related dividends and short-term capital gain dividends generally represent distributions of interest or short-term capital gain that would not have been subject to U.S. withholding tax at the source if they had

been received directly by a non-U.S. shareholder, and that satisfy certain other requirements. The Fund expects that a portion of our dividends will qualify as interest-related dividends, although the Fund cannot assure you the exact proportion that will so qualify.

If the Fund distributes our net capital gain in the form of deemed rather than actual distributions (which the Fund may do in the future), a non-U.S. shareholder will be entitled to a U.S. federal income tax credit or tax refund equal to the non-U.S. shareholder's allocable share of the tax the Fund pays on the capital gain deemed to have been distributed. In order to obtain the refund, the non-U.S. shareholder must obtain a U.S. taxpayer identification number (if one has not been previously obtained) 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.

The Fund has the ability to declare a large portion of a dividend in Shares. As long as a portion of such dividend is paid in cash and certain requirements are met, the entire distribution will be treated as a dividend for U.S. federal income tax purposes. As a result, our non-U.S. shareholders will be taxed on 100% of the fair market value of the dividend on the date the dividend is received in the same manner as a cash dividend (including the application of withholding tax rules described above), even if most of the dividend is paid in Shares. In such a circumstance, the Fund may be required to withhold all or substantially all of the cash the Fund would otherwise distribute to a non-U.S. shareholder.

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

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

Special rules (including withholding and reporting requirements) apply to non-U.S. partnerships and those holding Fund Shares through non-U.S. partnerships. Additional considerations may apply to non-U.S. trusts and estates. Investors holding Fund Shares through non-U.S. entities should consult their tax advisers about their particular situation.

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

A beneficial holder of Shares who is a non-U.S. person may be subject to state and local tax and to the U.S. federal estate tax in addition to the U.S. federal tax on income referred to above.

Backup Withholding

The Fund is generally required to withhold and remit to the U.S. Treasury a percentage of taxable distributions and redemption proceeds paid to any individual shareholder who fails to properly furnish the Fund with a correct taxpayer identification number, who has under-reported dividend or interest income, or who fails to certify to the Fund that he or she is not subject to such withholding. Backup withholding is not an additional tax. Any amounts withheld may be credited against the shareholder's U.S. federal income tax liability provided the appropriate information is furnished to the IRS.

Tax Shelter Reporting Regulations

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

Other Reporting and Withholding Requirements

Sections 1471-1474 of the Code and the U.S. Treasury and IRS guidance issued thereunder (collectively, “FATCA”) generally require the Fund to obtain information sufficient to identify the status of each of its shareholders under FATCA or under an applicable intergovernmental agreement (an “IGA”) between the United States and a foreign government. If a shareholder fails to provide the requested information or otherwise fails to comply with FATCA or an IGA, the Fund may be required to withhold under FATCA at a rate of 30% with respect to that shareholder on ordinary dividends it pays. The IRS and the Department of Treasury have issued proposed regulations providing that these withholding rules will not apply to the gross proceeds of share redemptions or Capital Gain Dividends the Fund pays. If a payment by the Fund is subject to FATCA withholding, the Fund is required to withhold even if such payment would otherwise be exempt from withholding under the rules applicable to foreign shareholders described above (e.g., interest-related dividends). In addition, subject to certain exceptions, this legislation also imposes a 30% withholding on payments to foreign entities that are not financial institutions unless the foreign entity certifies that it does not have a greater than 10% U.S. owner or provides the withholding agent with identifying information on each greater than 10% U.S. owner. Depending on the status of a non-U.S. shareholder and the status of the intermediaries through which they hold their Shares, non-U.S. shareholders could be subject to this 30% withholding tax with respect to distributions on their Shares and proceeds from the sale of their Shares. Under certain circumstances, a non-U.S. shareholder might be eligible for refunds or credits of such taxes.

Shareholders that are U.S. persons and own, directly or indirectly, more than 50% of the Fund could be required to report annually their “financial interest” in the Fund’s foreign “financial accounts,” if any, on FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). Shareholders should consult a tax advisor, and persons investing in the Fund through an intermediary should contact their intermediary, regarding the applicability to them of this reporting requirement.

Each prospective investor is urged to consult its tax adviser regarding the applicability of FATCA and any other reporting requirements with respect to the prospective investor’s own situation, including investments through an intermediary.

Shares Purchased Through Tax-Qualified Plans

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

PROXY VOTING POLICY AND PROXY VOTING RECORD

The Board of Trustees has adopted the Adviser's proxy voting procedures and has delegated the responsibility for exercising the voting rights associated with the securities purchased and/or held by the Fund to the Adviser, subject to the Board of Trustees' continuing oversight. In exercising its voting obligations, the Adviser is guided by general fiduciary principles. It must act prudently, solely in the interest of the Fund, and for the purpose of providing benefits to the Fund. The Adviser will consider the factors that could affect the value of the Fund's investment in its determination on a vote.

The Adviser has identified certain significant contributors to shareholder value with respect to a number of common or routine matters that are often the subject of proxy solicitations for shareholder meetings. The proxy voting procedures address these considerations and establish a framework for consideration of a vote that would be appropriate for the Fund. In particular, the proxy voting procedures outline principles and factors to be considered in the exercise of voting authority for proposals addressing such common or routine matters.

The Adviser's proxy voting procedures establish a protocol for voting of proxies in cases in which the Adviser or an affiliated entity has an interest that is reasonably likely to be affected by a proxy to be voted on behalf of the Fund or that could compromise the Adviser's independence of judgment and action in voting the proxy in the best interest of the Fund's shareholders. The Adviser believes that consistently voting in accordance with its stated guidelines will address most conflicts of interest, and to the extent any deviation of such guidelines occurs it will be carefully assessed by a securities review committee to determine if a conflict of interest exists, and if a material conflict of interest exists, the committee will determine an appropriate resolution, which may include consultation with management or Trustees of the Fund, analyses by independent third parties, or other means necessary to ensure and demonstrate the proxy was voted in the best interests of shareholders. The Adviser's proxy voting policies and procedures are attached herewith as Appendix B. The Fund is required to file annually its proxy voting record on Form N-PX with the SEC. Form N-PX is required to be filed by August 31 of each year and when filed will be available by request by calling the Fund at 1-833-996-2518 or on the SEC's website at www.sec.gov.

CONTROL PERSONS AND PRINCIPAL HOLDERS OF SECURITIES

Shareholders beneficially owning 25% or more of outstanding shares may be in control and may be able to affect the outcome of certain matters presented for a shareholder vote. As the Fund had not commenced operations as of the date of this Statement of Additional Information, except as noted below, the Fund does not know of any persons who own of record or beneficially 5% or more of any class of the Fund's shares as of the date of this Statement of Additional Information.

Polen Credit has provided the initial seed investments in the Fund. For so long as Polen Credit has a greater than 25% interest in the Fund, it may be deemed to be a "control person" of the Fund for purposes of the 1940 Act. However, it is anticipated that Polen Credit will no longer be a control person when or soon after the Predecessor Fund reorganizes with and into the Fund and the Fund commences operations and its Shares are sold to the public.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

PricewaterhouseCoopers LLP, Two Commerce Square, Suite 1800, 2001 Market Street, Philadelphia, PA 19103, is the independent registered public accounting firm of the Fund and must be approved at least annually by the Board to continue in such capacity. PricewaterhouseCoopers LLP performs audit services, tax and other audit related services for the Fund, including the examination of financial statements included in the Fund's annual reports to shareholders.

LEGAL COUNSEL

The Fund has engaged Kirkland & Ellis LLP, located at 601 Lexington Avenue, New York, NY 10022 to serve as the Fund's legal counsel.

ADDITIONAL INFORMATION

A registration statement on Form N-2, including amendments thereto, relating to the Shares offered hereby, has been filed by the Fund with the SEC. The prospectus and this Statement of Additional Information do not contain all of the information set forth in the registration statement, including any exhibits and schedules thereto. For further information with respect to the Fund and the Shares offered hereby, reference is made to the registration statement. A copy of the registration statement may be reviewed on the EDGAR database on the SEC's website at <http://www.sec.gov>. Prospective investors can also request copies of these materials, upon payment of a duplicating fee, by electronic request at the SEC's e-mail address (publicinfo@sec.gov).

FINANCIAL STATEMENTS

Appendix C to this SAI provides financial information regarding the Fund and the Predecessor Fund, which is expected to reorganize with and into the Fund. The Fund's financial statements have been audited by PricewaterhouseCoopers LLP. The financial statements of the Predecessor Fund as of and for the year ended December 31, 2022 have been audited by Deloitte & Touche LLP.

APPENDIX A

DESCRIPTION OF RATINGS

Description of Ratings

The following descriptions of securities ratings have been published by Moody's Investors Services, Inc. ("Moody's"), S&P Global Ratings ("S&P"), and Fitch Ratings ("Fitch"), respectively.

Description of Moody's Global Ratings

Ratings assigned on Moody's global long-term and short-term rating scales are forward-looking opinions of the relative credit risks of financial obligations issued by non-financial corporates, financial institutions, structured finance vehicles, project finance vehicles, and public sector entities. Long-term ratings are assigned to issuers or obligations with an original maturity of one year or more and reflect both on the likelihood of a default or impairment on contractual financial obligations and the expected financial loss suffered in the event of default or impairment. Short-term ratings are assigned for obligations with an original maturity of thirteen months or less and reflect both on the likelihood of a default or impairment on contractual financial obligations and the expected financial loss suffered in the event of default or impairment.

Description of Moody's Global Long-Term Ratings

Aaa Obligations rated Aaa are judged to be of the highest quality, subject to the lowest level of credit risk.

Aa Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.

A Obligations rated A are judged to be upper-medium grade and are subject to low credit risk.

Baa Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Ba Obligations rated Ba are judged to be speculative and are subject to substantial credit risk.

B Obligations rated B are considered speculative and are subject to high credit risk.

Caa Obligations rated Caa are judged to be speculative of poor standing and are subject to very high credit risk.

Ca Obligations rated Ca are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.

C Obligations rated C are the lowest rated and are typically in default, with little prospect for recovery of principal or interest.

Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Hybrid Indicator (hyb)

The hybrid indicator (hyb) is appended to all ratings of hybrid securities issued by banks, insurers, finance companies, and securities firms. By their terms, hybrid securities allow for the omission of scheduled dividends, interest, or principal payments, which can potentially result in impairment if such an omission occurs. Hybrid securities may also be subject to contractually allowable write-downs of principal that could result in impairment. Together with the hybrid indicator, the long-term obligation rating assigned to a hybrid security is an expression of the relative credit risk associated with that security.

Description of Moody's Global Short-Term Ratings

P-1 Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.

P-2 Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

P-3 Issuers (or supporting institutions) rated Prime-3 have an acceptable ability to repay short-term obligations.

NP Issuers (or supporting institutions) rated Not Prime do not fall within any of the Prime rating categories.

Description of Moody's U.S. Municipal Short-Term Obligation Ratings

The Municipal Investment Grade ("MIG") scale is used to rate U.S. municipal cash flow notes, bond anticipation notes and certain other short-term obligations, which typically mature in three years or less. Under certain circumstances, the MIG scale is used to rate bond anticipation notes with maturities of up to five years.

Moody's U.S. municipal short-term obligation ratings are as follows:

MIG 1 This designation denotes superior credit quality. Excellent protection is afforded by established cash flows, highly reliable liquidity support, or demonstrated broad-based access to the market for refinancing.

MIG 2 This designation denotes strong credit quality. Margins of protection are ample, although not as large as in the preceding group.

MIG 3 This designation denotes acceptable credit quality. Liquidity and cash-flow protection may be narrow, and market access for refinancing is likely to be less well-established.

SG This designation denotes speculative-grade credit quality. Debt instruments in this category may lack sufficient margins of protection.

Description of Moody's Demand Obligation Ratings

In the case of variable rate demand obligations ("VRDOs"), a two-component rating is assigned. The components are a long-term rating and a short-term demand obligation rating. The long-term rating addresses the issuer's ability to meet scheduled principal and interest payments. The short-term demand obligation rating addresses the ability of the issuer or the liquidity provider to make payments associated with the purchase-price-upon-demand feature ("demand feature") of the VRDO. The short-term demand obligation rating uses the Variable Municipal Investment Grade ("VMIG") scale. VMIG ratings with liquidity support use as an input the short-term counterparty risk assessment of the support provider, or the long-term rating of the underlying obligor in the absence of third party liquidity support. Transitions of VMIG ratings of demand obligations with conditional liquidity support differ from transitions on the Prime scale to reflect the risk that external liquidity support will terminate if the issuer's long-term rating drops below investment grade. The VMIG short-term demand obligation rating is typically assigned if the frequency of the demand feature is less than every three years. If the frequency of the demand feature is less than three years but the purchase price is payable only with remarketing proceeds, the short-term demand obligation rating is "NR".

Moody's demand obligation ratings are as follows:

VMIG 1 This designation denotes superior credit quality. Excellent protection is afforded by the superior short-term credit strength of the liquidity provider and structural and legal protections that ensure the timely payment of purchase price upon demand.

VMIG 2 This designation denotes strong credit quality. Good protection is afforded by the strong short-term credit strength of the liquidity provider and structural and legal protections that ensure the timely payment of purchase price upon demand.

VMIG 3 This designation denotes acceptable credit quality. Adequate protection is afforded by the satisfactory short-term credit strength of the liquidity provider and structural and legal protections that ensure the timely payment of purchase price upon demand.

SG This designation denotes speculative-grade credit quality. Demand features rated in this category may be supported by a liquidity provider that does not have a sufficiently strong short-term rating or may lack the structural or legal protections necessary to ensure the timely payment of purchase price upon demand.

Description of S&P's Issue Credit Ratings

An S&P issue credit rating is a forward-looking opinion about the creditworthiness of an obligor with respect to a specific financial obligation, a specific class of financial obligations, or a specific financial program (including ratings on medium-term note programs and commercial paper programs). It takes into consideration the creditworthiness of guarantors, insurers, or other forms of credit enhancement on the obligation and takes into account the currency in which the obligation is denominated. The opinion reflects S&P's view of the obligor's capacity and willingness to meet its financial commitments as they come due, and this opinion may assess terms, such as collateral security and subordination, which could affect ultimate payment in the event of default.

Issue credit ratings can be either long-term or short-term. Short-term issue credit ratings are generally assigned to those obligations considered short-term in the relevant market, typically with an original maturity of no more than 365 days. Short-term issue credit ratings are also used to indicate the creditworthiness of an obligor with respect to put features on long-term obligations. S&P would typically assign a long-term issue credit rating to an obligation with an original maturity of greater than 365 days. However, the ratings S&P assigns to certain instruments may diverge from these guidelines based on market practices. Medium-term notes are assigned long-term ratings.

Issue credit ratings are based, in varying degrees, on S&P's analysis of the following considerations:

The likelihood of payment—the capacity and willingness of the obligor to meet its financial commitments on an obligation in accordance with the terms of the obligation;

The nature and provisions of the financial obligation, and the promise S&P imputes; and

The protection afforded by, and relative position of, the financial obligation in the event of a bankruptcy, reorganization, or other arrangement under the laws of bankruptcy and other laws affecting creditors' rights.

An issue rating is an assessment of default risk but may incorporate an assessment of relative seniority or ultimate recovery in the event of default. Junior obligations are typically rated lower than senior obligations, to reflect lower priority in bankruptcy, as noted above. (Such differentiation may apply when an entity has both senior and subordinated obligations, secured and unsecured obligations, or operating company and holding company obligations.)

NR indicates that a rating has not been assigned or is no longer assigned.

Description of S&P's Long-Term Issue Credit Ratings*

AAA An obligation rated 'AAA' has the highest rating assigned by S&P. The obligor's capacity to meet its financial commitments on the obligation is extremely strong.

AA An obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitments on the obligation is very strong.

A An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitments on the obligation is still strong.

BBB An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation.

* Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

BB; B; CCC; CC; and C Obligations rated ‘BB’, ‘B’, ‘CCC’, ‘CC’, and ‘C’ are regarded as having significant speculative characteristics. ‘BB’ indicates the least degree of speculation and ‘C’ the highest. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions.

BB An obligation rated ‘BB’ is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions that could lead to the obligor’s inadequate capacity to meet its financial commitments on the obligation.

B An obligation rated ‘B’ is more vulnerable to nonpayment than obligations rated ‘BB’, but the obligor currently has the capacity to meet its financial commitments on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor’s capacity or willingness to meet its financial commitments on the obligation.

CCC An obligation rated ‘CCC’ is currently vulnerable to nonpayment and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitments on the obligation. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial commitments on the obligation.

CC An obligation rated ‘CC’ is currently highly vulnerable to nonpayment. The ‘CC’ rating is used when a default has not yet occurred but S&P expects default to be a virtual certainty, regardless of the anticipated time to default.

C An obligation rated ‘C’ is currently highly vulnerable to nonpayment, and the obligation is expected to have lower relative seniority or lower ultimate recovery compared with obligations that are rated higher.

D An obligation rated ‘D’ is in default or in breach of an imputed promise. For non-hybrid capital instruments, the ‘D’ rating category is used when payments on an obligation are not made on the date due, unless S&P believes that such payments will be made within five business days in the absence of a stated grace period or within the earlier of the stated grace period or 30 calendar days. The ‘D’ rating also will be used upon the filing of a bankruptcy petition or the taking of similar action and where default on an obligation is a virtual certainty, for example due to automatic stay provisions. A rating on an obligation is lowered to ‘D’ if it is subject to a distressed debt restructuring.

Description of S&P’s Short-Term Issue Credit Ratings

A-1 A short-term obligation rated ‘A-1’ is rated in the highest category by S&P. The obligor’s capacity to meet its financial commitments on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor’s capacity to meet its financial commitments on these obligations is extremely strong.

A-2 A short-term obligation rated ‘A-2’ is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor’s capacity to meet its financial commitments on the obligation is satisfactory.

A-3 A short-term obligation rated ‘A-3’ exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken an obligor’s capacity to meet its financial commitments on the obligation.

B A short-term obligation rated ‘B’ is regarded as vulnerable and has significant speculative characteristics. The obligor currently has the capacity to meet its financial commitments; however, it faces major ongoing uncertainties that could lead to the obligor’s inadequate capacity to meet its financial commitments.

C A short-term obligation rated ‘C’ is currently vulnerable to nonpayment and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitments on the obligation.

D A short-term obligation rated ‘D’ is in default or in breach of an imputed promise. For non-hybrid capital instruments, the ‘D’ rating category is used when payments on an obligation are not made on the date due, unless S&P believes that such payments will be made within any stated grace period. However, any stated grace period longer than five business days will be treated as five business days. The ‘D’ rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action and where default on an obligation is a virtual certainty, for example due to automatic stay provisions. A rating on an obligation is lowered to ‘D’ if it is subject to a distressed debt restructuring.

Description of S&P's Municipal Short-Term Note Ratings

An S&P U.S. municipal note rating reflects S&P's opinion about the liquidity factors and market access risks unique to the notes. Notes due in three years or less will likely receive a note rating. Notes with an original maturity of more than three years will most likely receive a long-term debt rating. In determining which type of rating, if any, to assign, S&P's analysis will review the following considerations:

Amortization schedule—the larger the final maturity relative to other maturities, the more likely it will be treated as a note; and

Source of payment—the more dependent the issue is on the market for its refinancing, the more likely it will be treated as a note.

S&P's municipal short-term note ratings are as follows:

SP-1 Strong capacity to pay principal and interest. An issue determined to possess a very strong capacity to pay debt service is given a plus (+) designation.

SP-2 Satisfactory capacity to pay principal and interest, with some vulnerability to adverse financial and economic changes over the term of the notes.

SP-3 Speculative capacity to pay principal and interest.

D 'D' is assigned upon failure to pay the note when due, completion of a distressed debt restructuring, or the filing of a bankruptcy petition or the taking of similar action and where default on an obligation is a virtual certainty, for example due to automatic stay provisions.

Description of Fitch's Credit Ratings

Fitch's credit ratings relating to issuers are an opinion on the relative ability of an entity to meet financial commitments, such as interest, preferred dividends, repayment of principal, insurance claims or counterparty obligations. Credit ratings relating to securities and obligations of an issuer can include a recovery expectation. Credit ratings are used by investors as indications of the likelihood of receiving the money owed to them in accordance with the terms on which they invested.

The terms "investment grade" and "speculative grade" have established themselves over time as shorthand to describe the categories 'AAA' to 'BBB' (investment grade) and 'BB' to 'D' (speculative grade). The terms investment grade and speculative grade are market conventions and do not imply any recommendation or endorsement of a specific security for investment purposes. Investment grade categories indicate relatively low to moderate credit risk, while ratings in the speculative categories either signal a higher level of credit risk or that a default has already occurred.

For the convenience of investors, Fitch may also include issues relating to a rated issuer that are not and have not been rated on its web page. Such issues are also denoted as 'NR'.

Fitch's credit ratings do not directly address any risk other than credit risk. In particular, ratings do not deal with the risk of a market value loss on a rated security due to changes in interest rates, liquidity and other market considerations. However, in terms of payment obligation on the rated liability, market risk may be considered to the extent that it influences the ability of an issuer to pay upon a commitment.

Ratings nonetheless do not reflect market risk to the extent that they influence the size or other conditionality of the obligation to pay upon a commitment (for example, in the case of index-linked bonds).

In the default components of ratings assigned to individual obligations or instruments, the agency typically rates to the likelihood of non-payment or default in accordance with the terms of that instrument's documentation. In limited cases, Fitch may include additional considerations (i.e. rate to a higher or lower standard than that implied in the obligation's documentation).

Note: The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to the 'AAA' ratings and ratings below the 'CCC' category. For the short-term rating category of 'F1', a '+' may be appended.

Description of Fitch's Long-Term Corporate Finance Obligations Ratings

AAA Highest credit quality. 'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

AA Very high credit quality. 'AA' ratings denote expectations of very low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

A High credit quality. 'A' ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

BBB Good credit quality. 'BBB' ratings indicate that expectations of credit risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity.

BB Speculative. 'BB' ratings indicate an elevated vulnerability to credit risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial alternatives may be available to allow financial commitments to be met.

B Highly speculative. 'B' ratings indicate that material credit risk is present.

CCC Substantial credit risk. 'CCC' ratings indicate that substantial credit risk is present.

CC Very high levels of credit risk. 'CC' ratings indicate very high levels of credit risk.

C Exceptionally high levels of credit risk. 'C' ratings indicate exceptionally high levels of credit risk.

Ratings in the categories of 'CCC', 'CC' and 'C' can also relate to obligations or issuers that are in default. In this case, the rating does not opine on default risk but reflects the recovery expectation only.

Defaulted obligations typically are not assigned 'RD' or 'D' ratings, but are instead rated in the 'CCC' to 'C' rating categories, depending on their recovery prospects and other relevant characteristics. This approach better aligns obligations that have comparable overall expected loss but varying vulnerability to default and loss.

Description of Fitch's Short-Term Ratings

A short-term issuer or obligation rating is based in all cases on the short-term vulnerability to default of the rated entity and relates to the capacity to meet financial obligations in accordance with the documentation governing the relevant obligation. Short-term deposit ratings may be adjusted for loss severity. Short-Term Ratings are assigned to obligations whose initial maturity is viewed as "short term" based on market convention. A long-term rating can also be used to rate an issue with short maturity. Typically, this means up to 13 months for corporate, sovereign, and structured obligations, and up to 36 months for obligations in U.S. public finance markets.

Fitch's short-term ratings are as follows:

F1 Highest short-term credit quality. Indicates the strongest intrinsic capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.

F2 Good short-term credit quality. Good intrinsic capacity for timely payment of financial commitments.

F3 Fair short-term credit quality. The intrinsic capacity for timely payment of financial commitments is adequate.

B Speculative short-term credit quality. Minimal capacity for timely payment of financial commitments, plus heightened vulnerability to near term adverse changes in financial and economic conditions.

C High short-term default risk. Default is a real possibility.

RD Restricted default. Indicates an entity that has defaulted on one or more of its financial commitments, although it continues to meet other financial obligations. Typically applicable to entity ratings only.

D Default. Indicates a broad-based default event for an entity, or the default of a short-term obligation.

APPENDIX B

POLEN CAPITAL CREDIT, LLC

SUMMARY OF PROXY VOTING POLICIES AND PROCEDURES

In accordance with Rule 206(4)-6 promulgated by the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended, the Adviser has adopted and implemented certain Proxy Voting Policies and Procedures (the “Policies”) that the Adviser believes are reasonably designed to ensure that proxies are voted in the best interests of its clients, including the Fund. Accordingly, the Adviser votes proxies based on its judgment as to what voting decision is most likely to maximize total return to the client as an investor in the issuer whose securities are being voted, including, where applicable, returns to the client on positions held in non-voting securities of that issuer or securities of other issuers that may be materially affected by the outcome of the vote. Furthermore, the Policies are intended to support good corporate governance, including those corporate practices that address environmental and social issues, in all cases with the objective of protecting shareholder interests and maximizing shareholder value.

The Adviser believes that it is not appropriate, in most cases, to vote proxies with respect to the securities of such issuers in accordance with fixed, pre-determined guidelines. Accordingly, the Adviser generally reviews and makes a voting decision on each matter presented in such proxy on an individual, case-by-case basis.

The Adviser has designated an internal proxy administrator who is responsible for coordinating the review and voting of client proxies. In the absence of a material conflict of interest, the internal proxy administrator votes the proxy in accordance with the instructions provided by the applicable investment professional covering the particular issuer.

From time to time, the Adviser (and/or its affiliates) may have a material conflict of interest with respect to a matter to be voted upon in a proxy. If the internal proxy administrator identifies or is notified of a potential material conflict of interest, the internal proxy administrator will notify the Adviser’s general counsel & chief compliance officer. If the general counsel & chief compliance officer agrees that a material conflict of interest exists, the Adviser generally will request a waiver of the conflict of interest or otherwise seek to obtain voting instructions from the affected client(s), or an authorized representative of the client(s) (or, in limited circumstances, an appropriate independent third party). In the event that the client(s), client representative(s), or other third party, as the case may be, do not desire to direct the vote of the proxy matter in question, the Adviser may, as circumstances warrant, take other steps, such as consulting with its outside legal counsel or an independent third party service, which steps are designed to result in a decision that is demonstrably based on the clients’ best interests and not the product of the conflict.

The Adviser maintains records of proxies that it has voted on behalf of its clients. The Adviser maintains these proxy voting books and records for a period of six years. These records are maintained for at least the first two years in the Adviser’s office.

APPENDIX C
FINANCIAL STATEMENTS

POLEN CREDIT OPPORTUNITIES FUND
FINANCIAL STATEMENTS
AUGUST 14, 2023

Report of Independent Registered Public Accounting Firm

To the Board of Trustees and Shareholder of
Polen Credit Opportunities Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of Polen Credit Opportunities Fund (the “Fund”) as of August 14, 2023, the related statement of operations for the period February 13, 2023 to August 14, 2023, including the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of August 14, 2023, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

We conducted our audit of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania
August 17, 2023

We have served as the auditor of one or more Polen Capital Management, LLC investment companies since 2011.

Polen Credit Opportunities Fund
Statement of Assets and Liabilities
August 14, 2023

Assets	
Cash	\$ 100,000
Deferred offering costs (see Note 3)	263,065
Receivable from Adviser (see Note 3)	<u>271,110</u>
Total assets	634,175
Liabilities	
Payable for offering costs (see Note 3)	263,065
Payable for organizational costs (see Note 3)	<u>271,110</u>
Total Liabilities	534,175
Commitments and Contingencies (Note 3)	—
Net Assets	\$ 100,000
Components of Net Assets	
Paid in Capital	\$ 100,000
Net Assets	\$ 100,000
Shares of Institutional Class Common Shares outstanding, unlimited number of shares authorized	10,000
Net Asset Value per Institutional Class Common Share	\$ 10.00

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

Polen Credit Opportunities Fund
Statement of Operations
August 14, 2023

	For the period February 13, 2023 (inception) through August 14, 2023
Expenses	
Organizational Expenses (see Note 3)	\$ 271,110
Less: Expense reimbursement by Adviser (see Note 3)	\$ (271,110)
Net Income (Loss).	—

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

Polen Credit Opportunities Fund
Notes to Financial Statement
August 14, 2023

(1) Organization

Polen Credit Opportunities Fund (the “Fund”) is a Delaware statutory trust that is registered under the Investment Company Act of 1940 (the “1940 Act”) as a non-diversified, closed-end management investment company. The Fund operates as an interval fund pursuant to Rule 23c-3 under the 1940 Act. The Fund has not had any operations other than the sale and issuance of 10,000 Institutional Class common shares of beneficial interest (“Shares”) at an aggregate purchase price of \$100,000 to Polen Capital Credit, LLC, the Fund’s investment adviser (the “Adviser”) at a price per share equal to the net asset value of \$10.00 per share.

The Fund’s investment objective is overall total return consisting of a high level of current income together with long-term capital appreciation. The Fund seeks to achieve its objective by investing primarily in high yield credit instruments, with a focus on “middle market” issuers in the United States and, to a much lesser extent, Canada. The Fund invests its assets primarily in credit instruments that are rated below investment grade by some or all relevant independent rating agencies, including Moody’s Investors Service, Standard and Poor’s Rating Services and Fitch Ratings (including a significant portion of such assets in credit instruments in the lower tier of the high yield market that are rated B and below), including high yield bonds and first and second lien loans of non-investment grade borrowers (“bank loans”). The Fund may invest in the debt securities of stressed and distressed issuers. The Fund also may invest in privately-negotiated debt instruments. Under normal conditions, the Fund invests at least 80% of its Managed Assets in credit instruments and other investments with similar economic characteristics, including convertible debt. “Managed Assets” means the total assets of the Fund (including any assets attributable to borrowings for investment purposes) minus the sum of the Fund’s accrued liabilities (other than liabilities representing borrowings for investment purposes). Although not a principal investment strategy, the Fund may invest up to 20% of its Managed Assets in other securities and instruments including, without limitation: equity securities, including equity securities of issuers that are related to the Fund’s investments in credit instruments, such as common stock and preferred stock (including warrants or other rights to acquire common or preferred stock) and cash equivalents and money market funds for the temporary investment of cash.

The Fund’s term is perpetual, except that the Fund may be dissolved and terminated as provided in the Fund’s Amended and Restated Agreement and Declaration of Trust. The Fund’s fiscal year ends on each April 30. The Fund’s Shares are not listed on any securities exchange, and the Fund anticipates that no secondary market will develop for its Shares.

The Fund has adopted a fundamental investment policy to make quarterly offers to repurchase between 5% and 25% of its outstanding Shares at net asset value (“NAV”) per share, reduced by any applicable repurchase fee. Subject to applicable law and approval of the Board of Trustees of the Fund (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’s initial repurchase shall occur no later than six months after the effectiveness of the Fund’s registration statement.

(2) Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Fund in preparation of its financial statement. The policies are in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Fund is an investment company and, accordingly, follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board Accounting Standards Codification Topic 946, Investment Companies (“ASC 946”).

Use of Estimates

The preparation of the financial statement in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statement. The Fund believes that these estimates utilized in preparing the financial statement are reasonable and prudent; however, actual results could differ from these estimates.

Polen Credit Opportunities Fund
Notes to Financial Statement
August 14, 2023

(2) Summary of Significant Accounting Policies (cont.)

Income Taxes

No provision is made for U.S. income taxes as it is the Fund's intention to qualify for and elect the tax treatment applicable to regulated investment companies under Subchapter M of the Internal Revenue Code of 1986, as amended, and make the requisite distributions to its shareholders, which will be sufficient to relieve it from U.S. income and excise taxes.

As of August 14, 2023, the Fund had no uncertain tax positions that would require financial statement recognition, de-recognition, or disclosure.

Other

In the normal course of business, the Fund may enter into contracts that provide general indemnifications. The Fund's maximum exposure under these arrangements is dependent on claims that may be made against the Fund in the future, and therefore, cannot be estimated; however, based on experience, the risk of material loss for such claims is considered remote.

Cash

Cash includes non-interest bearing non-restricted cash with one institution.

(3) Organizational and Offering Costs

Organizational costs consist of the costs of forming the Fund, drafting of governing documents, administration, custody and transfer agency agreements, legal services in connection with the initial meeting of Board and the Fund's seed audit costs. Offering costs consist of the costs of preparation, review and filing with the SEC the Fund's registration statement, the costs of preparation, review and filing of any associated marketing or similar materials, the costs associated with the printing, mailing or other distribution of the Prospectus, Statement of Additional Information and/or marketing materials, and the amounts of associated filing fees and legal fees associated with the offering. The aggregate amount of the organizational costs and offering costs as of the date of the accompanying financial statements are \$271,110 and \$263,065, respectively. As of August 14, 2023, the Fund had outstanding, \$271,110 and \$263,065 of payables for organizational and offering costs respectively, which is shown in the accompanying Statement of Assets and Liabilities.

The Adviser has agreed to advance the Fund's organizational costs and offering costs already incurred and any additional costs incurred prior to the commencement of operations of the Fund. Organizational costs are expensed as incurred and are subject to recoupment by the Adviser in accordance with the Fund's expense limitation agreement discussed in Note 4. Offering costs, which are also subject to the Fund's expense limitation agreement discussed in Note 4, are accounted for as a deferred charge until Shares are offered to the public and will thereafter be amortized to expense over twelve months on a straight-line basis.

(4) Transactions with Related Parties and Other Service Providers

Management Agreement

The Adviser will serve as the investment adviser to the Fund pursuant to the terms of an investment advisory agreement with the Fund (the "Management Agreement"). Under the terms of the Management Agreement, the Adviser will provide for the management of the Fund including the provision of a continuous investment program for the Fund, including investment research and management with respect to all securities, investments, cash and cash equivalents in the Fund. As compensation for its services, the Fund will pay the Adviser an annual management fee, payable on a monthly basis, at the annual rate of 1.25% of the Fund's Managed Assets.

Polen Credit Opportunities Fund
Notes to Financial Statement
August 14, 2023

(4) Transactions with Related Parties and Other Service Providers (cont.)

The Adviser has contractually agreed to waive its fees and/or reimburse expenses to the extent necessary to ensure that total annual fund operating expenses (excluding distribution and service fees, interest, taxes, expenses related to litigation and potential litigation, and extraordinary expenses) do not exceed an annual rate of 0.75% (the “Expense Limitation”). The Expense Limitation will remain for 18 months from the commencement of the Fund’s operations, unless the Board of Trustees approves its earlier termination. The Adviser is entitled to recover, subject to approval by the Board of Trustees, any fees waived and/or expenses reimbursed by the Adviser with respect to the Fund for a three-year period following the date of such fee waiver and/or expense reimbursement, to the extent the Fund’s total annual operating expenses do not exceed the limits described above or any lesser limits in effect at the time of the reimbursement.

Other Service Providers

The Bank of New York Mellon (“BNY Mellon”) serves as administrator and custodian for the Fund. For providing administrative and accounting services, BNY Mellon is entitled to receive a monthly fee equal to an annual percentage rate of the Fund’s average daily net assets and is subject to certain minimum monthly fees. For providing certain custodial services, BNY Mellon is entitled to receive a monthly fee, subject to certain minimum, and out of pocket expenses.

BNY Mellon Investment Servicing (US) Inc. (the “Transfer Agent”) provides transfer agent services to the Fund. The Transfer Agent is entitled to receive a monthly fee, subject to certain minimum, and out of pocket expenses.

Foreside Funds Distributors LLC (the “Distributor”) provides principal underwriting services to the Funds pursuant to a distribution agreement between the Fund and the Distributor.

Trustees and Officers

The Fund is governed by its Board. The Trustees receive compensation for their services to the Fund in the form of an annual retainer and additional compensation for service as Board or Committee chair for their services to the Fund. An employee of BNY Mellon serves as the Secretary of the Fund and is not compensated by the Fund.

JW Fund Management LLC (“JWFM”) provides a Principal Executive Officer and Principal Financial Officer to the Fund. Chenery Compliance Group, LLC (“Chenery”) provides the Fund with a Chief Compliance Officer and an Anti-Money Laundering Officer. JWFM and Chenery are compensated for their services provided to the Fund.

Related Party

At August 14, 2023, the only shareholder of the Fund is the Adviser.

(5) Federal Tax Information

The Fund has followed the authoritative guidance on accounting for and disclosure of uncertainty in tax positions, which requires the Fund to determine whether a tax position is more likely than not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as tax benefit or expense in the current year. The Fund has determined that there was no effect on the financial statements from following this authoritative guidance. In the normal course of business, the Fund is subject to examination by federal, state and local jurisdictions, where applicable, for tax years for which applicable statutes of limitations have not expired.

(6) Subsequent Events

Management has evaluated the impact of all subsequent events of the Fund through the date these financial statements were issued, and has determined that there are no subsequent events.

POLEN DDJ STRATEGIC INCOME PLUS FUND, L.P.
(A Delaware Limited Partnership)

Financial Statements as of and for the
Year Ended December 31, 2022, and
Independent Auditor's Report

POLEN DDJ STRATEGIC INCOME PLUS FUND, L.P.
(A Delaware Limited Partnership)

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INDEPENDENT AUDITOR'S REPORT

Polen DDJ Strategic Income Plus Fund, L.P.

Opinion

We have audited the financial statements of Polen DDJ Strategic Income Plus Fund, L.P. (a Delaware Limited Partnership) (the "Partnership"), which comprise the statement of assets and liabilities, including the schedule of investments, as of December 31, 2022, and the related statements of operations, changes in partners' capital and cash flows for the year then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Partnership as of December 31, 2022, and the results of its operations, changes in its partners' capital and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

Deloitte + Touche LLP

February 21, 2023 (August 14, 2023, as to the Schedule of Investments, Note 1, and Note 7)

POLEN DDJ STRATEGIC INCOME PLUS FUND, L.P.
(A Delaware Limited Partnership)

STATEMENT OF ASSETS AND LIABILITIES
AS OF DECEMBER 31, 2022

ASSETS:	
Investments in securities – at fair value (cost \$47,736,865)	\$ 42,745,381
Cash, cash equivalents, and restricted cash	2,010,447
Interest receivable	<u>528,930</u>
Total assets	<u>45,284,758</u>
LIABILITIES:	
Accrued management fee	51,754
Accrued administration and custody fees	29,744
Accrued professional fees	<u>56,579</u>
Total liabilities	<u>138,077</u>
PARTNERS' CAPITAL	<u>\$ 45,146,681</u>

See notes to financial statements.

POLEN DDJ STRATEGIC INCOME PLUS FUND, L.P.
(A Delaware Limited Partnership)

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

INVESTMENT INCOME:	
Interest	\$ 3,975,900
Dividends	180,741
Total investment income	4,156,641
EXPENSES:	
Management fee	176,095
Administration and custody fees	86,241
Professional fees	111,927
Total expenses	374,263
NET INVESTMENT INCOME	3,782,378
REALIZED AND UNREALIZED LOSS ON INVESTMENTS:	
Net realized loss on investments	(1,722,806)
Net change in unrealized depreciation on investments	(5,340,770)
Net realized and unrealized loss on investments	(7,063,576)
NET DECREASE IN PARTNERS' CAPITAL RESULTING FROM OPERATIONS	\$ (3,281,198)

See notes to financial statements.

POLEN DDJ STRATEGIC INCOME PLUS FUND, L.P.
(A Delaware Limited Partnership)

STATEMENT OF CHANGES IN PARTNERS' CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Partner	Limited Partners	Total
PARTNERS' CAPITAL – Beginning of year	\$ 1,638,251	\$ 37,472,366	\$ 39,110,617
Capital contributions	—	12,500,000	12,500,000
Capital withdrawals	(163,399)	(3,019,339)	(3,182,738)
Net decrease in partners' capital resulting from operations:			
Pro-rata allocation	(98,232)	(3,182,966)	(3,281,198)
PARTNERS' CAPITAL – End of year	\$ 1,376,620	\$ 43,770,061	\$ 45,146,681

See notes to financial statements.

POLEN DDJ STRATEGIC INCOME PLUS FUND, L.P.
(A Delaware Limited Partnership)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net decrease in partners' capital resulting from operations	\$ (3,281,198)
Adjustments to reconcile net decrease in partners' capital resulting from operations to net cash provided by operating activities:	
Net realized loss on investments	1,722,806
Net change in unrealized depreciation on investments	5,340,770
Purchases of investments in securities	(18,403,387)
Proceeds from sales of investments in securities	5,288,861
Net discount/accretion and in-kind interest on investments	(442,012)
Changes in operating assets and liabilities:	
Increase in interest receivable	(216,712)
Increase in accrued professional fees	6,616
Decrease in accrued administration and custody fees	(459)
Decrease in accrued management fee	(55,746)
Net cash used in operating activities	<u>(10,040,461)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Capital contributions	12,500,000
Capital withdrawals	<u>(3,270,238)</u>
Net cash provided by financing activities	<u>9,229,762</u>
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(810,699)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH – Beginning of year	<u>2,821,146</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH – End of year	<u>\$ 2,010,447</u>

See notes to financial statements.

POLEN DDJ STRATEGIC INCOME PLUS FUND, L.P.
(A Delaware Limited Partnership)

SCHEDULE OF INVESTMENTS
AS OF DECEMBER 31, 2022

	Percentage of Partners' Capital	Fair Value
INVESTMENTS IN SECURITIES:		
Common Stocks		
United States		
American Tire Distributors Common Stock (19,000 shares) ^{*+ov}	3.78	\$ 1,704,680
Arctic Canadian Diamond Co, Common Stock (271 shares) ^{+tr+ov}	0.16	70,731
CWT Travel Group Inc. Common Stock (11,523 shares) ^{ov}	0.16	70,290
Skillsoft Corp Common Stock (1,025 shares) ^{*v}	0.00	1,333
Specialty Steel Holdco, Inc. Common Stock (10.59 shares) ^{*+o}	3.36	1,515,990
Utex Industries Common Stock (5,408 shares) ^{*+ov}	1.21	544,477
Total Common Stocks (cost \$2,703,737)	8.67	3,907,501
Preferred Stocks		
Learning Care Group Preferred Stock 9% (720 shares) ^{*+o}	2.40	1,082,880
Total Preferred Stocks (cost \$698,400)	2.40	1,082,880
Corporate Bonds and Notes		
United States		
B&G Foods, Inc. 5.25%		
due 04/01/2025 (principal \$1,860,000)	3.61	1,631,049
Clear Channel Worldwide 7.75%		
due 04/15/2028 (principal \$1,170,000) ^y	1.89	854,111
CWT Travel Group Inc 8.5%		
due 11/19/2026 (principal \$107,769) ^{oy}	0.20	91,076
GTT Communications Inc 7.875%		
due 12/31/2024 (principal \$1,130,000) ^{^ovy}	0.05	20,360
Husky Injection Molding Sys. 7.75%		
due 04/15/2026 (principal \$1,930,000)	3.85	1,738,135
JPW Industries Holding Corp 9%		
due 10/01/2024 (principal \$430,000)	0.82	368,912
Radiate Holdco LLC 6.5%		
due 09/15/2028 (principal \$560,000) ^y	0.52	234,648
Radio Systems Corp. 6.75%		
due 07/15/2025 (principal \$340,000) ^y	0.65	291,761
Surgery Center Holdings Inc 6.75%		
due 07/01/2025 (principal \$646,000)	1.41	636,800
Specialty Steel Holdco, Inc. 15.14%		
due 10/30/2026 (principal \$1,920,000) ^{*+o}	4.25	1,920,000
TeamHealth Inc 6.375%		
due 02/01/2025 (principal \$1,590,000) ^y	2.03	916,222
Truck Hero Inc 6.25%		
due 02/01/2029 (principal \$1,370,000)	2.08	939,135
Material Sciences Corp 3M US L + 7.25%		
due 01/09/2024 (principal \$1,390,762) ^{*+rof}	3.08	1,389,023

POLEN DDJ STRATEGIC INCOME PLUS FUND, L.P.
(A Delaware Limited Partnership)

SCHEDULE OF INVESTMENTS (CONTINUED)
AS OF DECEMBER 31, 2022

	Percentage of Partners' Capital	Fair Value
Polished Metals Limited, LLC SOFR + 9% due 04/14/2027 (principal \$2,231,895) ^{tr+of}	4.98	\$ 2,254,214
Real Alloy Holdings, LLC 3M US L + 10% due 5/31/2023 (principal \$2,353,627) ^{*tr+of}	5.20	2,353,627
Sterling Entertainment Enterprises, LLC 10.25% due 01/30/2025 (principal \$2,080,000) ^{*tr+o}	4.48	2,024,360
Total Corporate Bonds and Notes – United States (cost \$20,273,632)	39.10	17,663,433
Canada		
Baffinland Iron Mines Corp. 8.75% due 07/15/2026 (principal \$1,040,000) ^y	2.18	985,374
Dominion Diamond Mines 7.125% due 11/01/2022 (principal \$800,000) ^{*^o^vy}	0.00	8
Total Corporate Bonds and Notes – Canada (cost \$1,646,815)	2.18	985,382
Switzerland		
Transocean Inc 6.25% due 12/01/2024 (principal \$380,000) ^y	0.83	374,328
Total Corporate Bonds and Notes – Switzerland (cost \$377,910)	0.83%	\$ 374,328
Bank Loans		
United States		
Ankura Consulting Group, LLC TL 2L 3M US L + 8.00% due 03/12/2029 (principal \$950,000) ^f	1.76	793,250
Asurion, LLC TL B4 1M US L + 5.25% due 01/19/2029 (principal \$1,320,000) ^f	2.26	1,020,175
Aveanna Healthcare TL 2L 1M US L + 7% due 12/10/2029 (principal \$1,470,000) ^f	1.79	808,500
Brand Industrial Services TL 3M US L + 4.25% due 06/14/2024 (principal \$1,438,583) ^f	2.84	1,283,935
CNT Holdings I TL 2L SOFR + 6.75% due 10/16/2028 (principal \$1,180,000) ^f	2.45	1,108,221
Engineered Machinery Holdings, Inc TL 2L 1M US L + 6.5% due 05/21/2029 (principal \$1,130,000) ^f	2.28	1,028,300
Engineered Machinery Holdings, Inc TL 3M US L + 6.5% due 05/04/2029 (principal \$866,667) ^f	1.73	782,886
Envision Healthcare TL 2 nd Out SOFR + 4.25% due 03/31/2027 (principal \$229,538) ^f	0.17	78,043
Envision Healthcare TL Third Out SOFR + 3.75% due 03/31/2027 (principal \$562,012) ^f	0.31	140,503
Eyecare Partners, LLC TL 2L 3M US L + 6.75% due 10/15/2029 (principal \$1,460,000) ^f	2.63	1,187,462
Infinite Bidco TL 2L 3M US L + 7% due 02/24/2029 (principal \$960,000) ^f	1.95	878,400

POLEN DDJ STRATEGIC INCOME PLUS FUND, L.P.
(A Delaware Limited Partnership)

SCHEDULE OF INVESTMENTS (CONTINUED)
AS OF DECEMBER 31, 2022

	Percentage of Partners' Capital	Fair Value
KKR Apple Bidco TL 2L 1M US L + 5.75% due 07/13/2029 (principal \$940,000) ^f	2.00	\$ 903,744
KUEHG Corp. TL 2L 3M US L + 8.25% due 08/22/2025 (principal \$1,890,000) ^f	3.99	1,802,114
KUEHG Corp. TL B 1L 1M US L +3.75% due 02/21/2025 (principal \$940,849) ^f	2.00	901,389
LaserShip TL 2L 3M US L + 7.5% due 04/30/2029 (principal \$1,420,000) ^f	1.86	837,800
Learning Care TL B 1M US L + 3.25% due 03/31/2025 (principal \$473,747) ^f	0.97	438,216
MH SUB I TL 2L SOFR + 6.25% due 02/12/2029 (principal \$1,660,000) ^f	3.29	1,479,475
RLG Holdings TL 2L 1M US L + 7.5% due 07/02/2029 (principal \$920,000) ^f	1.90	857,900
VC GB Holdings I TL 2L 3M US L + 6.75% due 06/29/2029 (principal \$520,000) ^f	0.95	430,732
Zest Holdings, Inc TL 2L 1M US L + 7% due 03/06/2026 (principal \$1,110,000) ^f	2.30	1,037,850
Total Bank Loans – United States (cost \$20,802,763).	39.43	\$ 17,798,895
Canada		
Arctic Canadian Diamond Co TL 2L 17.5%, PIK 12.5% due 12/31/2027 (principal \$291,712) ^{+o}	0.65	291,712
Xplornet Communications, Inc TL 2L 1M US L + 7% due 09/28/2029 (principal \$950,000) ^f	1.42	641,250
Total Bank Loans – Canada (cost \$1,233,611)	2.07	\$ 932,962
Warrants		
CWT Travel Group Inc. Warrant A (4,080 shares) ^{+o}	—	—
CWT Travel Group Inc. Warrant B (4,295 shares) ^{+o}	—	—
Learning Care Group Warrant (211.64 shares) ^{*+o}	—	—
Utex Industries Warrant (5,650 shares) ^{*+o}	—	—
Total Warrants (cost \$ —)	—	—
TOTAL INVESTMENTS IN SECURITIES —		
At fair value (cost \$47,736,865)	94.68%	\$ 42,745,381
Short Term Securities		
Morgan Stanley Institutional Liquidity Funds Treasury Securities Fund . . .	3.86	1,740,538
Other Assets and Liabilities	1.46	660,762
Net Assets.	100.00%	\$ 45,146,681

* A portion of these investments are also held in one or both of the side pockets upon their respective established dates
^ Security currently in default

POLEN DDJ STRATEGIC INCOME PLUS FUND, L.P.
(A Delaware Limited Partnership)

SCHEDULE OF INVESTMENTS (CONTINUED)
AS OF DECEMBER 31, 2022

- + As a result of the use of significant unobservable inputs to determine fair value, these investments have been classified as Level 3 assets.
- r Security deemed to be restricted as of December 31, 2022. The fair value of restricted securities in the aggregate was \$9,174,835, representing 20.32% of the Fund's net assets.
- v Non-income producing security.
- o Security deemed to be illiquid as of December 31, 2022. The fair value of illiquid securities in the aggregate was \$15,333,429, representing 33.96% of the Fund's net assets.
- f Floating or variable rate security. The reference rate is described below. The rate in effect as of December 31, 2022 is based on the reference rate plus the displayed spread as of the securities last reset date.
- y Securities exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. As of December 31, 2022 the fair value of securities restricted under Rule 144A in the aggregate was \$3,767,888, representing 8.35% of net assets. These securities have been determined to be liquid unless indicated as illiquid as denoted in footnote (°).

Investment Abbreviations:

US L — London Interbank Offered Rate

PIK — Payment in-kind

SOFR — Secured Overnight Financing Rate

Reference Rates:

1M US L — 1 Month LIBOR as of December 31, 2022 was 4.39%

3M US L — 3 Month LIBOR as of December 31, 2022 was 4.77%

SOFR — As of December 31, 2022 was 4.30%

POLEN DDJ STRATEGIC INCOME PLUS FUND, L.P.
(A Delaware Limited Partnership)

SCHEDULE OF INVESTMENTS (CONCLUDED)
AS OF DECEMBER 31, 2022

The below securities are restricted from resale as of December 31, 2022:

	<u>Security Type</u>	<u>Acquisition Date</u>	<u>Acquisition Cost</u>	<u>Fair Value</u>
Arctic Canadian Diamond Co LTD.	Common Stocks	2/4/2021	—	70,731
Learning Care Group	Preferred Stocks	3/13/2018	698,400	1,082,880
Learning Care Group	Warrants	3/13/2018	—	—
Material Sciences Corp.	Corporate Bonds and Notes	7/9/2018	1,619,180	1,389,023
Polished Metals Limited, LLC	Corporate Bonds and Notes	4/14/2022	2,330,000	2,254,214
Real Alloy Holding, Inc.	Corporate Bonds and Notes	5/31/2018	2,670,000	2,353,627
Sterling Entertainment Enterprises, LLC . .	Corporate Bonds and Notes	12/27/2017	2,048,800	2,024,360
				<u>\$ 9,174,835</u>

See notes to financial statements.

POLEN DDJ STRATEGIC INCOME PLUS FUND, L.P.
(A Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations — Polen DDJ Strategic Income Plus Fund, L.P. (the “Partnership”), a Delaware limited partnership, was formed and commenced operations on June 1, 2010. The Partnership is governed by the Second Amended and Restated Limited Partnership Agreement dated as of February 28, 2013, as amended by Amendment No. 1 dated as of December 31, 2020 (collectively, the “Agreement”). The Partnership was organized for the purpose of seeking income and gains through trading and investing in securities.

Polen/GP Strategic Income Plus, LLC, a Delaware limited liability company (the “General Partner”), is the general partner of the Partnership and is responsible for its overall management. Polen Capital Credit, LLC, a Massachusetts limited liability company and an affiliate of the General Partner (the “Investment Manager” and formerly known as DDJ Capital Management, LLC), is the investment manager to the Partnership and is responsible for the management of the Partnership’s portfolio pursuant to the terms of an investment management agreement between the Partnership and the Investment Manager. The administrator of the Partnership is U.S. Bancorp Fund Services, LLC (the “Administrator”). Capitalized terms not otherwise defined herein shall have the meaning described to them in the Agreement.

On December 2, 2021, the Investment Manager and Polen Capital Management, LLC, a Delaware limited liability company (the “Parent”), entered into an agreement whereby the Parent agreed to acquire 100% of the equity interests of the Investment Manager. Such transaction subsequently closed on January 31, 2022, at which time the Investment Manager became the wholly-owned subsidiary of the Parent. Subsequently on February 9, 2022, the Investment Manager was renamed as Polen Capital Credit, LLC.

Summary of Significant Accounting Policies — The financial statements of the Partnership are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The Partnership is considered an investment company under GAAP and follows the investment company accounting and reporting guidance.

Cash, Cash Equivalents, and Restricted Cash — Cash, cash equivalents, and restricted cash balances represent cash held at U.S. Bank, National Association (the “Custodian”). The Partnership considers its investment in Morgan Stanley Institutional Liquidity Funds Treasury Securities Fund (Institutional Select Share Class), a short-term, highly liquid investment, to be a cash equivalent. As of December 31, 2022, balances of cash, cash equivalents, and restricted cash at the Custodian exceeded the federally insured limit of \$250,000 by \$19,909. These balances may fluctuate significantly during the year.

Of the cash, cash equivalents, and restricted cash, restricted cash of \$135,797 represents undistributed cash related to side pocket investments held by the separate liquidating accounts established on behalf of those Limited Partners invested in the Partnership at such time as the side pockets were established.

Valuation of Investments in Securities — Pursuant to the Investment Manager’s Valuation Policies and Procedures, securities for which exchange quotations are readily available are valued at the closing price or, if no shares or principal amounts are traded on such exchange that day, at the closing bid price. Investments for which exchange quotations are not readily available are valued using (i) over-the-counter quotations; (ii) prices furnished by investment services firms (such as brokers, dealers or other entities); or (iii) estimated fair values as determined by the Investment Manager in good faith using methods and procedures established by the Investment Manager and under the general supervision of the General Partner. These methods are more fully described in note 3. Investments for which exchange quotations are not readily available may include specific classes or series of an issuer’s equity or debt securities, as well as funded and unfunded bank debt, and other interests.

POLEN DDJ STRATEGIC INCOME PLUS FUND, L.P.
(A Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Unfunded Loan Commitments — The Partnership may become a party to certain credit agreements, all or a portion of which may be unfunded. The Partnership is obligated to fund these commitments at the borrower's discretion. These commitments, if any, are marked-to-market. As of December 31, 2022, there were no unfunded commitments.

Investment Transactions and Related Investment Income — Investment transactions are accounted for on a trade-date basis. Dividends are recorded on the ex-dividend date and interest is recognized on the accrual basis. For purposes of determining net realized gains and losses, the Partnership uses the specific-identification cost method. Discounts/premiums on debt securities are accreted or amortized over the lives of the respective debt securities for financial reporting purposes.

Income Taxes — The Partnership adheres to authoritative guidance for uncertainty in income taxes. This guidance requires the Partnership to determine whether a tax position of the Partnership is more likely than not to be sustained upon examination by the applicable taxing authority, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement, which could result in the Partnership recording a tax liability that would reduce partners' capital. The Partnership reviews and evaluates tax positions in its major tax jurisdictions and determines whether or not there are uncertain tax positions that require financial statement recognition. Based on this review, the Partnership has determined the major tax jurisdictions to be where the Partnership is organized and where the Partnership makes investments; however, no reserves for uncertain tax positions were required to have been recorded as a result of the application of such guidance. The Partnership's tax returns remain open for examination by tax authorities for a period of three years from when they are filed, with the open tax years currently being 2019, 2020, and 2021.

No provision for income taxes has been made in the accompanying financial statements, as the partners are individually responsible for reporting income or loss based on their respective share of the Partnership's revenues or expenses for income tax purposes. Additionally, the Partnership is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months. As a result, no income tax liability or expense has been recorded in the accompanying financial statements.

Use of Estimates — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts disclosed in the financial statements. Actual results could differ from those estimates and such differences may be material.

Indemnities — The Partnership enters into certain contracts that contain a variety of indemnifications. The Partnership's maximum exposure under these arrangements is unknown; however, the General Partner expects the risk of loss with respect to these indemnification provisions to be remote.

Schedule of Investments — The type, industry and geographic classifications included in the Schedule of Investments represent the General Partner's belief as to the most meaningful presentation of the classification of the Partnership's investments.

Designated Investment — In connection with a requested redemption by a Limited Partner or Limited Partners, the Partnership may "side pocket" a portion of investments in the Partnership's portfolio that the General Partner reasonably determines to be illiquid in a separate liquidating account (the "designated investments"). The three liquidating accounts were established on March 1, 2013, August 1, 2019, and October 1, 2020. Limited Partners that hold such designated investments cannot completely redeem their interest in the Partnership until the designated investments allocated to such Limited Partners are liquidated by the Partnership (or otherwise

POLEN DDJ STRATEGIC INCOME PLUS FUND, L.P.
(A Delaware Limited Partnership)

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

distributed by the Partnership to such Limited Partners in kind). The Partnership exited a final designated investment and made a final Limited Partner distribution on July 5, 2022, and August 3, 2022, respectively, for the liquidating account that had been established on March 1, 2013. Also on August 3, 2022, this specific liquidating account was closed. The remaining balance of such designated investments from the two remaining liquidating accounts, which are identified in the Schedule of Investments, were valued at \$1,377,606 (3.05% of partners' capital) in the aggregate as of December 31, 2022, \$138,289 of other net assets, and, included in other net assets, \$135,797 of restricted cash. Gains or losses on the designated investments are allocated only to those "side pocketed" Limited Partners invested in the Partnership at the time the respective liquidating accounts were established. The Partnership, under the direction of the General Partner, intends to liquidate the remaining portfolio investments in these liquidating accounts in an orderly manner in accordance with the terms of the Agreement.

2. RELATED PARTY TRANSACTIONS

The Investment Manager receives from the Partnership a management fee (the "Management Fee"), payable quarterly in arrears, in an amount equal to (i) 0.225% (0.90% per annum) with respect to any portion of a Limited Partner's capital account that is subject to a one year holding period or that is no longer subject to any holding period, (ii) 0.200% (0.80% per annum) with respect to any portion of a Limited Partner's capital account that is subject to a two year holding period, and (iii) 0.175% (0.70% per annum) with respect to any portion of a Limited Partner's capital account that is subject to a three year holding period or, in each case, such other percentage as may be agreed to, from time to time, by the Limited Partner and the General Partner. The Investment Manager may, in its discretion, waive or reduce the Management Fee with respect to the capital accounts of certain Limited Partners, including affiliates of the General Partner. For the year ended December 31, 2022, the Partnership incurred \$176,095 of Management Fees, of which \$51,754 is payable to the Investment Manager at December 31, 2022, and includes \$10,384 of management fee payable related to the side pockets, which amount(s) will be released for payment to the Investment Manager once the full liquidation of the respective side pockets occurs.

For its services to the Partnership, the General Partner may be entitled to receive a performance allocation (the "Performance Allocation"), calculated separately for each Limited Partner and allocable annually in arrears as of the last day of each fiscal year (or shorter period, as applicable). The Performance Allocation is an amount calculated as of the last day of a Performance Allocation Period that is equal to the product of (a) 15% (or such higher or lower percentage as may be agreed by the Limited Partner and the General Partner), multiplied by (b) the amount by which (i) the ending value exceeds (ii) the Modified High Water Mark, whereby the Modified High Water Mark is determined subject to a 7% Hurdle Return unless otherwise separately agreed by the General Partner and any particular Limited Partner). For the year ended December 31, 2022, the General Partner did not earn a Performance Allocation.

Certain Limited Partners who are affiliates of the General Partner maintain Limited Partner balances in the Partnership totaling 43.02% of the overall partners' capital at December 31, 2022.

POLEN DDJ STRATEGIC INCOME PLUS FUND, L.P.
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NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022

3. FAIR VALUE MEASUREMENT

The Partnership uses a framework for measuring fair value and provides disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date. The fair value hierarchy prioritizes and ranks the inputs in valuation techniques to measure fair value and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The fair value hierarchy is categorized into three levels based on the inputs as follows:

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

Level 2 — Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly, and fair value is determined through use of models or other valuation methodologies. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Partnership.

Level 3 — Valuations based on inputs that are unobservable and significant to the overall fair value measurement, and fair value is determined through use of models or other valuation methodologies. Unobservable inputs reflect the Partnership’s assumptions about the inputs market participants would use in pricing the asset or liability and are developed based on the best information available in the circumstances.

Valuation Processes

The Investment Manager establishes valuation processes and procedures in an effort to ensure that the valuation techniques for investments that are categorized within Level 3 of the fair value hierarchy are fair, consistent, and verifiable. The Investment Manager designates a Fair Valuation Committee to oversee the entire valuation process of the Partnership’s Level 3 investments. Various personnel of the Investment Manager and Parent comprise the Fair Valuation Committee, which in turn report to the Parent’s Operating Committee. The Fair Valuation Committee is responsible for developing the Investment Manager’s written valuation processes and procedures, conducting periodic reviews of the valuation policies, and evaluating the overall fairness and consistent application of the valuation policies.

The Fair Valuation Committee meets on a quarterly basis, or more frequently as needed, to determine the valuations of the Partnership’s Level 3 investments; however, each Level 3 investment is reviewed by the Investment Manager’s Head of Finance and Investment Operations Director on at least a monthly basis in accordance with the Investment Manager’s valuation policies and procedures. Level 3 valuations determined by the Partnership are required to be supported by market data, industry accepted third-party pricing models, or other methods the Fair Valuation Committee deems to be appropriate, including the use of internal proprietary pricing models.

Valuation Techniques

Corporate Bonds and Notes — The fair value of corporate bonds and notes is estimated using recently executed transactions, market price quotations (where observable), or bond spreads. The spread data used is for the same maturity as the bond. If the spread data does not reference the issuer, then data that references a comparable issuer is used. When observable price quotations are not available, fair value is determined based on cash flow models: key inputs include yields, bond spreads and recovery rates based on collateral values as key inputs. Corporate bonds and notes may be categorized in Levels 2 or 3 of the fair value hierarchy.

POLEN DDJ STRATEGIC INCOME PLUS FUND, L.P.
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NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022

3. FAIR VALUE MEASUREMENT (cont.)

Bank Loans — The fair value of bank loans is generally determined using recently executed transactions and market price quotations (where observable). When transactions or quotations are not available, proprietary valuation models and/or default recovery analysis methods are employed, which may include a bankruptcy waterfall analysis where applicable. Further, leverage levels, yields and cash flow characteristics for industry comparables are among the observable inputs used to determine fair value. Prior to a sale or transfer to a third party, the Partnership's investments in bank debt typically requires the consent of the applicable agent bank. Bank debt may be classified in Levels 2 or 3 of the fair value hierarchy.

Investments in Private Equity and Warrants — The Partnership's investments in private equity may include direct private equity (common or preferred stock) investments. The Partnership may also receive warrants from its portfolio companies upon an investment in the debt or equity of a company. The transaction price, excluding transaction costs, is typically the Partnership's best estimate of fair value upon acquisition of the security. When evidence supports a change to the carrying value from the acquisition price, the Investment Manager shall then make adjustments to reflect expected exit values in the investment's principal market under current market conditions.

As it relates to these equity and equity-like investments, ongoing reviews by the Investment Manager are based on an assessment of trends in the performance of each underlying investment from the acquisition date through the most recent valuation date. These assessments typically incorporate valuation methodologies that consider (1) the income approach reflecting a discounted cash flow analysis; (2) the market approach that includes a comparative analysis of acquisition multiples and pricing multiples generated by market participants; (3) the evaluation of arm's length financing and sale transactions with third parties; (4) an adjusted intrinsic value approach; and/or (5) a liquidation approach.

The Investment Manager may use multiple valuation methodologies for a particular investment and estimate its fair value based on a weighted average or a selected outcome within a range of multiple valuation results.

Certain of the Partnership's private equity and warrant investments may be subject to certain legal transfer restrictions pursuant to applicable securities laws and/or contractual restrictions pursuant to underlying agreements for such securities executed by the Partnership, none of which the Investment Manager believes would result in a discount being applied in connection with the Partnership's valuation policies and procedures. Private equity and warrant investments are generally included in Level 3 of the fair value hierarchy.

Escrow Receivables — For escrow receivables, a portion of the sales proceeds from certain previously held private equity positions may be placed in an escrow account (or accounts) and earmarked to be released at a future date subject to specific events. Forms of amounts held in escrow may be (1) sales proceeds holdbacks, (2) legal and other professional fees, (3) claims (environmental or otherwise), (4) indemnities, (5) tax escheatment, or (6) for working capital adjustments or (7) in relation to a settlement agreement. Each form of escrow typically has its own release date and event terms. The Investment Manager will determine a recovery percentage with respect to each escrow as well as a discount rate to account for the time value of money before such escrow is expected to be released. Each of these factors are based on the Investment Manager's knowledge of the event, its terms, and related expectations of recovery.

For the year ended December 31, 2022, there have been no changes in valuation techniques used within the Level 3 fair value hierarchy that have resulted in a significant impact on the valuation of the financial instruments.

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3. FAIR VALUE MEASUREMENT (cont.)

The following table presents information about the Partnership's assets and liabilities measured at fair value as of December 31, 2022, based upon the fair value hierarchy:

	Unadjusted Quoted Price in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31, 2022
Investments in securities:				
Common Stock	\$ 1,333	\$ 70,290	\$ 3,835,878	\$ 3,907,501
Preferred Stock	—	—	1,082,880	1,082,880
Corporate Bonds and Notes	—	9,081,919	9,941,224	19,023,143
Bank Loans	—	18,440,145	291,712	18,731,857
Warrants	—	—	—*	—
	<u>\$ 1,333</u>	<u>\$ 27,592,354</u>	<u>\$ 15,151,694</u>	<u>\$ 42,745,381</u>
Cash equivalents	<u>\$ 1,740,538</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,740,538</u>

* Represents securities at \$0 value as of December 31, 2022

Certain of the Partnership's investments are in corporate bonds, notes, and bank loans, which may potentially be restructured in the event of the reorganization of the underlying issuer. Non-cash movements related to such restructuring events and payment-in-kind interest are included in the "Purchases" and "Sales" amounts below. Therefore, such amounts, as stated in the "Purchases" and "Sales" columns below, do not necessarily represent purchases and sales of securities for the year ended December 31, 2022.

As indicated in the table below, there were no transfers out of Level 3.

The following table includes a roll-forward of the amounts for the year ended December 31, 2022, for financial instruments classified within Level 3:

	Escrow Receivables	Common Stock	Preferred Stock	Corporate Bonds and Notes	Bank Loans	Warrants	Total
Beginning of year fair value	\$ 24,149	\$ 4,260,091	\$ 999,360	\$ 7,779,797	\$ 270,724	\$ —	\$ 13,334,121
Purchases	—	—	—	2,367,392	34,131	—	2,401,523
Proceeds from sales	(26,497)	—	—	—	—	—	(26,497)
Proceeds from prepayments	—	—	—	(98,105)	(13,143)	—	(111,248)
Realized gain/(loss)	26,497	(913,251)	—	—	—	—	(886,754)
Accrued discount/premium	—	—	—	4,423	—	—	4,423
Change in unrealized gain/(loss)	<u>(24,149)</u>	<u>489,038</u>	<u>83,520</u>	<u>(112,283)</u>	<u>—</u>	<u>—</u>	<u>436,126</u>
Fair Value as of December 31, 2022	<u>\$ —</u>	<u>\$ 3,835,878</u>	<u>\$ 1,082,880</u>	<u>\$ 9,941,224</u>	<u>\$ 291,712</u>	<u>\$ —*</u>	<u>\$ 15,151,694</u>

* Represents securities at \$0 value as of December 31, 2022

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3. FAIR VALUE MEASUREMENT (cont.)

The following table summarizes the valuation techniques and significant unobservable inputs used for the Partnership's investments that are categorized within Level 3 of the fair value hierarchy as of December 31, 2022:

Assets (at fair value)	Fair Value at December 31, 2022	Valuation Technique	Unobservable Inputs	Range of Inputs
Investments				
Corporate Bonds and Notes	\$ 9,941,224	Yield analysis	Yield to worst/ maturity	11.70% – 15.12%
Preferred Stock	\$ 1,082,880	Market Approach	EBITDA multiple Weight ascribed to approach	8.0x 50%
		Discounted cash flow analysis	Discount rate Termination value multiple Weight ascribed to approach	11.40% 10.0x 50%
Common Stock	\$ 3,835,878	Market Approach	EBITDA multiple market Weight ascribed to approach	6.3x – 9.0x 50%
		Discounted cash flow analysis	Discount rate Termination value multiple Weight ascribed to approach	11.73% – 20.43% 0x – 9.0x 50% – 100%
Bank Loans	\$ 291,712	Loan-to-value and credit coverage	Value as a percentage of par Discount rate	34.18% 20.43%
Warrants	—	Intrinsic value	Strike price per share Per share value (fully diluted)	\$57.00 – \$1,678.62 \$5.89 – \$1,310.74

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4. PARTNERS' CAPITAL

Allocation of Net Profits and Net Losses — Net profit or net loss during any Fiscal Period shall be allocated as of the end of such Fiscal Period to the capital accounts of all the partners in the proportions which (i) each partner's capital account as of the first day of such Fiscal Period bore to (ii) the sum of the capital accounts of all the partners as of the first day of such Fiscal Period (in each case after taking into account any capital contributions made to the Partnership as of such date).

Capital Contributions and Withdrawals — Limited Partners may be admitted to the Partnership and make an initial capital contribution in an amount accepted by the Partnership, as of the first day of any month or at such other times as determined by the General Partner in its sole discretion. The minimum amount of a Limited Partner's initial or additional capital contribution will be determined by the General Partner. At the time of subscription for an interest in the Partnership, a Limited Partner shall elect to have such interest subject to a minimum holding period of either one, two, or three years, commencing on the date on which such interest is issued to the Limited Partner and ending on the one, two, or three year anniversary thereof, provided that with respect to any interest in the Partnership that is issued to a Limited Partner on the first business day in January, April, July or October of any year, the holding period shall end on December 31, March 31, June 30, or September 30, respectively, one, two, or three years, as applicable, after the date of issuance of such interest.

With respect to any interest that is subject to a multi-year holding period, a Limited Partner may elect in writing to the General Partner prior to the expiration of such holding period to have such interest be subject to another multi-year holding period, commencing on the date immediately following the expiration of the existing multi-year holding period. With respect to any interest that is subject to a one year holding period or that is no longer subject to any holding period, a Limited Partner may at any time request in writing to the General Partner that such interest become subject to a multi-year holding period and if such request is accepted by the General Partner, in its sole discretion, such interest shall become subject to a multi-year holding period commencing as of the first day of the next calendar quarter following the General Partner's acceptance of such request, or such other date as the General Partner may determine. Following the expiration of a Limited Partner's initial holding period, the General Partner may negotiate revised withdrawal terms for any continued multi-year investment by such Limited Partner in the Partnership.

A Limited Partner may, with the consent of the General Partner, make additional contributions to the capital of the Partnership on any date selected by the General Partner in its sole discretion. For purposes of the holding periods applicable to withdrawals and the calculation of the management fee payable in respect of a Limited Partner, and for such other purposes as the General Partner may determine in its sole discretion, any additional contribution to the capital of the Partnership by a Limited Partner will be treated as separate and apart from any interest previously issued to such Limited Partner in respect of any prior capital contribution to the Partnership.

Pursuant to Amendment No. 1 to the Agreement dated December 31, 2020, a Limited Partner may request the withdrawal of all or any portion of its capital account that is not subject to a holding period on a monthly basis as of the last day of each calendar month (or if any such date is not a Business Day, as of the last Business Day of such month). Withdrawal requests must be in writing, in a form acceptable to the General Partner and must be submitted to the General Partner at least 60 days in advance of the requested withdrawal date. The General Partner in its sole discretion may increase, decrease, waive or otherwise modify any required advance request period.

All Limited Partner capital activity for the year ended December 31, 2022, is disclosed on the Statement of Changes in Partners' Capital.

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5. FINANCIAL HIGHLIGHTS

Financial highlights for the year ended December 31, 2022:

Total return	(6.85)%
Ratios to average limited partners' capital:	
Expenses	1.10%
Net investment income	8.05%

Financial highlights are calculated for those Limited Partners that are not affiliates of the General Partner as a group. An individual Limited Partner's return and ratios may vary based on holding period and the timing of capital transactions.

6. RISKS

Set forth below are some of the risks that the Partnership may be subject to:

Credit Risk — Companies in which the Partnership invests may be highly leveraged. Leverage may have important adverse consequences to the companies themselves and to the Partnership as an investor in them. These companies may be subject to restrictive financial and operating covenants. The leverage may impair these companies' ability to finance their future operations and capital needs. As a result, these companies' flexibility to respond to changing business and economic conditions and to business opportunities may be limited. A leveraged company's income and net assets will tend to increase or decrease at a greater rate than if borrowed money were not used. In addition, companies in which the Partnership invests may be subject to restrictive financial and operating covenants. Such covenants may affect the ability of such companies to operate effectively. A portfolio company's obligation to comply with financial covenants, such as debt-to-EBITDA ratios and secured debt-to-EBITDA ratios, and other contractual obligations may restrict a portfolio company's range of operating activity. A portfolio company, therefore, may be limited from incurring additional indebtedness, selling its assets and engaging in mergers or making acquisitions which may be beneficial to its operations. Companies in which the Partnership invests may also face intense competition, including competition from companies with greater financial resources, more development, manufacturing, marketing and other capabilities, and a larger number of qualified managerial and technical personnel. Changes in the financial condition of an issuer, changes in specific economic or political conditions can affect the credit quality or value of an issuer's securities.

Lack of Liquidity — There may be little or no active market for many of the securities and other obligations purchased by the Partnership (including, without limitation, reorganized equity of a private company emerged from a restructuring). Consequently, the Partnership may not be able to dispose of a portfolio investment when it desires to do so. Lower-rated debt securities may be thinly traded, adversely affecting the prices at which these securities can be sold and resulting in high transaction costs. The ability of outside pricing services to value lower-rated debt securities and the Partnership's ability to dispose of such securities may be affected by a wider than typical range of factors, including adverse publicity and changing investor perceptions. In addition, some of the securities and other obligations purchased by the Partnership may have been issued in private placement transactions and may be subject to legal or contractual restrictions on resale by the Partnership. In some instances, the sale of securities and other obligations owned by the Partnership may require lengthy negotiations. In the event of the dissolution of the Partnership, there can be no assurance that the Partnership will be able to divest or otherwise dispose of all of its investments prior to making its final liquidating distributions, which may require the Partnership to make in-kind distributions. Because the Partnership may invest or seek to invest in securities and other obligations in which other funds and clients of the Investment Manager also invest, there

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6. RISKS (cont.)

may be occasions when the Partnership will be prohibited from purchasing or selling a particular investment at a particular time. The prohibition may arise as a result of existing regulatory or legal constraints, internal policies of the Investment Manager, or a decision by the Investment Manager to forgo making a potentially desirable investment for the Partnership so as to avoid potential conflicts or restrictions in the future.

Bankruptcies and Reorganizations — The Partnership may invest in securities and other obligations of issuers that are in financial difficulty, and may be in, entering, or emerging from, bankruptcy proceedings. Bankruptcy or other insolvency proceedings are highly complex and may result in unpredictable outcomes. In any investment opportunity involving work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions, there exists the risk that the contemplated transaction either may be unsuccessful, take considerable time or result in a distribution of cash or a new security the value of which is less than the purchase price paid by the Partnership of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Partnership may be required to sell its investment at a loss. Because there is a substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Partnership may invest, there is a potential risk of loss by the Partnership of its entire investment in such companies.

7. SUBSEQUENT EVENTS

The Investment Manager of the Partnership has evaluated the need for disclosures and/or adjustments resulting from subsequent events through August 14, 2023, the date on which the financial statements were available to be issued. Except as noted below, there were no events that required adjustment or disclosure.

Agreement and Plan of Exchange and Reorganization

Polen Credit Opportunities Fund (“PCOF”), a closed-end management investment company that is organized as a Delaware statutory trust and operated as an interval fund, filed Form N-2 with the SEC stating that the Partnership will be reorganized with and into PCOF simultaneous with the commencement of PCOF’s operations in an exchange of substantially all of the Partnership’s assets for institutional class shares of PCOF. Following the reorganization, PCOF will engage in a continuous public offering of its shares. The Investment Manager for the Partnership is also the Investment Manager for PCOF.

A summary of the material events that have occurred related to the aforementioned reorganization are as follows:

- The Partnership’s largest Limited Partner redeemed its interest (effectuated as a distribution in kind) on July 26, 2023.
- Cash subscriptions of \$2.8 million in the aggregate were made into the Partnership on August 1, 2023 by one existing Limited Partner and one new Limited Partner.
- In August 2023, the Partnership made withdrawal distributions to two Limited Partners with respect to their Liquidating Accounts that were previously established on August 1, 2019 and October 1, 2020, respectively, to satisfy the amounts owed (refer to Note 1, *Designated Investments*).

* * * * *

APPENDIX D

Offering Restrictions

Notice to Non-U.S. Investors

The Shares described in this Registration Statement have not been registered and are not expected to be registered under the laws of any country or jurisdiction outside of the United States except as otherwise described in this prospectus. To the extent you are a citizen of, or domiciled in, a country or jurisdiction outside of the United States, please consult with your advisors before purchasing or disposing of shares.

Country-Specific Legends

Notice To Residents of Canada:

This Registration Statement constitutes an offering in Canada of the Shares only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale, and therein only by persons permitted to sell such securities. This Registration Statement is not, and under no circumstances is to be construed as, a prospectus, an advertisement or a public offering of the securities described herein in Canada. No securities commission or similar authority in Canada has reviewed or in any way passed upon this Registration Statement or the merits of the securities described herein, and any representation to the contrary is an offence.

OFFERS AND SALES IN CANADA

This Registration Statement is not, and under no circumstances is to be construed as, an advertisement or a public offering of the Shares in any province or territory of Canada. Any offer or sale of the Shares in any province or territory of Canada will only be made on a private placement basis, under an exemption from the requirement that the issuer prepare and file a prospectus with the relevant Canadian securities regulatory authorities. The offers and sales will only be made by the underwriters named in this Registration Statement or by their respective affiliates, as applicable (together, the “dealers”), in either case, who are properly registered under applicable securities laws, or pursuant to an exemption from the requirement that such a dealer be registered in the jurisdiction in which the offer or sale is made.

This Registration Statement is for the confidential use of those persons to whom it is delivered in connection with the offering of the Shares in Canada. The Adviser reserves the right to reject all or part of any offer to purchase these securities for any reason, or allocate to any prospective purchaser less than all of the Shares for which it has subscribed.

RESPONSIBILITY

Except as otherwise expressly required by applicable law or as agreed to in contract, no representation, warranty or undertaking (express or implied) is made and no responsibilities or liabilities of any kind or nature whatsoever are accepted by any dealer as to the accuracy or completeness of the information contained in this Registration Statement or any other information provided by the issuer in connection with the offering of the Shares in Canada.

Investing in the Shares involves risks. Prospective purchasers should refer to the risk factor disclosure contained in this Registration Statement for additional information concerning these risks.

ENFORCEMENT OF LEGAL RIGHTS

The Fund, the Adviser and the directors/trustees and officers of the Fund and the Adviser are located outside of Canada, and as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon the Fund, the Adviser or the Adviser’s directors or officers. All or a substantial portion of the assets of the Fund, the Adviser and the Adviser’s directors and officers may be located outside of Canada, and as a result, it may not be possible to satisfy a judgment against the Fund or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Fund or such persons outside of Canada.

STATUTORY RIGHTS OF ACTION FOR DAMAGES OR RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers of securities in such jurisdictions with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering Registration Statement that is delivered to such purchasers describing, among other things, the details of the securities to be offered contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective Canadian purchasers should refer to the applicable provisions of the securities legislation of their respective provinces for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers under the securities legislation of Ontario, Nova Scotia, New Brunswick and Saskatchewan. The rights of action described below are available only with respect to the final version of this Registration Statement, and the references to this “Registration Statement” means the final version of the Registration Statement, including, without limitation, all supplements and addendum thereto.

Ontario

In Ontario, every Ontario purchaser of the Shares pursuant to this Registration Statement (other than (a) a “Canadian financial institution” or a “Schedule III bank” (each as defined in NI 45 106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Registration Statement if this Registration Statement or any amendment hereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, such purchaser will have no right of action for damages against the Fund. This right of action for rescission or damages is in addition to and without derogation from any other right such purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this Registration Statement contains a misrepresentation, a purchaser who purchases the Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Fund, provided that:

1. **the Fund will not be liable if it proves that the purchaser purchased the Shares with knowledge of the misrepresentation;**
2. in an action for damages, the Fund is NOT liable for all or any portion of the damages that the Fund proves does not represent the depreciation in value of the Shares as a result of the misrepresentation relied upon; and
3. in no case shall the amount recoverable exceed the price at which the Shares was offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than:

1. **in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or**
2. in the case of any action, other than an action for rescission, the earlier of:
 - (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action; and
 - (ii) three years after the date of the transaction that gave rise to the cause of action.

These rights are in addition to and not in derogation from any other right an Ontario purchaser of the Shares may have.

Nova Scotia

In the event that this Registration Statement, a record incorporated by reference in or deemed incorporated into this Registration Statement, any amendment to this Registration Statement or any advertising or sales literature (as defined in the Securities Act (Nova Scotia)) contains a misrepresentation that was a misrepresentation at the time of a Nova Scotia purchaser's purchase, such purchaser of the Shares in Nova Scotia shall be deemed to have relied upon the misrepresentation and will have a statutory right of action for damages against the Fund, and subject to additional defenses, against any directors of the Fund and persons who have signed this Registration Statement. Alternatively, such purchaser may elect to exercise a statutory right of rescission against the Fund, in which case such purchaser shall have no right of action for damages. These rights are in addition to and not in derogation from any other rights such purchaser may have.

The right of action for damages or rescission is exercisable not later than 120 days after the date on which payment was made for the Shares (or after the date on which the initial payment for the Shares was made where payments subsequent to the initial payment were made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment), provided that:

1. **the Fund will not be liable if it proves that the purchaser purchased the Shares with knowledge of the misrepresentation;**
2. in any action for damages, the Fund will not be liable for all or any portion of those damages that it proves do not represent the depreciation in value of the Shares as a result of the misrepresentation; and
3. in no case will the amount recoverable exceed the price at which the Shares was offered to the purchaser.

New Brunswick

In the event that any information relating to the offering which has been provided to purchasers of Shares in New Brunswick contains a misrepresentation, such a purchaser of the Shares in New Brunswick shall be deemed to have relied upon the misrepresentation if it was a misrepresentation at the time of purchase and will have a statutory right of action against the Fund for damages or, alternatively, for rescission, provided that no action shall be commenced to enforce a right of action more than:

1. **in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or**
2. in the case of any action, other than an action for rescission, the earlier of:
 - (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, and
 - (ii) six years after the date of the transaction that gave rise to the cause of action;

and also provided that:

- (x) the Fund will not be liable if it proves that the purchaser purchased the Shares with knowledge of the misrepresentation;
- (y) in any action for damages, the Fund will not be liable for all or any portion of those damages that it proves do not represent the depreciation in value of the Shares as a result of the misrepresentation; and
- (z) in no case will the amount recoverable under this paragraph exceed the price at which the Shares was sold to the purchaser.

These rights are in addition to and not in derogation from any other right the purchaser may have.

Saskatchewan

Section 138 of The Securities Act, 1988 (Saskatchewan), as amended (the “**Saskatchewan Act**”), provides that, where an offering Registration Statement, such as this Registration Statement, or any amendment to it, is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering Registration Statement or any amendment to it has, without regard to whether the purchaser relied on the misrepresentation, a right of action for rescission against the issuer or a selling security holder on whose behalf the distribution is made or a right of action for damages against:

1. **the issuer or a selling security holder on whose behalf the distribution is made;**
2. every promoter and director of the issuer or the selling security holder, as the case may be, at the time the offering Registration Statement or any amendment to it was sent or delivered;
3. every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;
4. every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering Registration Statement or the amendment to the offering Registration Statement; and
5. every person who or company that sells securities on behalf of the issuer or selling security holder under the offering Registration Statement or amendment to the offering Registration Statement.

Such rights of rescission and damages are subject to certain limitations including the following:

1. **if the purchaser elects to exercise its right of rescission against the issuer or selling security holder, it shall have no right of action for damages against that party;**
2. in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;
3. no person or company, other than the issuer or a selling security holder, will be liable for any part of the offering Registration Statement or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;
4. in no case shall the amount recoverable exceed the price at which the securities were offered; and
5. no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the issuer or selling security holder, will be liable if the person or company proves that:

1. **the offering Registration Statement or any amendment to it was sent or delivered without the person’s or company’s knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company gave reasonable general notice that it was so sent or delivered; or**
2. with respect to any part of the offering Registration Statement or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that such person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, the part of the offering Registration Statement or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Not all defenses upon which the Fund or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that, where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are purchased from a vendor who is trading in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering Registration Statement or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action shall be commenced to enforce any of the foregoing rights more than:

1. **in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or**
2. in the case of any other action, other than an action for rescission, the earlier of:
 - (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or
 - (ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides that a purchaser who has received an amended offering Registration Statement delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person or company that is selling the securities indicating the purchaser's intention not to be bound by the purchase agreement, provided that such notice is delivered by the purchaser within two business days of receiving the amended offering Registration Statement.

THE FOREGOING SUMMARY IS SUBJECT TO THE EXPRESS PROVISIONS OF THE SECURITIES LEGISLATION OF THE RELEVANT PROVINCES AND THE REGULATIONS, RULES AND POLICY STATEMENTS THEREUNDER AND REFERENCE IS MADE THERETO FOR THE COMPLETE TEXT OF SUCH PROVISIONS.

CERTAIN CANADIAN INCOME TAX CONSIDERATIONS

Any discussion of taxation and related matters contained in this Registration Statement is not a comprehensive description of all the tax considerations that may be relevant to a decision to purchase these securities. Prospective Canadian purchasers of the Shares should consult their own tax advisors with respect to any taxes payable in connection with an investment in the Fund. It is recommended that tax advisors be employed in Canada, as there are a number of substantive Canadian tax compliance requirements for Canadian investors.

CONVERSION OF AMOUNTS INTO CANADIAN DOLLAR EQUIVALENT

Unless specifically stated otherwise, all dollar amounts contained in this Registration Statement are in U.S. dollars and must be converted into Canadian dollars based on the prevailing relevant foreign exchange rate at the time such amounts arise.

FINANCIAL INFORMATION

Financial information contained in this Registration Statement has been prepared in accordance with U.S. Generally Accepted Accounting Principles, which differ in certain respects from those accounting principles used in other jurisdictions, including Canada. Prospective purchasers should conduct their own investigation and analysis of the business, data and transaction described herein and consult their own financial advisers.

RESALE RESTRICTIONS IN CANADA

The distribution of Shares in Canada is being made on a private placement basis only and is exempt from the requirement that the Fund prepare and file a prospectus with the relevant Canadian regulatory authorities. Accordingly, any resale of the Shares in Canada must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with prospectus requirements and dealer registration requirements or exemptions from dealer registration requirements and prospectus requirements. These resale restrictions may, in some cases, apply to resales of the Shares outside of Canada. Purchasers in Canada are advised to seek legal advice prior to any resale of the Shares.

The Fund is not a “reporting issuer”, as such term is defined under applicable Canadian securities legislation, in any province or territory of Canada in which the Shares will be offered. Under no circumstances will the Fund be required to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Shares to the public in any province or territory of Canada. Canadian purchasers are advised that the Fund currently does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the Shares to the public in any province or territory of Canada in connection with this offering of the Shares. Therefore, there will be no public market in Canada for the Shares and the resale or transfer of the Shares will be subject to restrictions.

REPRESENTATIONS OF CANADIAN PURCHASERS

Each purchaser and beneficial owner of the Shares resident in Canada will be deemed to have represented to the Fund, the Adviser and their respective affiliates, as well as to any placement agent and any dealer who sells the Shares to such Canadian purchaser that:

1. **the offer and sale of Shares was made to such purchaser exclusively through this Registration Statement and was not made through an advertisement of such Shares in any printed media of general and regular paid circulation, radio, television or telecommunications, including electronic display, or any other form of advertising in Canada;**
2. such purchaser has reviewed and acknowledges the terms of this Registration Statement, including without limitation, this “Notice to Residents of Canada,” including in respect of applicable resale restrictions;
3. where required by law, such purchaser is purchasing as principal, or is deemed to be purchasing as principal in accordance with applicable securities laws of the province in which such purchaser is resident, for its own account and not as agent for the benefit of another person;
4. such purchaser or any ultimate purchaser for which such purchaser is acting as agent is entitled under applicable Canadian securities laws to purchase such Shares without the benefit of a prospectus qualified under such securities laws, and without limiting the generality of the foregoing, (1) is an “accredited investor” as defined in section 1.1 of National Instrument 45-106 Prospectus and Registration Exemptions (“**NI 45 106**”), fulfills the requirements of section 2.3 of NI 45-106 and was not created and is not being used solely to purchase or hold securities as an “accredited investor”, or (2) fulfills the requirements of section 2.10 of NI 45 106;
5. such purchaser or any ultimate purchaser for which such purchaser is acting as agent is a “permitted client” as defined in section 1.1 of National Instrument 31-103;
6. to the best of such purchaser’s knowledge, none of the funds to be provided by or on behalf of such purchaser to the Fund or its agents are being tendered on behalf of a person or entity who has not been identified to the purchase;

7. the purchaser certifies that none of the funds being used to purchase the Shares are, to such purchaser's knowledge, proceeds obtained or derived, directly or indirectly, as a result of illegal activities and that:
 - (iii) the funds being used to purchase the Shares and advanced by or on behalf of such purchaser to the Fund or its agents do not represent proceeds of crime for the purpose of the Proceeds of Crime (Money Laundering) Act (Canada) (the "**PCMLA**"); and
 - (iv) such purchaser is not a person or entity identified in the Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism, the United Nations Al Qaida and Taliban Regulations, the Regulations Implementing the United Nations Resolutions on the Democratic People's Republic of Korea, the Regulations Implementing the United Nations Resolution on Iran, the United Nations Côte d'Ivoire Regulations, the United Nations Democratic Republic of the Congo Regulations, the Regulations Implementing the United Nations Resolution on Liberia, the Regulations Implementing the United Nations Resolutions on Libya and Taking Special Economic Measures, the Regulation Implementing the United Nations Resolution on Eritrea, the Regulations Implementing the United Nations Resolutions on Somalia, the United Nations Sudan Regulations, the Freezing of Corrupt Foreign Officials (Tunisia and Egypt) Regulations, the Special Economic Measures (Zimbabwe) Regulations, the Special Economic Measures (Iran) Regulations, the Special Economic Measures (Syria) Regulations or the Special Economic Measures (Burma) Regulations (collectively, the "**Trade Sanctions**");
8. acknowledges that the Fund or its agents may in the future be required by law to disclose the investor's name and other information relating to such purchaser and any purchase of the Shares, on a confidential basis, pursuant to the PCMLA, the Criminal Code (Canada) and the Trade Sanctions or as otherwise may be required by applicable laws, regulations or rules, and by accepting delivery of this Registration Statement, such purchaser will be deemed to have agreed with the foregoing;
9. it shall promptly notify the Fund or its agents if such purchaser discovers that any such representations cease to be true, and shall provide the Fund or its agents with appropriate information in connection therewith; and
10. where required by applicable securities laws, regulations or rules, such purchaser will execute, deliver and file such reports, undertakings and other documents relating to the purchase of the Shares by such purchaser as may be required by such laws, regulations and rules, or to assist the Fund and its agents, as applicable, in obtaining and filing such reports, undertakings and other documents.

In addition, each purchaser and each beneficial owner of the Shares resident in Canada will be deemed to have represented to the Fund, the Adviser and any Canadian Dealer that such purchaser or beneficial owner:

1. **has been notified by the Fund that:**
 - (i) the Fund and its affiliates are required to provide certain personal information ("**personal information**") pertaining to the beneficial owner of the Shares as required to be disclosed in Schedule I of Form 45 106F1 under NI 45 106 (including its name, address, telephone number and the number and value of any Shares purchased), which Form 45 106F1 is required to be filed by the Fund and the Adviser under NI 45 106;
 - (ii) such personal information will be delivered to the Ontario Securities Commission (the "**OSC**") in accordance with NI 45 106;
 - (iii) such personal information is being collected indirectly by the OSC under the authority granted to it under the securities legislation of Ontario;
 - (iv) such personal information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario; and
 - (v) that the public official in Ontario who can answer questions about the OSC's indirect collection of such personal information is the Administrative Support Clerk at the Ontario Securities Commission, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8, Telephone: (416) 593 3684;

2. has authorized the indirect collection of the personal information by the OSC; the L'Autorité des marchés financiers, the Registraire des entreprises and any other relevant Canadian securities regulatory authority;
3. has been notified by the Fund: (i) that the Fund may deliver the personal information to the L'Autorité des marchés financiers and the Registraire des entreprises; (ii) that such personal information is being collected indirectly by the L'Autorité des marchés financiers and the Registraire des entreprises under the authority granted to it in applicable securities laws; and (iii) that such personal information is being collected for the purpose of the administration and enforcement of applicable securities laws;
4. acknowledges, authorizes and agrees that its name, address, telephone number and other specified information, including the amount of Shares it has purchased and the aggregate purchase price paid by such purchaser, may be disclosed to other Canadian securities regulatory authorities and may become available to the public in accordance with the requirements of applicable laws and by purchasing Shares the purchaser consents to the disclosure of such information; and
5. will consult their own legal and tax advisors with respect to the tax consequences of an investment in the Shares in their particular circumstances and with respect to the eligibility of the Shares for investment by such purchaser under relevant Canadian legislation.

LANGUAGE OF DOCUMENTS IN CANADA

Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.