

**FT VEST TOTAL RETURN INCOME FUND: SERIES B1
PRIVATE PLACEMENT MEMORANDUM**

A REGISTRATION STATEMENT TO WHICH THIS MEMORANDUM RELATES HAS BEEN FILED BY FT VEST TOTAL RETURN INCOME FUND: SERIES B1 (THE “FUND”) PURSUANT TO SECTION 8(B) OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED. HOWEVER, SHARES OF BENEFICIAL INTEREST (THE “SHARES”) OF THE FUND ARE NOT REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”), SINCE SUCH SHARES WILL BE ISSUED SOLELY IN PRIVATE PLACEMENT TRANSACTIONS WHICH DO NOT INVOLVE ANY “PUBLIC OFFERING” WITHIN THE MEANING OF SECTION 4(A) (2) OF THE 1933 ACT. INVESTMENT IN THE FUND MAY BE MADE ONLY BY INDIVIDUALS OR ENTITIES THAT ARE “ACCREDITED INVESTORS” WITHIN THE MEANING OF REGULATION D UNDER THE 1933 ACT. SHARES WILL BE OFFERED AND SOLD UNDER THE EXEMPTION PROVIDED BY SECTION 4(A)(2) OF THE 1933 ACT AND RULE 506(C) OF REGULATION D PROMULGATED THEREUNDER AND SIMILAR EXEMPTIONS IN THE LAWS OF THE STATES AND OTHER JURISDICTIONS WHERE THE OFFERING WILL BE MADE, WHICH PERMIT GENERAL SOLICITATION. THIS MEMORANDUM SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, AND THERE SHALL NOT BE ANY SALE OF SHARES, IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE IS NOT AUTHORIZED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION, OR SALE.

FT Vest Total Return Income Fund: Series B1 (the “Fund”) is a newly organized Delaware statutory trust registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”), as a diversified, closed-end management investment company. The Fund operates under an Agreement and Declaration of Trust dated November 7, 2024 (the “Declaration of Trust”). First Trust Capital Management L.P. (the “Investment Adviser” or “FTCM”) serves as the investment adviser of the Fund. Vest Financial LLC serves as sub-adviser to the Fund (the “Sub-Adviser” and together with the Investment Adviser, the “Advisers”). Each of the Advisers is an investment adviser registered with the Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940, as amended. The Fund intends to elect to be treated as a regulated investment company under the Internal Revenue Code of 1986, as amended (the “Code”). The Fund offers two separate classes of shares of beneficial interest (each, a “Class”), designated as Class A (“Class A Shares”) and Class I (“Class I Shares”, and collectively, the “Shares”).

Investment Objective and Strategies. The Fund’s investment objective is to achieve attractive risk-adjusted returns through a combination of high level of current income and potential (although limited) long-term capital appreciation, while attempting to mitigate the risk of loss of principal. In seeking to achieve this investment objective, the Fund intends to pursue a hedged equity investment strategy by (i) investing primarily in U.S. exchange-traded equity securities contained in the S&P 500® Index (such index, the “Reference Index”), (ii) mitigating some of the risk of loss of principal by purchasing a hedge against the long term decline of the Reference Index (“Downside Hedge”) during the Designated Period (defined below), and (iii) producing income with a target net income objective of 15.0% on an annual basis (“Defined Income”). The Reference Index is a price return index that does not reflect the reinvestment of dividends. The Fund will forgo potential capital appreciation as it seeks to generate income. The Downside Hedge is designed to mitigate the risk of loss for those investors that buy Shares at the beginning of a two-year period (the “Designated Period”) and hold Shares until the end of the Designated Period. The Fund does not seek to provide a specific level of protection or any specific level of capital appreciation or performance compared to the performance of the Reference Index. The hedge will not mitigate all loss even if the hedge worked as intended. The amount of protection will depend in part on the correlation between the Fund’s portfolio and the Reference Index. There is no guarantee that the attempt to limit losses to the Fund will be successful. The Fund cannot guarantee that its investment objective will be achieved or that it will earn its target net income.

At the end of the first Designated Period, the Fund will reset for a new Designated Period with the same Downside Hedge strategy. The Fund does not expect the target net income objective to change. If the target net income objective or other terms for the new Designated Period were to change, the Fund will provide notice to investors through an amended Memorandum prior to the end of the previous Designated Period.

The Fund's Downside Hedge is designed to be achieved only if Shares are held for the entire Designated Period.

See “*FUND SUMMARY — Investment Objective and Strategies*” below.

Offering. This Private Placement Memorandum (the “Memorandum”), applies to the offering of Class A Shares and Class I Shares on a private placement basis to investors who are Accredited Investors and who satisfy the eligibility requirements. The initial closing date for subscriptions of Shares currently is anticipated to be in April 2025, but may occur on such later date as the Investment Adviser may determine in its sole discretion (the “Initial Closing”). The Fund’s Shares will be offered at an initial price of \$25.00 per Share. Thereafter, the Shares will generally be offered at their net asset value per Share once at the beginning of each 2-year Designated Period (as defined herein), generally on a Friday (other than the 3rd Friday of the month), or at such other times and/or more or less frequently as may be determined by the Board of Trustees of the Fund (the “Board”), in each case subject to any applicable sales charge or other fees, as described herein. No holder of Shares (each a “Shareholder”) will have the right to require the Fund to redeem its Shares. Investments in the Fund may be made only by “Eligible Investors” as defined herein. See “*INVESTOR QUALIFICATIONS*.”

Tender Offers/Repurchases. At the discretion of the Board and provided that it is in the best interests of the Fund and Shareholders to do so, the Fund intends to provide a limited degree of liquidity to Shareholders by conducting tender offers at least annually every twelfth month after the Closing of a Designated Period, as of a Friday (other than the 3rd Friday of the month). In each tender offer, the Fund may offer to repurchase its Shares at their net asset value as determined as of the relevant valuation date. Each tender offer in the first year of a Designated Period ordinarily will be limited to the repurchase of an amount up to 10% of the Shares outstanding, but if the number of Shares tendered for repurchase exceeds the number the Fund intended to repurchase, the Fund may determine to repurchase less than the full number of Shares tendered. In such event, Shareholders will have their Shares repurchased on a pro rata basis, and tendering Shareholders will not have all of their tendered Shares repurchased by the Fund. In the second year of each Designated Period, subject to the Board’s discretion, each tender offer that coincides with the expiration of the Designated Period shall be for up to 100% of the Shares outstanding. Shareholders who tender their Shares prior to the end of the Designated Period will not fully benefit from the Downside Hedge, which is designed to be achieved at the end of the specified Designated Period. A 2.00% repurchase fee will be charged by the Fund with respect to any repurchase of Shares from a Shareholder in the first year of each Designated Period. Repurchases will be made at such times and on such terms as may be determined by the Board, in its sole discretion. However, no assurance can be given that repurchases will occur or that any Shares properly tendered will be repurchased by the Fund. The Fund may choose not to conduct a tender offer or may choose to conduct a tender offer for less than 10% (or 100% as applicable) of its outstanding Shares. Investors may not have access to the money invested in the Fund for an indefinite time. See “*FUND SUMMARY—Tender Offers*”; “*TENDER OFFERS/OFFERS TO REPURCHASE*.”

This Memorandum concisely provides information that you should know about the Fund before investing. You are advised to read this Memorandum carefully and to retain it for future reference. Additional information about the Fund, including the Fund’s statement of additional information (the “SAI”), dated February 13, 2025, has been filed with the Securities and Exchange Commission (“SEC”). You may request a free copy of this Memorandum, the SAI, annual and semi-annual reports, when available, and other information about the Fund, and make inquiries without charge by writing to the Fund, c/o UMB Fund Services, Inc., 235 West Galena Street, Milwaukee, WI 53212, by calling the Fund toll-free at (877) 779-1999 or by accessing the Investment Adviser’s website at <https://www.FirstTrustCapital.com>. The information on the Investment Adviser’s website is not incorporated by reference into this Memorandum and investors should not consider it a part of this Memorandum. The SAI is incorporated by reference into this Memorandum in its entirety. You may also obtain copies of the SAI, and the annual and semi-annual reports of the Fund, when available, as well as other information about the Fund on the SEC’s website at <https://www.sec.gov>. You may also email requests for these documents to publicinfo@sec.gov. The address of the SEC’s internet site is provided solely for the information of prospective investors and is not intended to be an active link.

Shares are an illiquid investment.

- The Fund has no operating history and the Shares have no history of public trading.
- The Fund does not intend to list the Shares on any securities exchange and the Fund does not expect a secondary market in the Shares to develop.
- You should generally not expect to be able to sell your Shares (other than through the limited repurchase process), regardless of how the Fund performs.
- You should consider that you may not have access to the money you invest for an indefinite period of time.
- An investment in the Shares is not suitable for you if you need foreseeable access to the money you invest.
- Because you will be unable to sell your Shares or have them repurchased immediately, you will find it difficult to reduce your exposure on a timely basis during a market downturn.
- An investor who purchases Class A Shares may pay a sales charge of up to 2.00% on the amounts invested. If you pay the maximum aggregate 2.00% as a sales charge, you must experience a total return on your net investment of 2.04% in order to recover these expenses.
- The amount of distributions that the Fund may pay, if any, is uncertain.
- The Fund may pay distributions in significant part from sources that may not be available in the future and that are unrelated to the Fund's performance, such as from return of capital.

The Fund's investment program is speculative and entails substantial risks. There can be no assurance that the Fund's investment objective will be achieved or that its investment program will be successful. Investors should consider the Fund as a supplement to an overall investment program and should invest only if they are willing to undertake the risks involved. Investors could lose some or all of their investment (See "**PRINCIPAL RISK FACTORS**" BEGINNING ON PAGE 9).

Neither the SEC nor any state securities commission has determined whether this Memorandum is truthful or complete, nor have they made, nor will they make, any determination as to whether anyone should buy these securities. Any representation to the contrary is a criminal offense.

You should not construe the contents of this Memorandum and the SAI as legal, tax or financial advice. You should consult with your own professional advisers as to legal, tax, financial, or other matters relevant to the suitability of an investment in the Fund.

In making an investment decision, investors must rely upon their own examination of the Fund and the terms of the offering, including the merits and risks involved. You should rely only on the information contained in this Memorandum. The Fund has not authorized anyone to provide you with different information. You should not assume that the information provided by this Memorandum is accurate as of any date other than the date shown below.

This Memorandum is intended solely for the use of the person to whom it has been delivered for the purpose of evaluating a possible investment by the recipient in the Shares of the Fund, and is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective investor receiving this document).

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

The date of this Memorandum is February 13, 2025

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FUND SUMMARY

This is only a summary and does not contain all of the information that investors should consider before investing in the Fund. Investors should review the more detailed information appearing elsewhere in this Memorandum and SAI, especially the information set forth under the heading “*PRINCIPAL RISK FACTORS*.”

The Fund and the Shares

FT Vest Total Return Income Fund: Series B1 (the “Fund”) is a Delaware statutory trust registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”), as a diversified, closed-end management investment company. The Fund was organized as a Delaware trust on November 7, 2024. **The Fund is an appropriate investment only for those investors who can tolerate a high degree of risk and do not require a liquid investment.**

The Fund offers two separate classes of shares of beneficial interest of the Fund (each, a “Class”), designated as Class A (“Class A Shares”) and Class I (“Class I Shares”, and collectively, the “Shares”). Class A Shares and Class I Shares are subject to different fees and expenses. The Fund may offer additional classes of Shares in the future.

The Fund intends to elect to be treated as a regulated investment company (“RIC”) under the Code, which generally requires that, at the end of each quarter: (1) at least 50% of the Fund’s total assets are invested in (i) cash and cash items (including receivables), Federal Government securities and securities of other RICs; and (ii) securities of separate issuers, each of which amounts to no more than 5% of the Fund’s total assets (and no more than 10% of the issuer’s outstanding voting shares), and (2) no more than 25% of the Fund’s total assets are invested in (i) securities (other than Federal Government securities or the securities of other RICs) of any one issuer; (ii) the securities (other than the securities of other RICs) of two or more issuers which the taxpayer controls and which are engaged in the same or similar trades or businesses; or (iii) the securities of one or more qualified publicly traded partnerships. To continue to qualify as a RIC, the Fund must also satisfy other applicable requirements, including restrictions on the kinds of income that the Fund can earn and requirements that the Fund distribute most of its income to shareholders each year.

Investment Objective and Strategies

The Fund’s investment objective is to achieve attractive risk-adjusted returns through a combination of high level of current income and potential (although limited) long-term capital appreciation, while attempting to mitigate the risk of loss of principal. There can be no assurance that the Fund will achieve its investment objective or that the Fund’s investment strategies will be successful.

In seeking to achieve this investment objective, the Fund intends to pursue a hedged equity investment strategy by (i) investing primarily in U.S. exchange-traded equity securities contained in the S&P 500® Index (such index, the “Reference Index”), (ii) mitigating some of the risk of loss of principal by purchasing a hedge against the long term decline of the Reference Index (“Downside Hedge”), and (iii) producing income with a target net income objective of 15.0% on an annual basis (“Defined Income”). The Reference Index is a price return index that does not reflect the reinvestment of dividends. The Fund will forgo potential capital appreciation as it seeks to generate income. The Downside Hedge is designed to mitigate the risk of loss for those investors that buy Shares at the beginning of a two-year period (the “Designated Period”) and hold Shares until the end of the Designated Period. The Fund does not seek to provide a specific level of protection or any specific level of capital appreciation or performance compared to the performance of the Reference Index. The hedge will not mitigate all loss even if the hedge worked as intended. There is no guarantee that the attempt to limit losses to the Fund will be successful. The Fund cannot guarantee that its investment objective will be achieved or that it will earn its target net income.

The Fund intends to pursue its investment objective by investing primarily in U.S. exchange-traded equity securities contained in the Reference Index. The Fund intends to acquire and hold a diversified basket of approximately 100 of the component securities of the Reference Index. This basket of securities (each a “Reference Stock” and collectively the “Reference Stock Basket”) may be rebalanced and/or reconstituted periodically as determined by the Sub-Adviser (defined below) to limit tracking error to the Reference Index. The Fund’s basket of securities may change as the constituents of the Reference Index change. As of December 31, 2024, a significant portion of the Reference Index is comprised of companies in the information technology sector, although this may change from time to time.

The Fund will forgo potential capital appreciation as it seeks to generate income. The capital appreciation of the Fund may be less than the capital appreciation of the Reference Index and the performance of the Fund may be less than the performance of the Reference Index.

The Fund expects to sell short-term call options on select securities held in the Reference Stock Basket to generate income as discussed under *Defined Income* below. In the event the value of the securities held by the Fund exceeds the strike prices of the call options on such securities (see *Defined Income* below for more information), the capital appreciation on such securities is expected to be less than the capital appreciation of the Reference Index. The Fund will forgo potential capital appreciation on the portion of each Reference Stock in which the Fund sells call options as it seeks to generate income. The capital appreciation of these securities may be less than the capital appreciation of the Reference Index and the performance of these securities may be less than the performance of the Reference Index.

The Fund does not seek to achieve any specific level of performance compared to the performance of the Reference Index.

Downside Hedge. The Fund will purchase a long-dated put option on the Reference Index (including using FLEXible EXchange® Options, which are exchange-traded option contracts with uniquely customizable terms) at the beginning of each Designated Period as a hedge against long-term decline in the market value of the securities in the Reference Stock Basket. The Downside Hedge is intended to be fully achieved at the end of the specified Designated Period. Therefore, Shares tendered for repurchase prior to the end of a Designated Period will not receive the full benefit of the put option against declines in the long-term market value of the Reference Stock Basket held by the Fund. The Fund does not seek to provide a specific level of protection. There is no guarantee that the attempt to limit losses to the Fund will be successful.

The Fund will purchase a long-dated put option at an exercise price equal to the closing price of the Reference Index at the beginning of the Designated Period. When the Fund buys the long-dated put option, it will pay a non-refundable premium and it will have the right, but not the obligation, on the expiration date at the end of the Designated Period, to receive, upon exercise of the option, an amount of cash if the closing level of the Reference Index is less than the exercise price of the option. This amount of cash is equal to the excess of the exercise price of the option over the closing price of the Reference Index. The Fund cannot exercise the long-dated put option during the Designated Period. The put option will settle for cash at the end of the Designated Period. Gain or loss will depend on changes in the Reference Index. During the Designated Period, the unrealized gain or loss from the put option will be reflected in the Fund's net asset value.

The extent of the benefit of the hedge to the Fund will depend on the correlation of the Fund's portfolio to the Reference Index during the Designated Period. At a theoretical 100% correlation of the Fund's portfolio to the Reference Index, the entire amount of potential loss to the Fund resulting from holding its Reference Stock Basket would be mitigated. Although the Sub-Adviser will seek to obtain a very high degree of correlation between the Fund's Reference Stock Basket and the Reference Index, the Fund's portfolio will not have a 100% correlation with the Reference Index because the Reference Index holds more stocks than the Reference Stock Basket.

In addition, the hedge will not mitigate all potential losses to the Fund because the Fund also will sell call options as part of its Defined Income strategy. The sale of call options and the resulting effect of those sales on the Fund's performance over time will cause the Fund's performance to deviate from the performance of the Reference Stock Basket. This will result in the hedge not corresponding directly to the Fund's portfolio. The extent of correlation between the hedge and the Fund's portfolio cannot be known in advance. See "PRINCIPAL RISK FACTORS – Strategy Risks – Compounding Risk; Correlation Risk."

Defined Income. The Fund will attempt to produce income with a target net income objective of 15.0% on an annual basis from dividend income on the Reference Stock held by the Fund and by selling short-term call options periodically on select securities held in the Reference Stock Basket to produce option premia. Each week, the Fund will compare the dividend income of the Reference Stocks held by the Fund against the sum of the Fund's target distribution combined with other required reserves and expenses. The Fund will attempt to bridge that difference with the premiums that come from selling call options. By combining premiums collected from the sale of calls with the dividend income of the Reference Stocks, the Fund seeks to increase total income for investors while still participating in some of the growth potential from the price appreciation of the stocks held by the Fund. The Fund intends to make monthly distributions of its income to its shareholders.

A written (sold) call option gives the buyer the right to purchase, and the seller the obligation, to sell shares of the underlying asset at a specified price ("strike price") at a specified date ("expiration date"). The writer (seller) of the call option receives an amount (premium) for writing (selling) the option. In exchange for additional income in the form of a premium, the Fund will sell call options on select Reference Stocks. If the value of an underlying Reference Stock on the expiration date of the option is below the strike price, the option will not be exercised by the buyer and will expire. If the value of an underlying Reference Stock on the expiration date is above the strike price, then the option finished "in the money." Then, if the buyer exercises the option, the Fund either sells the stock at the strike price to the buyer or pays the buyer the difference between the strike price and the current market price of the stock. There may be times the Fund needs to sell securities when it would not otherwise do so in order to settle an option position, which could result in the distribution of premium from that option position being classified as a return of capital.

The call options written by the Fund will have expirations of less than 30 days, and will be typically written at the money. The Fund employs a “partial covered call strategy,” meaning that the call options will be fully covered; however, the options will be typically written on a notional value less than the total value of the underlying Reference Stock. Although, the short position in each call option is “covered” by a portion of the corresponding Reference Stock held by the Fund, the notional value of the call options will not exceed 100% of the value of each underlying Reference Stock. **Although the Fund seeks to earn net income of 15.0% on an annual basis, the Fund’s actual income and gains may at times be insufficient to achieve the target and part of the distribution to Shareholders will stem from a return of capital.**

The initial Designated Period starts on the initial closing date for the subscription of Shares and ends on a date that is approximately two years from the initial closing date. Each subsequent Designated Period starts on the date that the prior Designated Period ends and ends on a date that is approximately two years from that starting date. At the end of a Designated Period, the Fund will reset for a new Designated Period with the same Downside Hedge strategy. The Fund does not expect the target income objective to change. If the target income objective or other terms for the subsequent Designated Period were to change, the Fund will provide notice to investors through an amended Memorandum prior to the end of the previous Designated Period.

The Fund cannot guarantee that its investment objective will be achieved or that its strategies will be successful.

The Fund is permitted to borrow money or issue debt securities in an amount up to 33 1/3% of its total assets in accordance with the Investment Company Act.

During temporary defensive periods, the Fund may deviate from its investment policies and objective. During such periods, the Fund may invest up to 100% of its total assets in cash or cash equivalents, including short- or intermediate-term U.S. Treasury securities, as well as other short-term investments, including high quality, short-term debt securities. There can be no assurance that such techniques will be successful. Accordingly, during such periods, the Fund may not achieve its investment objective.

See “*INVESTMENT OBJECTIVE AND STRATEGIES*.”

**The Investment
Adviser**

First Trust Capital Management L.P. (the “Investment Adviser” or “FTCM”) serves as the investment adviser of the Fund. The Investment Adviser provides day-to-day investment management services to the Fund. The Investment Adviser’s principal place of business is located at 225 W. Wacker Drive, 21st Floor, Chicago, Illinois 60606. The Investment Adviser is registered as an investment adviser with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). As of December 31, 2024, the Investment Adviser had approximately \$7.6 billion of assets under management. See “*MANAGEMENT OF THE FUND*.”

The Sub-Adviser

Vest Financial LLC serves as sub-adviser (the “Sub-Adviser”) of the Fund. The Sub-Adviser is primarily responsible for its investment strategy and the day to-day management of the Fund’s assets. The Sub-Adviser’s principal place of business is located at 8350 Broad St., Suite 240, McLean, Virginia 22102. The Sub-Adviser is registered as an investment adviser with the SEC under the Advisers Act. As of December 31, 2024, the Sub-Adviser had approximately \$36.4 billion of assets under management. The Sub-Adviser is a subsidiary of Vest Group, Inc. (“VG”). First Trust Capital Partners, LLC (“FTCP”), an affiliate of the Investment Adviser, is the largest single holder of voting shares in VG. See “*MANAGEMENT OF THE FUND*.”

The Placement Agent	First Trust Portfolios L.P. serves as the placement agent (the “Placement Agent”) of the Shares of the Fund and is located at 120 East Liberty Drive, Suite 400, Wheaton, Illinois 60187. The Placement Agent is a registered broker-dealer and is a member of the Financial Industry Regulatory Authority, Inc. The Placement Agent is an affiliate of the Investment Adviser and Sub-Adviser. See “ <i>PLACEMENT AGENT</i> .”
The Administrator	The Fund has retained UMB Fund Services, Inc. (the “Administrator”) to provide it with certain administrative services, including performing all actions related to the issuance and repurchase of Shares of the Fund. See “ <i>ADMINISTRATION</i> .”
Fees and Expenses	<i>Unitary Management Fee.</i> The Fund pays the Investment Adviser a unitary management fee (the “Unitary Management Fee”) in consideration of the advisory services provided by the Investment Adviser to the Fund. In turn, the Investment Adviser will pay substantially all operating expenses of the Fund, excluding the Unitary Management Fee, initial and ongoing offering expenses and organizational expenses, interest expenses, taxes, portfolio transaction-related fees and expenses, costs of borrowing, distribution and service fees payable pursuant to a Rule 12b-1 plan, and litigation and indemnification expenses and any other extraordinary expenses not incurred in the ordinary course of the Fund’s business. A more detailed discussion of the Fund’s expenses can be found under “<i>FUND FEES AND EXPENSES</i>.” The Fund pays the Investment Adviser a unitary management fee at an annual rate of 2.65%, payable monthly in arrears based upon the Fund’s net assets as of month-end. The Unitary Management Fee is paid to the Investment Adviser before giving effect to any repurchase of Shares in the Fund effective as of that date and will decrease the net profits or increase the net losses of the Fund. See “<i>MANAGEMENT OF THE FUND — Unitary Management Fee</i>.” <i>Sub-Advisory Fee.</i> The Investment Adviser pays the Sub-Adviser a management fee (the “Sub-Advisory Fee”) in consideration of the advisory services provided by the Sub-Adviser to the Fund. The Sub-Adviser’s fees are paid by the Investment Adviser out of its Unitary Management Fee. The Sub-Adviser receives a sub-advisory fee equal to 50% of the monthly Unitary Management Fee paid to the Investment Adviser, which shall be reduced as follows. The Sub-Adviser has agreed with the Investment Adviser that it will pay one-half of all operating expenses of the Fund, excluding the Unitary Management Fee, initial and ongoing offering expenses and organizational expenses, interest expenses, taxes, portfolio transaction-related fees and expenses, costs of borrowing, distribution and service fees payable pursuant to a Rule 12b-1 plan, and litigation and indemnification expenses and any other extraordinary expenses not incurred in the ordinary course of the Fund’s business. The sub-advisory fees shall be reduced by the Sub-Adviser’s share of such expenses, and in the event the Sub-Adviser’s share of the expenses exceeds the amount of the sub-advisory fee in any month, the Sub-Adviser will pay the difference to the Investment Adviser. See “<i>MANAGEMENT OF THE FUND — Sub-Advisory Fee</i>.” <i>Administration Fee.</i> As compensation for the services provided by the Administrator under the Administration Agreement, the Fund has agreed to pay to the Administrator such compensation as may be specifically agreed upon from time to time (the “Administration Fee”) and reimburse the Administrator for out-of-pocket expenses which are a normal incident of the services provided under the agreement. The Administration Fee generally covers fund administration, fund accounting, transfer agent and record keeping, and custody administration services provided by the Administrator or its affiliates. The Fund does not directly pay the Administrator for these services, as the Investment Adviser has assumed responsibility for the payment of these expenses out of the Unitary Management Fee it receives from the Fund. See “<i>ADMINISTRATION</i>.”

Distribution and Shareholder Servicing Fees. Pursuant to exemptive relief from the SEC, the Fund has adopted a Distribution and Service Plan with respect to Class A and Class I Shares in compliance with Rule 12b-1 under the Investment Company Act. Under the Distribution and Service Plan, the Fund is permitted to pay as compensation up to 1.00 % and 0.25% on an annualized basis of the aggregate net assets of the Fund attributable to Class A Shares and Class I Shares, respectively, (the “Distribution and Servicing Fee”) to qualified recipients under the Distribution and Service Plan. Shareholders currently pay up to 0.75% and 0.25% of the net asset value of the Class A Shares and Class I Shares, respectively. The Distribution and Servicing Fee is paid out of the Fund’s assets attributable to the applicable Class and decreases the net profits or increases the net losses of such Class. See “*DISTRIBUTION AND SERVICE PLAN.*”

The Offering

The minimum initial investment in the Fund by any investor in either Class A Shares or Class I Shares is \$25,000. The minimum additional investment in the Fund by any Shareholder is \$25,000. Shares will be offered once every two years to coincide with the start of a new Designated Period. The initial closing date for subscriptions of Shares currently is anticipated to be in April 2025, but may occur on such later date as the Investment Adviser may determine in its sole discretion (the “Initial Closing”). The Fund’s Shares will be offered at an initial price of \$25.00 per Share. Thereafter, Shares will generally be offered at their net asset value once at the beginning of each Designated Period, generally on a Friday (other than the 3rd Friday), or at such other times and/or more or less frequently as may be determined by the Board of Trustees of the Fund (the “Board”) in its sole discretion. Once a prospective investor’s purchase order is received, a confirmation is sent to the investor. Potential investors should send funds by wire transfer pursuant to instructions provided to them by the Fund. Purchases are generally subject to the receipt of cleared funds on or prior to the acceptance date set by the Fund and notified to prospective investors. Pending any closing, funds received from prospective investors will be placed in an interest-bearing escrow account with the Fund’s Custodian in accordance with Rule 15c2-4 under the Securities Act of 1934, as amended (the “Exchange Act”). On the date of any closing, the balance in the escrow account with respect to each investor whose investment is accepted will be invested in the Fund on behalf of such investor. Any interest earned on escrowed amounts will be credited to the Fund for the benefit of all Shareholders. A prospective investor will not become an investor of the Fund, and has no rights (including, without limitation, any voting or redemption rights, or any rights with respect to standing), until the relevant closing date. See “*PURCHASING SHARES.*”

An investor who purchases Class A Shares may pay a sales charge of up to 2.00% on the amounts invested. If you pay the maximum aggregate 2.00% as a sales charge, you must experience a total return on your net investment of 2.04% in order to recover these expenses.

A prospective investor will be required to complete a subscription agreement (the “Subscription Agreement”) certifying that the Shares being purchased are being acquired by an Eligible Investor (defined below). The Fund reserves the right to reject, in its sole discretion, any request to purchase Shares in the Fund at any time. The Fund also reserves the right to suspend or terminate offerings of Shares at any time at the Board’s discretion. See “*INVESTOR QUALIFICATIONS*” below.

Investor Qualification

Each prospective investor in the Fund will be required to certify that it is an “accredited investor” within the meaning of Rule 501 of Regulation D under the 1933 Act. The criteria for qualifying as an “accredited investor” are set forth in the investor application that must be completed by each prospective investor. Investors who meet such qualifications are referred to in this Memorandum as “Eligible Investors.” Existing Shareholders who request to purchase additional Shares will be required to qualify as Eligible Investors. Shares are being offered pursuant to Rule 506(c) of Regulation D under the 1933 Act (“Rule 506(c)"). The Fund, the Placement Agent or financial intermediaries (i.e., sub-placement agents) that enter into an agreement with the Placement Agent for the sale of Shares must take reasonable steps to verify that each prospective investor or existing Shareholder, as applicable, qualifies as an accredited investor. Please refer to the section entitled “*INVESTOR QUALIFICATIONS*” for more information about this verification process.

An investment in the Fund involves a considerable amount of risk. An Investor may lose some or all of its investment in the Fund. Before making an investment decision, a prospective Investor should (i) consider the suitability of this investment with respect to the Investor's investment objectives and personal situation and (ii) consider factors such as the Investor's personal net worth, income, age, risk tolerance and liquidity needs. The Fund is a highly illiquid investment. Investors have no right to require the Fund to redeem their Shares of the Fund. See "*INVESTOR QUALIFICATIONS*."

Distribution Policy The Fund intends to make monthly distributions to its shareholders equal to 15% annually of the Fund's net asset value per Share (the "Distribution Policy"). This predetermined dividend rate may be modified by the Board from time to time, and increased to the extent of the Fund's investment company taxable income that it is required to distribute in order to maintain its status as a RIC.

The expected sources of the distribution are from premiums collected from the sale of short-term call options and dividend income from the Reference Stocks. If, for any distribution, available cash is less than the amount of this predetermined dividend rate, then assets of the Fund will be sold, and such disposition may generate additional taxable income. The Fund's final distribution for each calendar year will include any remaining investment company taxable income and net tax-exempt income (if any) undistributed during the year, as well as the net capital gain realized during the year. If the total distributions made in any calendar year exceed investment company taxable income, net tax-exempt interest income and net capital gains, such excess distributed amount would be treated as ordinary dividend income to the extent of the Fund's current and accumulated earnings and profits. Payments in excess of the earnings and profits would first be a tax-free return of capital to the extent of the adjusted tax basis in each Share. After such adjusted tax basis is reduced to zero, the payment would constitute capital gain (assuming the Shares are held as capital assets). This distribution policy may, under certain circumstances, have certain adverse consequences to the Fund and its shareholders because it may result in a return of capital resulting in less of a shareholder's assets being invested in the Fund and, over time, increase the Fund's expense ratio. The distribution policy also may cause the Fund to sell a security at a time it would not otherwise do so in order to manage the distribution of income and gain.

The dividend distribution described above may result in the payment of approximately the same amount or percentage to the Fund's shareholders each period. Section 19(a) of the Investment Company Act and Rule 19a-1 thereunder require the Fund to provide a written statement accompanying any such payment that adequately discloses its source or sources. Thus, if the source of the dividend or other distribution were the original capital contribution of the shareholder, and the payment amounted to a return of capital, the Fund would be required to provide written disclosure to that effect. As required under the Investment Company Act, the Fund will provide a notice to shareholders at the time of a payment or distribution when such does not consist solely of net income. Additionally, each payment will be accompanied by a written statement which discloses the source or sources of each payment. The Internal Revenue Service (the "IRS") requires you to report these amounts, excluding returns of capital, (such amounts will be reported by the Fund to shareholders on IRS Form 1099) on your income tax return for the year declared. The Fund will provide disclosures, with each payment, that estimates the percentages of the current and year-to-date payments that represent (1) net investment income, (2) capital gains and (3) return of capital. At the end of the year, the Fund may be required under applicable law to re-characterize payments made previously during that year among (1) ordinary income, (2) capital gains and (3) return of capital for tax purposes. Nevertheless, persons who periodically receive the payments may be under the impression that they are receiving net profits when they are not. Shareholders should read any written disclosure provided pursuant to Section 19(a) and Rule 19a-1 carefully and should not assume that the source of any payment from the Fund is net profit. The Board reserves the right to change the Distribution Policy from time to time.

See “*DISTRIBUTION POLICY*.”

Tender Offers

No Shareholder will have the right to require the Fund to redeem its Shares. In addition, no public market exists for the Shares and the Fund does not expect any trading market to develop for the Shares. As a result, if investors decide to invest in the Fund, they will have very limited opportunity to sell their Shares.

At the discretion of the Board and provided that it is in the best interests of the Fund and Shareholders to do so, the Fund intends to provide a limited degree of liquidity to Shareholders by conducting tender offers at least annually every twelfth month after the Initial Closing, as of a Friday (other than the 3rd Friday of the month). In each tender offer, the Fund may offer to repurchase its Shares at their NAV as determined as of the applicable valuation date. **Each tender offer in the first year of the Designated Period ordinarily will be limited to the repurchase of an amount up to 10% of the Shares outstanding, but if the number of Shares tendered for repurchase exceeds the number the Fund intended to repurchase, the Fund may determine to repurchase less than the full number of Shares tendered. In such event, Shareholders will have their Shares repurchased on a pro rata basis, and tendering Shareholders will not have all of their tendered Shares repurchased by the Fund.** Shareholders tendering Shares for repurchase will be asked to give written notice of their intent to do so by the date specified in the notice describing the terms of the applicable tender offer. In the second year of each Designated Period, subject to the Board’s discretion, each tender offer that coincides with the expiration of the Designated Period shall be for up to 100% of the Shares outstanding. Shareholders who tender their Shares prior to the end of the Designated Period will not fully benefit from the Downside Hedge, which is designed to be achieved at the end of the specified Designated Period.

The Fund’s NAV per share will be available five business days after month-end and can be obtained by calling the Investment Adviser at 773.828.8700.

Repurchases will be made at such times and on such terms as may be determined by the Board, in its sole discretion. However, no assurance can be given that repurchases will occur or that any Shares properly tendered will be repurchased by the Fund. The Fund may choose not to conduct a tender offer or may choose to conduct a tender offer for less than 10% (or 100% as applicable) of its outstanding Shares. Investors may not have access to the money invested in the Fund for an indefinite time.

A 2.00% repurchase fee will be charged by the Fund with respect to any repurchase of Shares from a Shareholder in the first year of each Designated Period (“Repurchase Fee”). A Repurchase Fee payable by a Shareholder may be waived by the Fund in circumstances where the Board determines that doing so is in the best interests of the Fund. To the extent the Fund determines to waive, impose scheduled variations of, or eliminate the Repurchase Fee, it will do so consistently with the requirements of Rule 22d-1 under the Investment Company Act, and the Fund’s waiver of, scheduled variation in, or elimination of, the Repurchase Fee will apply uniformly to all shareholders regardless of share class.

See “*TENDER OFFERS/OFFERS TO REPURCHASE*”; “*TENDER/REPURCHASE PROCEDURES*.”

Risk Factors

The Fund is subject to substantial risks — including market risks. The Fund is also subject to the risks associated with the investment strategies employed by the Sub-Adviser. While the Sub-Adviser will attempt to moderate any risks, there can be no assurance that the Fund's investment activities will be successful or that Shareholders will not suffer losses. There may also be certain conflicts of interest relevant to the management of the Fund, arising out of, among other things, activities of the Advisers and their respective affiliates and employees with respect to the management of accounts for other clients as well as the investment of proprietary assets. An investment in the Fund should only be made by investors who understand the risks involved and who are able to withstand the loss of the entire amount invested. The following summarizes the principal risks of investing in the Fund. Prospective investors should review carefully the "PRINCIPAL RISK FACTORS" section of this Memorandum.

The order of the below risk factors does not indicate the significance of any particular risk factor.

- The Fund is a newly organized, closed-end management investment company with no history of operations.
- No assurance can be given that repurchases will occur or that any Shares properly tendered will be repurchased by the Fund. The Fund may choose not to conduct a tender offer or may choose to conduct a tender offer for less than 10% (or 100% as applicable) of its outstanding Shares. Investors may not have access to the money invested in the Fund for an indefinite time.
- An investor should not invest in the Fund if the investor needs a liquid investment.
- Shareholders who tender their Shares prior to the end of the Designated Period will not fully benefit from the Downside Hedge, which is designed to be achieved at the end of the specified Designated Period and only if Shares are held for the entire Designated Period. The Fund does not seek a specific level of protection. The hedge will not mitigate all loss even if the hedge operated as intended. The amount of protection will depend in part on the correlation between the Fund's portfolio and the Reference Index. There is no guarantee that the attempt to limit losses to the Fund will be successful.
- While the Fund will normally pay its income as distributions, the Fund's distributions may exceed the Fund's income and gains for the Fund's taxable year.
- The value of the Fund's shares will fluctuate with changes in the value of the equity securities in which it invests.
- The Fund may invest in securities or financial instruments that exhibit more volatility than the market as a whole.
- The performance of large capitalization companies tends to trail the overall market during different market cycles.
- The Fund's investment in dividend-paying securities could cause the Fund to underperform similar funds that invest without consideration of an issuer's track record of paying dividends.
- The use of options involves investment strategies and risks different from those associated with ordinary portfolio securities transactions.
- The writer of a covered call option forgoes any profit from increases in the market value of the underlying security covering the call option above the sum of the premium and the strike price of the call option but retains the risk of loss if the underlying security declines in value.
- The Fund does not seek to achieve any specific level of performance compared to the performance of the Reference Index.
- Fund transactions involving a counterparty are subject to the risk that the counterparty will not fulfill its obligation to the Fund.
- High portfolio turnover may result in the Fund paying higher levels of transaction costs and may generate greater tax liabilities for shareholders.

Accordingly, the Fund should be considered a speculative and illiquid investment, and you should invest in the Fund only if you can sustain a complete loss of your investment. Past results of the Investment Adviser, the Sub-Adviser, and their respective principals are not indicative of future results. See "*PRINCIPAL RISK FACTORS*."

Summary of Taxation

The Fund intends to elect to be treated and qualify as a RIC for federal income tax purposes and intends to maintain its RIC status each year. As a RIC, the Fund will generally not be subject to federal corporate income tax, provided it distributes all, or virtually all, of its net taxable income and gains each year. See "*TAXES*."

FUND FEES AND EXPENSES

The following tables describe the estimated aggregate fees and expenses that the Fund expects to incur and that the Shareholders can expect to bear, either directly or indirectly, through an investment in the Fund. The Fund's actual expenses may vary from the estimated expenses shown in the table.

	Class A Shares	Class I Shares
SHAREHOLDER FEES:		
Sales Charge (Load) (as a percentage of subscription amount)	2.00%	None
Repurchase Fee (as a percentage of repurchased amount) ⁽¹⁾	2.00%	2.00%
ANNUAL EXPENSES:		
<i>(As a Percentage of Net Assets Attributable to Shares)⁽²⁾</i>		
Unitary Management Fee ⁽³⁾	2.65%	2.65%
Distribution and Servicing Fee ⁽⁴⁾	0.75%	0.25%
Other Expenses ⁽⁵⁾	0.07%	0.07%
Total Annual Expenses	3.47%	2.97%

(1) A 2.00% repurchase fee will be charged by the Fund with respect to any repurchase of Shares from a Shareholder in the first year of each Designated Period ("Repurchase Fee"). A Repurchase Fee payable by a Shareholder may be waived by the Fund in circumstances where the Board determines that doing so is in the best interests of the Fund. To the extent the Fund determines to waive, impose scheduled variations of, or eliminate the Repurchase Fee, it will do so consistently with the requirements of Rule 22d-1 under the Investment Company Act, and the Fund's waiver of, scheduled variation in, or elimination of, the Repurchase Fee will apply uniformly to all shareholders regardless of share class.

(2) For purposes of determining net assets in fee table calculations, derivatives are valued at fair value.

(3) For its provision of advisory services to the Fund, the Investment Adviser receives an annual Unitary Management Fee, payable monthly in arrears, equal to 2.65% of the Fund's net assets as of month-end. In turn, the Investment Adviser will pay substantially all operating expenses of the Fund, excluding the Unitary Management Fee, initial and ongoing offering expenses and organizational expenses, interest expenses, taxes, portfolio transaction-related fees and expenses, costs of borrowing, distribution and service fees payable pursuant to a Rule 12b-1 plan, and litigation and indemnification expenses and any other extraordinary expenses not incurred in the ordinary course of the Fund's business.

(4) Pursuant to exemptive relief from the SEC, the Fund offers multiple classes of shares and has adopted a distribution and service plan for Class A Shares and Class I Shares. Pursuant to the Fund's distribution and service plan, investors may pay a Distribution and Servicing Fee of up to 1.00% and 0.25% on an annualized basis of the aggregate net assets of the Fund attributable to the Class A Shares and Class I Shares, respectively, to qualified recipients. Shareholders currently pay up to 0.75% and 0.25% of the net asset value of the Class A Shares and Class I Shares, respectively. See "DISTRIBUTION AND SERVICE PLAN."

(5) “Other Expenses” are based on estimated amounts for the current fiscal year and assumes assets under management of \$50,000,000.

The purpose of the table above is to assist prospective investors in understanding the various fees and expenses Shareholders will bear directly or indirectly. “Other Expenses,” as shown above, is an estimate based on anticipated investments in the Fund and anticipated expenses for the current fiscal year of the Fund’s operations, and includes, among other things, professional fees and other expenses that the Fund will bear, including initial and ongoing offering expenses and organizational expenses, interest expenses, taxes, portfolio transaction-related fees and expenses and costs of borrowing, litigation and indemnification expenses, and any other extraordinary expenses not incurred in the ordinary course of the Fund’s business. For a more complete description of the various fees and expenses of the Fund, see “*MANAGEMENT OF THE FUND – Unitary Management Fee*,” “*MANAGEMENT OF THE FUND – Sub-Advisory Fee* “*ADMINISTRATION*,” “*FUND FEES AND EXPENSES*,” and “*PURCHASING SHARES*.”

The following example is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. The example assumes that all distributions are reinvested at NAV and that the percentage amounts listed under annual expenses remain the same in the years shown. It is further assumed that no Shares are tendered for the duration of the defined periods. The assumption in the hypothetical example of a 5% annual return is the same as that required by regulation of the SEC applicable to all registered investment companies. The assumed 5% annual return is not a prediction of, and does not represent, the projected or actual performance of the Shares.

EXAMPLE

	1 Year	3 Years	5 Years	10 Years
Class A Shares				
You Would Pay the Following Expenses Based on a \$1,000 Investment in the Fund,				
Assuming a 5% Annual Return:	\$ 54	\$ 124	\$ 197	\$ 387
Class I Shares				
You Would Pay the Following Expenses Based on a \$1,000 Investment in the Fund,				
Assuming a 5% Annual Return:	\$ 30	\$ 92	\$ 156	\$ 329

The example is based on the annual fees and expenses of Class A Shares and Class I Shares set out in the table above and should not be considered a representation of future expenses. Actual expenses may be greater or less than those shown. Moreover, the rate of return of the Fund may be greater or less than the hypothetical 5% return used in the example. A greater rate of return than that used in the example would increase the dollar amount of the asset-based fees paid by the Fund.

INVESTMENT OBJECTIVE AND STRATEGIES

INVESTMENT OBJECTIVE

The Fund’s investment objective is to achieve attractive risk-adjusted returns through a combination of high level of current income and potential (although limited) long-term capital appreciation, while attempting to mitigate the risk of loss of principal. There can be no assurance that the Fund will achieve its investment objective or that the Fund’s investment strategies will be successful.

The Fund’s investment objective is non-fundamental and may be changed by the Board without the approval of shareholders. The Fund will provide notice to Shareholders of such change.

INVESTMENT STRATEGIES AND INVESTMENT PROCESS

In seeking to achieve this investment objective, the Fund intends to pursue a hedged equity investment strategy by (i) investing primarily in U.S. exchange-traded equity securities contained in the S&P 500® Index (such index, the “Reference Index”), (ii) mitigating some of the risk of loss of principal by purchasing a hedge against the long term decline of the Reference Index (“Downside Hedge”), and (iii) producing income with a target net income objective of 15.0% on an annual basis (“Defined Income”). The Reference Index is a price return index that does not reflect the reinvestment of dividends. The Fund will forgo potential capital appreciation as it seeks to generate income. The Downside Hedge is designed to mitigate the risk of loss for those investors that buy Shares at the beginning of a two-year period (the “Designated Period”) and hold Shares until the end of the Designated Period. The Fund does not seek to provide a specific level of protection or any specific level of capital appreciation or performance compared to the performance of the Reference Index. The hedge will not mitigate all loss even if the hedge worked as intended. There is no guarantee that the attempt to limit losses to the Fund will be successful. The Fund cannot guarantee that its investment objective will be achieved or that it will earn its target net income.

The Fund intends to pursue its investment objective by investing primarily in U.S. exchange-traded equity securities contained in the Reference Index. The Fund intends to acquire and hold a diversified basket of approximately 100 of the component securities of the Reference Index. This basket of securities (each a “Reference Stock” and collectively the “Reference Stock Basket”) may be rebalanced and/or reconstituted periodically as determined by the Sub-Adviser (defined below) to limit tracking error to the Reference Index. The Fund’s basket of securities may change as the constituents of the Reference Index change. As of December 31, 2024, a significant portion of the Reference Index is comprised of companies in the information technology sector, although this may change from time to time.

The Fund will forgo potential capital appreciation as it seeks to generate income. The capital appreciation of the Fund may be less than the capital appreciation of the Reference Index and the performance of the Fund may be less than the performance of the Reference Index.

The Fund expects to sell short-term call options on select securities held in the Reference Stock Basket to generate income as discussed under *Defined Income* below. In the event the value of the securities held by the Fund exceeds the strike prices of the call options on such securities (see *Defined Income* below for more information), the capital appreciation on such securities is expected to be less than the capital appreciation of the Reference Index. The Fund will forgo potential capital appreciation on the portion of each Reference Stock in which the Fund sells call options as it seeks to generate income. The capital appreciation of these securities may be less than the capital appreciation of the Reference Index and the total return performance of these securities may be less than the performance of the Reference Index. The Fund does not seek to achieve any specific level of performance compared to the performance of the Reference Index.

Downside Hedge. The Fund will purchase a long-dated put option on the Reference Index (including using FLEXible EXchange® Options, which are exchange-traded option contracts with uniquely customizable terms) at the beginning of each 2-year offering period (“Designated Period”) as a hedge against long-term decline in the market value of the securities in the Reference Stock Basket. The Downside Hedge is intended to be fully achieved at the end of the specified Designated Period. Therefore, Shares tendered for repurchase prior to the end of a Designated Period will not receive the full benefit of the Downside Hedge from the put option against declines in the long-term market value of the Reference Stock Basket held by the Fund. The Fund does not seek to provide a specific level of protection. There is no guarantee that the attempt to limit losses to the Fund will be successful.

The Fund will purchase a long-dated put option at an exercise price equal to the closing price of the Reference Index at the beginning of the Designated Period. When the Fund buys the long-dated put option, it will pay a non-refundable premium and it will have the right, but not the obligation, on the expiration date at the end of the Designated Period, to receive, upon exercise of the option, an amount of cash if the closing level of the Reference Index is less than the exercise price of the option. This amount of cash is equal to the excess of the exercise price of the option over the closing price of the Reference Index. The Fund cannot exercise the long-dated put option during the Designated Period. The put option will settle for cash at the end of the Designated Period. Gain or loss will depend on changes in the Reference Index. During the Designated Period, the unrealized gain or loss from the put option will be reflected in the Fund’s net asset value.

The extent of the benefit of the hedge to the Fund will depend on the correlation of the Fund’s portfolio to the Reference Index during the Designated Period. At a theoretical 100% correlation of the Fund’s portfolio to the Reference Index, the entire amount of potential loss to the Fund resulting from holding its Reference Stock Basket would be mitigated. Although the Sub-Adviser will seek to obtain a very high degree of correlation between the Fund’s Reference Stock Basket and the Reference Index, the Fund’s portfolio will not have a 100% correlation with the Reference Index because the Reference Index holds more stocks than the Reference Stock Basket.

In addition, the hedge will not mitigate all potential losses to the Fund because the Fund also will sell call options as part of its Defined Income strategy. The sale of call options and the resulting effect of those sales on the Fund’s performance over time will cause the Fund’s performance to deviate from the performance of the Reference Stock Basket. This will result in the hedge not corresponding directly to the Fund’s portfolio. The extent of correlation between the hedge and the Fund’s portfolio cannot be known in advance. See “PRINCIPAL RISK FACTORS – Strategy Risks – Compounding Risk; Correlation Risk.”

The purchase of the long-dated put option will be funded through the sale of an offsetting set of options (the “Box Spread”) or other methods as determined by the Sub-Adviser (as defined below). The Box Spread is comprised of four options that collectively do not expose the Fund to any changes in the reference asset of the options but have the net effect of borrowing at the rate implied in the prices of the options. The sale of Box Spreads, if any, will solely be used by the Fund to cover the cost of the long-dated put option. Therefore, the amount “borrowed” by the Fund through selling the Box Spread will generally correspond to the cost of the long-dated put option purchased at the beginning of the specified Designated Period. Options on the Reference Index are expected to be the preferred contracts for the Fund’s sale of Box Spreads. The Fund may also sell Box Spreads using exchange-listed option contracts on an index other than the Reference Index or on an individual equity security or exchange traded fund when the Sub-Adviser has determined that doing so would provide the Fund with better risk and return characteristics.

A Box Spread is the combination of a synthetic long position coupled with an offsetting synthetic short position through a combination of options contracts on a reference asset at the same expiration date. The synthetic long position consists of (i) buying a call option and (ii) selling a put option, each on the same reference asset and each with the same strike price and expiration date (a “Synthetic Long”). The synthetic short position consists of (i) buying a put option and (ii) selling a call option, each on the same reference asset and each with the same expiration date as the Synthetic Long but with a different strike price from the Synthetic Long (a “Synthetic Short”).

The Synthetic Long has a strike price that is less than the strike price for the Synthetic Short. The difference between the strike prices of the Synthetic Long and the Synthetic Short determines the expiration value (or value at maturity) of the Box Spread. An important feature of the Box Spread construction process is that it seeks to eliminate market risk tied to price movements associated with the underlying options’ reference asset. The Box Spread’s return is designed to remain constant no matter how low or how high the underlying options’ reference asset price moves. Once the Box Spread is initiated, its return from the initiation date through expiration will generally not change.

Defined Income. The Fund will attempt to produce income with a target net income objective of 15.0% on an annual basis from dividend income on the Reference Stock held by the Fund and by selling short-term call options periodically on select securities held in the Reference Stock Basket to produce option premia. Each week, the Fund will compare the dividend income of the Reference Stocks held by the Fund against the sum of the Fund’s target distribution combined with other required reserves and expenses. The Fund will attempt to bridge that difference with the premiums that come from selling call options. By combining premiums collected from the sale of calls with the dividend income of the Reference Stocks, the Fund seeks to increase total income for investors while still participating in some of the growth potential from the price appreciation of the stocks held by the Fund. The Fund intends to make monthly distributions of its income to its shareholders.

A written (sold) call option gives the buyer the right to purchase, and the seller the obligation, to sell shares of the underlying asset at a specified price (“strike price”) at a specified date (“expiration date”). The writer (seller) of the call option receives an amount (premium) for writing (selling) the option. In exchange for additional income in the form of a premium, the Fund will sell call options on select Reference Stocks. If the value of a stock on the expiration date of the option is below the strike price, the option will not be exercised by the buyer and will expire. If the value of a stock on the expiration date is above the strike price, then the option finished “in the money.” Then, if the buyer exercises the option, the Fund either sells the stock at the strike price to the buyer or pays the buyer the difference between the strike price and the current market price of the stock. There may be times the Fund needs to sell securities when it would not otherwise do so in order to settle an option position, which could result in the distribution of premium from that option position being classified as a return of capital.

The call options written by the Fund will have expirations of less than 30 days, and will be typically written at the money. The Fund employs a “partial covered call strategy,” meaning that the call options will be fully covered; however the options will be typically written on a notional value less than the total value of each underlying Reference Stock. Although the short position in each call option is “covered” by a portion of the corresponding Reference Stock held by the Fund, the notional value of the call options will not exceed 100% of the value of the underlying Reference Stock. **Although the Fund seeks to earn net income of 15.0% on an annual basis, the Fund’s actual income and gains may, at times be insufficient to achieve the target and part of the distribution to Shareholders will stem from a return of capital.**

The initial Designated Period starts on the initial closing date for the subscription of Shares and ends on a date that is approximately two years from the initial closing date. Each subsequent Designated Period starts on the date that the prior Designated Period ends and ends on a date that is approximately two years from that starting date. At the end of a Designated Period, the Fund will reset for a new Designated Period with the same Downside Hedge strategy. The Fund does not expect the target income objective to change. If the target income objective or other terms for the new Designated Period were to change, the Fund expects to provide notice to investors through an amended Memorandum prior to the end of the previous Designated Period.

The Fund's investment strategy may involve frequently buying and selling portfolio securities. High portfolio turnover may result in the Fund paying higher levels of transaction costs, including brokerage commissions, dealer mark-ups and other costs and may generate greater tax liabilities for shareholders. Portfolio turnover risk may cause the Fund's performance to be less than expected.

The Investment Adviser has delegated to the Sub-Adviser the discretion to select and allocate investments among the Fund's assets. Accordingly, the success of the Fund's strategies depends on the Sub-Adviser's ability to select the investments for the Fund and also its ability to determine appropriate allocations and relative weightings among the selected investments.

The Fund cannot guarantee that its investment objective will be achieved or that its strategies will be successful.

Cash Management

It is expected that the Fund's assets will not be fully invested at all times. The Fund may maintain a portion of its assets in cash, deposit, call or current accounts or invest in short-term instruments, such as short-term debt instruments, money market funds, government securities, certificates of deposit, bankers' acceptances or similar cash equivalents, until such time when suitable investment opportunities become available, to meet the expense needs of the Fund and/or to fund repurchases or for such other purposes as may be determined by the Investment Adviser.

Temporary Defensive Measures

During temporary defensive periods, the Fund may deviate from its investment policies and objective. During such periods, the Fund may invest up to 100% of its total assets in cash or cash equivalents, including short- or intermediate-term U.S. Treasury securities, as well as other short-term investments, including high quality, short-term debt securities. Under abnormal market conditions or for temporary defensive measures, the Fund may consider various actions, including reducing the distribution rate. There can be no assurance that such techniques will be successful. Accordingly, during such periods, the Fund may not achieve its investment objective.

No Restrictions on Investment Strategies

Unless otherwise specified, the investment policies and limitations of the Fund are not considered to be fundamental by the Fund and can be changed without a vote of the Shareholders. Certain investment restrictions specifically identified as such in the Statement of Additional Information (the "SAI") are considered fundamental and may not be changed without approval by holders of a "majority of the outstanding voting securities" of the Fund. As defined in the Investment Company Act, when used with respect to particular units of the Fund, a "majority of the outstanding voting securities" means: (i) 67% or more of the Shares present at a meeting, if the holders of more than 50% of the Shares are present or represented by proxy; or (ii) more than 50% of the Shares, whichever is less.

The foregoing description represents a general summary of the Advisers' current approach to the Fund's portfolio construction. Over time, markets change and the Advisers will seek to capitalize on attractive opportunities wherever they might be. Depending on conditions and trends in securities markets and the economy generally, the Advisers may employ other non-principal strategies or techniques that it considers appropriate and in the best interest of the Fund.

USE OF LEVERAGE

The Fund is permitted to borrow money or issue debt securities in an amount up to 33 1/3% of its total assets in accordance with the Investment Company Act. The Fund may borrow money from banks or other lenders for temporary purposes in an amount not to exceed 5% of the Fund's assets. Such temporary borrowings are not subject to the asset coverage requirements discussed above.

The Fund intends to enter into derivatives or other transactions that provide leverage (other than through borrowings), including options transactions, in compliance with Rule 18f-4 under the Investment Company Act. Rule 18f-4 prescribes specific value-at-risk leverage limits for certain derivatives users and requires certain derivatives users to adopt and implement a derivatives risk management program (including the appointment of a derivatives risk manager and the implementation of certain testing requirements), and prescribes reporting requirements in respect of derivatives. The Fund has adopted procedures for investing in derivatives and other transactions in compliance with Rule 18f-4. Limits or restrictions applicable to the counterparties or issuers, as applicable, with which the Fund may engage in derivative transactions could also limit or prevent the Fund from using certain instruments. See “*PRINCIPAL RISK FACTORS — GENERAL RISKS – BORROWING; USE OF LEVERAGE; DERIVATIVES RISK.*”

PRINCIPAL RISK FACTORS

All investments carry risks to some degree. The Fund’s investment strategy is designed to be achieved only if Shares are held for the entire Designated Period. The Fund cannot guarantee that its investment objective will be achieved or that its strategy of will be successful. **An investment in the Fund involves substantial risks, including the risk that the entire amount invested may be lost.** Various other types of risks are also associated with investments in the Fund. Below is a list of principal risks of investing in the Fund. Different risks may be more significant at different times, depending on market conditions.

GENERAL RISKS

NO OPERATING HISTORY. The Fund is a newly-organized closed-end management investment company that has no operating history and no public trading of its Shares. An investment in the Fund’s Shares should not constitute a complete investment program for any investor and involves a high degree of risk.

CLOSED-END FUND; LIMITED LIQUIDITY. The Fund has been organized as a diversified, closed-end management investment company and designed primarily for long-term investors. An investor should not invest in the Fund if the investor needs a liquid investment. Closed-end funds differ from open-end management investment companies (commonly known as mutual funds) in that investors in a closed-end fund do not have the right to redeem their shares on a daily basis. Unlike most closed-end funds, which typically list their shares on a securities exchange, the Fund does not intend to list the Shares for trading on any securities exchange, and the Fund does not expect any secondary market to develop for the Shares. Shares are considerably less liquid than shares of funds that trade on a stock exchange, or shares of open-end registered investment companies. At the discretion of the Board and provided that it is in the best interests of the Fund and Shareholders to do so, the Fund intends to provide a limited degree of liquidity to Shareholders by conducting tender offers at least annually every twelfth month after the Initial Closing. The Board may determine not to conduct a tender offer. There can be no assurance that the Fund will conduct tender offers in any particular period and Shareholders may be unable to tender Shares for repurchase for the life of the Fund.

Shareholders whose Shares are accepted for repurchase bear the risk that the Fund’s NAV may fluctuate significantly between the time that they submit their repurchase requests and the date as of which such Shares are valued for purposes of such repurchase.

In considering whether to repurchase Shares during periods of financial market stress, the Board may offer to repurchase Shares at a discount to their prevailing NAV that appropriately reflects market conditions, subject to applicable law. Further, repurchases of Shares, if any, may be suspended, postponed or terminated by the Board under certain circumstances. See “*TENDER/REPURCHASE PROCEDURES.*” An investment in the Fund is suitable only for investors who can bear the risks associated with the limited liquidity of Shares. Also, because Shares are not listed on any securities exchange, the Fund is not required, and does not intend, to hold annual meetings of its Shareholders unless called for under the provisions of the Investment Company Act.

RECENT MARKET CIRCUMSTANCES. The value of the Fund’s investments may increase or decrease in response to expected, real or perceived economic, political or financial events in the U.S. or global markets. The frequency and magnitude of such changes in value cannot be predicted. Certain securities and other investments held by the Fund may experience increased volatility, illiquidity, or other potentially adverse effects in response to changing market conditions, inflation/deflation, changes in interest rates, lack of liquidity in the bond or equity markets, volatility in the equity markets. U.S. or global markets may be adversely affected by uncertainties and events in the U.S. and around the world, such as major cybersecurity events, geopolitical events (including wars, terror attacks, natural disasters, spread of infectious disease (including epidemics or pandemics) or other public health emergencies), social unrest, political developments, and changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and developments in the laws and regulations in the U.S. and other countries, or other political, regulatory, economic and social developments, and developments that impact specific economic sectors, industries or segments of the market.

The Fund cannot predict the effects or likelihood of such events on the U.S. and global economies, the value of the Shares or the NAV of the Fund. The issuers of securities, including those held in the Fund’s portfolio, could be materially impacted by such events which may, in turn, negatively affect the value of such securities or such issuers’ ability to make interest payments or distributions to the Fund. These risks may be magnified if certain events or developments adversely interrupt the global supply chain; in these and other circumstances, such risks might affect companies worldwide due to increasingly interconnected global economies and financial markets.

GOVERNMENT INTERVENTION IN FINANCIAL MARKETS. The instability in the financial markets in the recent past led the U.S. government and foreign governments to take a number of unprecedented actions designed to support certain financial institutions and segments of the financial markets that experienced extreme volatility, and in some cases a lack of liquidity. Current and future market conditions could lead to further such actions. See “*PRINCIPAL RISK FACTORS — RECENT MARKET CIRCUMSTANCES*” above. U.S. federal and state governments and foreign governments, their regulatory agencies or self-regulatory organizations may take additional actions that affect the regulation of the securities in which the Fund invests, or the issuers of such securities, in ways that are unforeseeable and on an “emergency” basis with little or no notice with the consequence that some market participants’ ability to continue to implement certain strategies or manage the risk of their outstanding positions will be suddenly and/or substantially eliminated or otherwise negatively implicated. Given the complexities of the global financial markets and the limited time frame within which governments have been able to take action, these interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty, which in itself has been materially detrimental to the efficient functioning of such markets as well as previously successful investment strategies. Decisions made by government policy makers could exacerbate any economic difficulties. Issuers might seek protection under the bankruptcy laws. Legislation or regulation may also change the way in which the Fund itself is regulated. Such legislation or regulation could limit or preclude the Fund’s ability to achieve its investment objective.

FUND CAPITALIZATION RISK. There is a risk that the Fund may not raise capital sufficient to maintain profitability and meet its investment objective. An inability to raise sufficient capital may adversely affect the Fund’s diversification, financial condition, liquidity and results of operations, as well as its compliance with regulatory requirements and tax diversification requirements. After completion of the initial Designated Period, the Fund could liquidate without Shareholder approval if it did not have sufficient capital after a subsequent Closing. The timing of such liquidation may not be favorable and could have negative tax consequences for Shareholders.

BORROWING; USE OF LEVERAGE. The use of leverage increases both risk of loss and profit potential. The Fund is subject to the Investment Company Act requirement that an investment company satisfy an asset coverage requirement of 300% of its indebtedness, including amounts borrowed, measured at the time the investment company incurs the indebtedness. This means that at any given time the value of the Fund’s total indebtedness may not exceed one-third of the value of its total assets (including such indebtedness). The Fund may be required to dispose of assets on unfavorable terms if market fluctuations or other factors reduce the Fund’s asset coverage to less than the prescribed amount.

DERIVATIVE INSTRUMENTS. The Fund intends to use derivative instruments, principally options contracts. Transactions in derivative instruments present risks arising from the use of leverage (which increases the magnitude of losses), volatility, the possibility of default by a counterparty and illiquidity. Use of derivative instruments for hedging or speculative purposes by the Fund could present significant risks, including the risk of losses in excess of the amounts invested. Derivative prices are highly volatile and may fluctuate substantially during a short period of time. Such prices are influenced by numerous factors that affect the markets, including, but not limited to: changing supply and demand relationships; government programs and policies; national and international political and economic events, changes in interest rates, inflation and deflation and changes in supply and demand relationships. Trading derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities. Derivative contracts ordinarily have leverage inherent in their terms. The use of leverage may cause the Fund to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations or to meet regulatory or contractual requirements for derivatives. The use of leveraged derivatives can magnify potential for gain or loss and, therefore, amplify the effects of market volatility on share price.

Rule 18f-4 under the Investment Company Act relates to a registered investment company’s use of derivatives and related instruments. Rule 18f-4 prescribes specific value-at-risk leverage limits for certain derivatives users and requires certain derivatives users to adopt and implement a derivatives risk management program (including the appointment of a derivatives risk manager and the implementation of certain testing requirements), and prescribes reporting requirements in respect of derivatives. The Fund has adopted procedures for investing in derivatives and other transactions in compliance with Rule 18f-4. Rule 18f-4 requires the Fund to implement certain policies and procedures designed to manage its derivatives risk, dependent upon the Fund’s level of exposure to derivative instruments. Limits or restrictions applicable to the counterparties or issuers, as applicable, with which the Fund may engage in derivative transactions could also limit or prevent the Fund from using certain instruments.

INFLATION RISK. Inflation risk is the risk that the value of assets or income from investments will be less in the future as inflation decreases the value of money. As inflation increases, the present value of the Fund's assets and distributions may decline. This risk is more prevalent with respect to debt securities held by the Fund (if any). Inflation creates uncertainty over the future real value (after inflation) of an investment. Inflation rates may change frequently and drastically as a result of various factors, including unexpected shifts in the domestic or global economy, and the Fund's investments may not keep pace with inflation, which may result in losses to Fund investors.

LEGAL, TAX AND REGULATORY. Legal, tax and regulatory changes could occur that may materially adversely affect the Fund. For example, the regulatory and tax environment for derivative instruments in which the Fund may participate is evolving, and changes in the regulation or taxation of derivative instruments may materially adversely affect the value of derivative instruments held by the Fund and the ability of the Fund to pursue its trading strategies.

Similarly, the regulatory environment for leveraged investors is evolving, and changes in the direct or indirect regulation of leveraged investors may materially adversely affect the ability of the Fund to pursue its investment objective or strategies.

The financial services industry generally has been the subject of increasing legislative and regulatory scrutiny. Such scrutiny may increase the Fund's compliance, administrative and other related burdens and costs as well as regulatory oversight or involvement in the Fund's business. There can be no assurances that the Fund will not in the future be subject to regulatory review. The effects of any regulatory changes or developments on the Fund may affect the manner in which it is managed and may be substantial and adverse.

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") vests U.S. federal bank, securities and commodities regulators with significant and extensive rulemaking, supervisory and enforcement authority. The implementation of the Dodd-Frank Act required the adoption of various regulations and the preparation of reports by various agencies over a period of time. It is unclear how these regulators will exercise these revised and expanded powers and whether they will undertake rulemaking, supervisory or enforcement actions that would adversely affect the Fund or investments made by the Fund.

NON-QUALIFICATION AS A RIC. If for any taxable year the Fund were to fail to qualify as a RIC under Subchapter M of Subtitle A, Chapter 1, of the Code, all of its taxable income would be subject to tax at regular corporate rates without any deduction for distributions. To qualify as a RIC, the Fund must meet three numerical requirements each year regarding (i) the diversification of the assets it holds, (ii) the income it earns, and (iii) the amount of taxable income that it distributes to Shareholders. These requirements and certain additional tax risks associated with investments in the Fund are discussed in "TAXES" in this Memorandum.

TAX RISK. The Fund intends to elect and to qualify each year to be treated as a regulated investment company ("RIC") under Subchapter M of the Code. However, the federal income tax treatment of certain aspects of the proposed operations of the Fund are not entirely clear. This includes the tax aspects of the Fund's options strategy, its hedging strategy, the possible application of the "straddle" rules, and various loss limitation provisions of the Code. If, in any year, the Fund fails to qualify as a RIC under the applicable tax laws, the Fund would be taxed as an ordinary corporation. The Fund intends to treat any income it may derive from the FLEX Options as "qualifying income" under the provisions of the Code applicable to RICs. If the income is not qualifying income, the Fund could lose its own status as a RIC. Under the Code, certain types of options are required to be treated as if they were sold at the end of each year. Such treatment would cause the Fund to have taxable income without receiving cash. In order to maintain its RIC qualification, the Fund must distribute at least 90% of its income annually. Depending upon the circumstances, some assets may need to be sold to fund the required distributions. This process of recognizing deemed income and selling assets to fund distributions may accelerate the time at which shareholders receive cash but may reduce the overall return on funds employed. Under Section 1256 of the Code, certain types of exchange-traded options are treated as if they were sold (*i.e.*, "marked to market") at the end of each year. The Fund does not believe that the positions held by the Fund will be subject to Section 1256, which means that the positions will not be marked to market. In the event that a shareholder purchases Shares of the Fund shortly before a distribution by the Fund, the entire distribution may be taxable to the shareholder even though a portion of the distribution effectively represents a return of the purchase price. In addition, all or a portion of a distribution to shareholders may be characterized as ordinary income, return of capital or capital gain when received by the shareholder. Such characterization will impact the tax consequences to the shareholder of the Defined Income and shareholders should understand the tax consequences of each characterization before investing in the Fund.

DEPENDENCE ON THE SUB-ADVISER. The Investment Adviser has delegated to the Sub-Adviser its discretion to make all investment decisions for the Fund and therefore the Sub-Adviser is responsible for the selection of, and allocation and reallocation of the Fund's assets among, the Fund's investments. The success of the Fund depends on the Sub-Adviser's ability to select and construct an appropriate investment portfolio. The Sub-Adviser's judgment may be incorrect, and subjective decisions made by the Sub-Adviser may cause the Fund to incur losses or to miss profit opportunities on which it could otherwise have capitalized. Any loss or turnover of the Sub-Adviser's personnel responsible for making investment decisions may have a material adverse effect on the operations and performance of the Fund. In managing the Fund's investment portfolio, the portfolio managers will apply investment techniques and risk analyses, including through the use of technology, automated processes, algorithms, or other other management systems, that may not operate as intended or produce the desired result. There can be no guarantee that the Fund will meet its investment objective.

TEMPORARY DEFENSIVE STRATEGIES RISK. When the Advisers anticipate unusual market or other conditions, the Fund may temporarily depart from its principal investment strategies as a defensive measure and invest all or a portion of its assets in cash or cash equivalents or accept lower current income from short-term investments rather than investing in high yielding long-term securities. In such a case, Shareholders of the Fund may be adversely affected and the Fund may not pursue or achieve its investment objective.

CONFLICTS OF INTEREST RISK. The Advisers and the portfolio managers of the Fund have interests which may conflict with the interests of the Fund. In particular, the Advisers manage and/or advise other investment funds or accounts with the same or similar investment objectives and strategies as the Fund. As a result, the Advisers and the Fund's portfolio managers may devote unequal time and attention to the management of the Fund and those other funds and accounts, and may not be able to formulate as complete a strategy or identify equally attractive investment opportunities as might be the case if they were to devote substantially more attention to the management of the Fund. The Advisers and the Fund's portfolio managers may identify a limited investment opportunity that may be suitable for multiple funds and accounts, and the opportunity may be allocated among these several funds and accounts, which may limit the Fund's ability to take full advantage of the investment opportunity. Additionally, transaction orders may be aggregated for multiple accounts for purpose of execution, which may cause the price or brokerage costs to be less favorable to the Fund than if similar transactions were not being executed concurrently for other accounts. Furthermore, it is theoretically possible that a portfolio manager could use the information obtained from managing a fund or account to the advantage of other funds or accounts under management, and also theoretically possible that actions could be taken (or not taken) to the detriment of the Fund. At times, a portfolio manager may determine that an investment opportunity may be appropriate for only some of the funds and accounts for which he or she exercises investment responsibility, or may decide that certain of the funds and accounts should take differing positions with respect to a particular security. In these cases, the portfolio manager may place separate transactions for one or more funds or accounts which may affect the market price of the security or the execution of the transaction, or both, to the detriment or benefit of one or more other funds and accounts. For example, a portfolio manager may determine that it would be in the interest of another account to sell a security that the Fund holds, potentially resulting in a decrease in the market value of the security held by the Fund. Additionally, if the Advisers acquire material non-public confidential information in connection with its business activities for other clients, a portfolio manager or other investment personnel may be restricted from purchasing securities or selling certain securities for the Fund or other clients.

The portfolio managers also may engage in cross trades between funds and accounts, may select brokers or dealers to execute securities transactions based in part on brokerage and research services provided to the Advisers which may not benefit all funds and accounts equally and may receive different amounts of financial or other benefits for managing different funds and accounts. The Advisers and their affiliates may provide more services to some types of funds and accounts than others.

The Investment Adviser and its affiliates, including the Sub-Adviser and Placement Agent, have engaged or may engage in one or more of the transactions described herein with one or more of its affiliates. None of the transactions among the Investment Adviser or any of its affiliates has been or will be negotiated or conducted on an arm's-length basis. The interrelationships of these parties and the absence of arm's-length dealings create potential conflicts of interest. The principal transactions with which the Investment Adviser engages with its affiliates are (a) engaging the Sub-Adviser; (b) engaging the Placement Agent; and (c) fees payable to the Investment Adviser and its affiliates, including the Sub-Adviser, have not been negotiated at arms' length.

The Fund and Advisers have adopted policies and procedures that address the foregoing potential conflicts of interest, including policies and procedures to address the allocation of investment opportunities, execution of portfolio transactions, personal trading by employees and other potential conflicts of interest that are designed to ensure that all accounts of the Advisers are treated equitably. There is no guarantee that the policies and procedures adopted by the Advisers and the Fund will be able to identify or mitigate the conflicts of interest that arise between the Fund and any other investment funds or accounts that the Advisers may manage or advise from time to time. For further information on potential conflicts of interest, see "*CONFLICTS OF INTEREST.*"

OPERATIONAL RISK. The Fund is subject to risks arising from various operational factors, including, but not limited to, human error, processing and communication errors, errors of the Fund's service providers, counterparties or other third-parties, failed or inadequate processes and technology or systems failures. The Fund relies on third-parties for a range of services, including custody. Any delay or failure relating to engaging or maintaining such service providers may affect the Fund's ability to meet its investment objective. Although the Fund and the Advisers seek to reduce these operational risks through controls and procedures, there is no way to completely protect against such risks.

TECHNOLOGY RISK. As the use of Internet technology has become more prevalent, the Fund and its service providers and markets generally have become more susceptible to potential operational risks related to intentional and unintentional events that may cause the Fund or a service provider to lose proprietary information, suffer data corruption or lose operational capacity. There can be no guarantee that any risk management systems established by the Fund, its service providers, or issuers of the securities in which the Fund invests to reduce technology and cyber security risks will succeed, and the Fund cannot control such systems put in place by service providers, issuers or other third parties whose operations may affect the Fund.

CYBERSECURITY RISK. Cybersecurity refers to the combination of technologies, processes and procedures established to protect information technology systems and data from unauthorized access, attack or damage. The Fund and its affiliates and third-party service providers are subject to cybersecurity risks. Cyber incidents include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyberattacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber security risks have significantly increased in recent years and the Fund could suffer such losses in the future. Computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could have a security impact. If one or more of such events occur, this potentially could jeopardize confidential and other information, including nonpublic personal information and sensitive business data, processed and stored in, and transmitted through, computer systems and networks, or otherwise cause interruptions or malfunctions in the Fund's operations or its respective affiliates and third-party service providers. This could result in significant losses, reputational damage, litigation, regulatory fines or penalties, or otherwise adversely affect the Fund's business, financial condition or results of operations. Privacy and information security laws and regulation changes, and compliance with those changes, may result in cost increases due to system changes and the development of new administrative processes. In addition, the Fund may be required to expend significant additional resources to modify the Fund's protective measures and to investigate and remediate vulnerabilities or other exposures arising from operational and security risks.

PRIVATE OFFERING EXEMPTION. This offering has not been registered under the 1933 Act, in reliance, in part, on the exemptive provisions of Section 4(a)(2) of the 1933 Act and Rule 506(c) of Regulation D promulgated thereunder. Pursuant to Rule 506(c) all investors in a Fund must be "accredited investors" as defined in Rule 501(a) of Regulation D, and the Fund, the Placement Agent or financial intermediaries (i.e., sub-placement agents) that enter into an agreement with the Placement Agent for the sale of Shares must take reasonable steps to verify that each prospective investor or existing Shareholder, as applicable, qualifies as an accredited investor at the time Shares are purchased. The Fund may utilize both the "safe harbor" verification provisions of Rule 506(c) and/or the "principle based methods of verification" under Rule 506(c) that allow for verification on grounds that are reasonable in the context of the particular facts and circumstances of each purchaser and transaction ("Principle Based Verification"). While the Fund intends to comply with Rule 506(c) at all times, it may be difficult for the Fund to ensure full compliance as SEC guidance on compliance with the applicable verification methodologies evolves and regulatory actions in this area increase over time. Failure of the Fund to comply with Rule 506(c) or any other securities rules or regulations applicable to the offering of Shares could result in regulatory enforcement actions and/or monetary claims against the Fund that could affect the ability of the Fund to operate and cause losses to the Fund and its Shareholders.

INVESTMENT-RELATED RISKS

INVESTMENT AND MARKET RISK. An investment in the Shares represents an indirect investment in the securities owned by the Fund. The value of these securities, like other market investments, may move up or down, sometimes rapidly and unpredictably. Accordingly, an investment in the Fund's Shares is subject to investment risk, including the possible loss of the entire amount that you invest. Your Shares at any point in time may be worth less than your original investment.

GENERAL ECONOMIC AND MARKET CONDITIONS. The success of the Fund's investment program may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of investments held by the Fund. Unexpected volatility or illiquidity could impair the Fund's profitability or result in losses.

VOLATILITY RISK. Volatility is the characteristic of a security, an index or a market to fluctuate significantly in price within a short time period. The Fund may invest in securities or financial instruments that exhibit more volatility than the market as a whole. Such exposures could cause the Fund's net asset value to experience significant increases or declines in value over short periods of time. Volatility can be caused by many factors, including changes in the economy or financial markets or for reasons specific to a particular issuer.

HIGHLY VOLATILE MARKETS. Price movements of options contracts in which the Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The prices of commodities contracts and all derivative instruments, including options, can be highly volatile. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly options markets. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Fund is also subject to the risk of the failure of any exchanges on which their positions trade or of the clearinghouses for those exchanges.

COUNTERPARTY RISK. Many of the markets in which the Fund effects its transactions are "over the counter" or "inter-dealer" markets. The participants in these markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange based" markets. To the extent the Fund invests in derivative or synthetic instruments, or other over the counter transactions, on these markets, the Fund is assuming a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those associated with transactions effected on an exchange, which generally are backed by clearing organization guarantees, daily marking to market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from such protections. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. Such counterparty risk is accentuated in the case of contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. The Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of their transactions with one counterparty. The ability of the Fund to transact business with any one or number of counterparties, the lack of any independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund.

VALUATION RISK. Unlike publicly traded common stock, which trades on national exchanges, there is no central place or exchange for shares or interests in some of the Fund's investments to trade. Similarly, investments held by the Fund may also not be traded on an exchange or central marketplace. Due to the lack of centralized information and trading, the valuation of such investments may carry more risk than that of common stock. Uncertainties in the conditions of the financial and other markets, incomplete or unreliable reference data, human error, lack of transparency and inconsistency of valuation models and processes may lead to inaccurate asset pricing. In addition, other market participants may value securities differently than the Fund. As a result, the Fund may be subject to the risk that when an instrument is sold in the market, the amount received by the Fund is less than the value of such instruments carried on such fund's books.

The Fund may value its investments at fair value. In general, fair value represents a good faith approximation of the current value of an asset. Shareholders should recognize that fair value pricing involve various judgments and consideration of factors that may be subjective and inexact. As a result, there can be no assurance that fair value priced assets will not result in future adjustments to the prices of securities or other assets, or that fair value pricing will reflect a price that the Fund is able to obtain upon sale. It is also possible that the fair value determined for a security or other asset will be materially different from quoted or published prices, from the prices used by others for the same security or other asset and/or from the value that actually could be or is realized upon the sale of that security or other asset. For example, the Fund's NAV could be adversely affected if the Fund's determinations regarding the fair value of the Fund's investments were materially higher than the values that the Fund ultimately realizes upon the disposal of such investments. In addition, valuation for illiquid assets may require more research than for more liquid investments and elements of judgment may play a greater role in valuation in such cases than for investments with a more active secondary market because there is less reliable objective data available.

The Fund's NAV is a critical component in several operational matters including computation of advisory and services fees and determination of the price at which the Shares will be offered and at which the Shares will be repurchased. Consequently, variance in the valuation of the Fund's investments will impact, positively or negatively, the fees and expenses shareholders will pay, the price a shareholder will receive in connection with a tender offer and the number of shares an investor will receive upon investing in the Fund. The Fund may need to liquidate certain investments, including illiquid investments, in order to repurchase Shares in connection with a tender offer. A subsequent decrease in the valuation of the Fund's investments after a tender offer could potentially disadvantage remaining shareholders to the benefit of shareholders whose Shares were accepted for repurchase. Alternatively, a subsequent increase in the valuation of the Fund's investments could potentially disadvantage shareholders whose Shares were accepted for repurchase to the benefit of remaining shareholders. Similarly, a subsequent decrease in the valuation of the Fund's investments after a subscription could potentially disadvantage subscribing investors to the benefit of pre-existing shareholders, and a subsequent increase in the valuation of the Fund's investments after a subscription could potentially disadvantage pre-existing shareholders to the benefit of subscribing investors. In no event is the Placement Agent responsible or liable for any errors or inaccuracies with the Fund's NAV in connection with its distribution of the Fund's Shares or in connection with any other purpose. The Placement Agent has no duty to calculate the NAV of Fund Shares or to inquire into the accuracy of the NAV per Share (including a class thereof) as calculated by or for the Fund.

U.S. GOVERNMENT SECURITIES. Some obligations issued or guaranteed by U.S. government agencies, instrumentalities or U.S. government sponsored enterprises ("GSEs"), including, for example, pass-through certificates issued by Ginnie Mae, are supported by the full faith and credit of the U.S. Treasury. Other obligations issued by or guaranteed by federal agencies or GSEs, such as securities issued by Fannie Mae or Freddie Mac, are supported by the discretionary authority of the U.S. government to purchase certain obligations of the federal agency or GSE, while other obligations issued by or guaranteed by federal agencies or GSEs, such as those of the Federal Home Loan Banks, are supported by the right of the issuer to borrow from the U.S. Treasury. The Put maximum potential liability of the issuers of some U.S. Government securities held by the Fund may greatly exceed their current resources, including their legal right to support from the U.S. Treasury. It is possible that these issuers will not have the funds to meet their payment obligations in the future.

STRATEGY RISKS

EQUITY SECURITIES RISK. The Fund invests in equity securities, including common stocks. Common stock represents an equity ownership interest in issuers. Holders of common stock are entitled to the income and increase in the value of the assets and business of the issuers after all debt obligations and obligations to preferred stockholders are satisfied. The value of the Fund's shares will fluctuate with changes in the value of the equity securities in which it invests. Equity securities prices fluctuate for several reasons, including changes in investors' perceptions of the financial condition of an issuer, such as an unfavorable earnings report, or the general condition of the relevant equity market, such as market volatility, or when political or economic events affecting the issuers occur. Common stock prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase. Equity securities may decline significantly in price over short or extended periods of time, and such declines may occur in the equity market as a whole, or they may occur in only a particular country, company, industry or sector of the market. Additionally, holders of an issuer's common stock may be subject to greater risks than holders of its preferred stock and debt securities because common stockholders' claims are subordinated to those of holders of preferred stocks and debt securities upon the bankruptcy of an issuer.

DIVIDENDS RISK. The Fund invests in dividend-paying securities. The Fund's investment in dividend-paying securities could cause the Fund to underperform similar funds that invest without consideration of an issuer's track record of paying dividends. Companies that issue dividend-yielding securities are not required to continue to pay dividends on such securities. Therefore, there is the possibility that such companies could reduce or eliminate the payment of dividends in the future especially if the companies are facing an economic downturn, which could negatively affect the Fund's performance.

LARGE CAPITALIZATION COMPANIES RISK. The Fund invests in the securities of large capitalization companies. Large capitalization companies may grow at a slower rate and be less able to adapt to changing market conditions than smaller capitalization companies. Thus, the return on investment in securities of large capitalization companies may be less than the return on investment in securities of small and/or mid capitalization companies. The performance of large capitalization companies also tends to trail the overall market during different market cycles.

SECTOR AND INDEX RISK. As of December 31, 2024 a significant portion of the Reference Index is comprised of companies in the information technology sector, although this may change from time to time. The Fund will not be concentrated in a particular industry or group of industries within any sector. To the extent that the Fund invests a significant percentage of its assets in a sector, an adverse economic, business or political development may affect the value of the Fund's investments more than if the Fund were more broadly diversified. A significant exposure makes the Fund more susceptible to any single occurrence and may subject the Fund to greater market risk than a fund that is more broadly diversified. There may be instances in which the Reference Index, for a variety of reasons including changes in the prices of individual securities held by the Reference Index, has a larger exposure to a small number of stocks or a single stock relative to the rest of the stocks in the Reference Index. Under such circumstances, the Fund will not deviate from the Reference Index except in rare circumstances or in an immaterial way and therefore the Fund's returns would be more greatly influenced by the returns of the stock(s) with the larger exposure.

Information Technology Sector Risk. The information technology sector includes, for example, companies that offer software and information technology services, manufacturers and distributors of technology hardware and equipment such as communications equipment, cellular phones, computers and peripherals, electronic equipment and related instruments, and semiconductors and related equipment and materials. This sector can be significantly affected by, among other things, the supply and demand for specific products and services, the pace of technological development, and government regulation.

TRANSACTIONS IN FLEXIBLE EXCHANGE OPTIONS. The Fund intends to trade Flexible Exchange® Options ("FLEX Options"). FLEX Options are customized equity or index option contracts that trade on an exchange, but provide investors with the ability to customize key contract terms like exercise prices, styles and expiration dates. FLEX Options are required to be centrally cleared. In a transaction involving FLEX Options, the Fund's counterparty is the OCC, rather than a bank or broker. Since the Fund is not a member of the OCC and only clearing members of OCC can participate directly in transactions with the OCC, the Fund will hold its FLEX Options through accounts at one or more clearing members of OCC. Although such clearing members guarantee performance of their clients' obligations to the OCC, there is a risk that a clearing member may default. The OCC collects margin, maintains a clearing fund specifically to mitigate a clearing member default and segregates all customer accounts from a clearing member's proprietary accounts, which further acts to protect a clearing member's customers from the default of the clearing member. However, there is still a risk that the assets of the Fund might not be fully protected in the event of a clearing member's default. If a clearing member with whom the Fund transacts defaults, the OCC may transfer customer accounts to another clearing member. The OCC may also close out positions and convert deposits of the defaulting clearing member to cash. As a result of this process, the Fund would be limited to recovering only a pro rata share of all available funds segregated on behalf of the defaulting clearing member's customers for the Fund. Therefore, the Fund could experience significant losses in the event of a clearing member's default. Additionally, the OCC may be unable to perform its obligations under the FLEX Options contracts due to unexpected events, which could negatively impact the returns of the Fund.

FLEX OPTIONS VALUATION RISK. The FLEX Options held by the Fund will be exercisable at the strike price only on their expiration date. Prior to the expiration date, the value of the FLEX Options will be determined based upon market quotations or using other recognized pricing methods. The FLEX Options are also subject to correlation risk, meaning the value of the FLEX Options does not increase or decrease at the same rate as the underlying index (although they generally move in the same direction) or underlying securities. The value of a FLEX Option prior to its expiration date may vary because of factors other than the value of the underlying index or underlying securities, such as interest rate changes, changing supply and demand, decreased liquidity of the FLEX Options, a change in the actual and perceived volatility of the stock market and the underlying index or underlying securities, and the remaining time to expiration. FLEX Option prices may also be highly volatile and may fluctuate substantially during a short period of time. During periods of reduced market liquidity or in the absence of readily available market quotations for the holdings of the Fund, the ability of the Fund to value the FLEX Options becomes more difficult and the judgment of the Investment Adviser and the Sub-Adviser may play a greater role in the valuation of the Fund's holdings due to reduced availability of reliable objective pricing data. This creates a risk of mispricing or improper valuation of the FLEX Options which could impact the determination of the Fund's NAV.

COMPOUNDING RISK. The Fund's returns are subject to the effects of compounding, which generally will cause the Fund's performance to not correlate to the performance of the Reference Index or the performance of the Reference Stock Basket over the Designated Period. Depending on market conditions, compounding may lead the Fund to underperform relative to the performance of the Reference Index or Reference Stock Basket. Compounded returns are the result of reinvesting returns from select Reference Stocks each overlaid with a position in a short-term call option (for example, weekly returns) linked to that Reference Stock over periods greater than the period in which the returns were generated. Therefore, the Fund's compounded returns over a period longer than the short-term call options will be different than the performance of the Reference Index or the performance of the Reference Stock Basket over the same period. The impact from compounding may be greater for investors who hold Shares after the end of a Designated Period or through multiple Designated Periods. There is the potential for increased Fund underperformance relative to the Reference Index over such time periods.

The effects of compounding on the performance of the Fund will be more pronounced when the Reference Stocks held by the Fund experience increased volatility. In general, during periods of higher volatility of the Reference Stocks, compounding can cause the Fund's longer-term results to be significantly less than the return of the Reference Index or the return of the Reference Stock Basket.

Compounding affects the performance of all investments over time, but has a more significant effect on a product such as the Fund that utilizes an investment strategy that includes a short call option overlay because the call option overlay leads to lesser participation in the positive periodic returns of the Reference Stock but full participation in the negative periodic returns to the extent not mitigated by the Downside Hedge, which are then compounded over time.

CORRELATION RISK. A number of factors may affect the Fund's ability to achieve a high degree of correlation between the Fund's Reference Stock Basket and the Reference Index, including the difference in returns between the Reference Stock Basket and the Reference Index due to compounding. The Fund will forgo potential capital appreciation on the portion of each stock in the Reference Index in which the Fund sells call options as it seeks to generate the Defined Income. Failure to achieve a high degree of correlation may prevent the Fund from achieving a similar amount of potential capital appreciation as the Reference Index. The failure to achieve a high degree of correlation may also prevent the Fund from achieving sufficient protection benefits from the long-dated put option on the Reference Index. The Fund does not seek to achieve any specific level of performance compared to the performance of the Reference Index.

OPTIONS RISK. An option is a contract that gives the purchaser (holder) of the option, in return for a premium, the right to buy from (call) or sell to (put) the seller (writer) of the option the security or currency underlying the option at a specified exercise price at any time during the term of the option (normally not exceeding nine months). The writer of an option has the obligation upon exercise of the option to deliver the underlying security or currency upon payment of the exercise price or to pay the exercise price upon delivery of the underlying security or currency. The use of options involves investment strategies and risks different from those associated with ordinary portfolio securities transactions. The prices of options are influenced by, among other things, actual and anticipated changes in the value of the underlying instrument, or in interest or currency exchange rates, including the anticipated volatility, which in turn are affected by fiscal and monetary policies and by national and international political and economic events. As a seller (writer) of a put option, the seller will tend to lose money if the value of the reference index or security falls below the strike price. As the seller (writer) of a call option, the seller will tend to lose money if the value of the reference index or security rises above the strike price. As the buyer of a put or call option, the buyer risks losing the entire premium invested in the option if the buyer does not exercise the option. The effective use of options also depends on the Fund's ability to terminate option positions at times deemed desirable to do so. There is no assurance that the Fund will be able to effect closing transactions at any particular time or at an acceptable price. In addition, there may at times be an imperfect correlation between the movement in values of options and their underlying securities and there may at times not be a liquid secondary market for certain options. There may be times the Fund needs to sell securities in order to settle an option position, which could result in the distribution of premium from that option position being classified as a return of capital and make the Fund less tax-efficient. Options may also involve the use of leverage, which could result in greater price volatility than other securities.

COVERED CALL STRATEGY RISK. The writer of a covered call option forgoes any profit from increases in the market value of the underlying security covering the call option above the sum of the premium and the strike price of the call but retains the risk of loss if the underlying security declines in value. The Fund will have no control over the exercise of the option by the option holder and may lose the benefit from any capital appreciation on the underlying security. A number of factors may influence the option holder's decision to exercise the option, including the value of the underlying security, price volatility, dividend yield and interest rates. To the extent that these factors increase the value of the call option, the option holder is more likely to exercise the option, which may negatively affect the Fund. In addition, the Fund's ability to sell the securities underlying the options will be limited while the options are in effect unless the Fund cancels out the option position through the purchase of offsetting identical options prior to the expiration of the written options. Exchanges may suspend the trading of options in volatile markets which may prohibit the Fund from writing options at times the portfolio managers deem advisable.

DOWNSIDE HEDGE RISK. The Fund will purchase a long-dated option on the Reference Index at the beginning of each Designated Period as a hedge against long-term decline in the market value of the securities in the Reference Stock Basket. The Downside Hedge is intended to fully be achieved at the end of the specified Designated Period. Therefore, Shares tendered for repurchase made prior to the end of a specified Designated Period will not receive the full benefit from the put's Downside Hedge against declines in the long-term market value of the Reference Stock Basket. The Fund does not seek to provide a specific level of protection. The hedge will not mitigate all loss even if the hedge operated as intended. The amount of protection will depend in part on the correlation between the Fund's portfolio and the Reference Index. See "Compounding Risk; Correlation Risk" above. There is no guarantee that the attempt to limit losses to the Fund will be successful.

BOX SPREAD RISK. If one or more of the individual option positions that comprise a Box Spread are modified or closed separately prior to the option contract's expiration, then the Box Spread may no longer effectively eliminate risk tied to underlying reference asset's price movement. Furthermore, the Box Spread's value is derived in the market and is in part based on the time until the options comprising the Box Spread expire and the prevailing market interest rates. If the Fund sells a Box Spread prior to its expiration, then the Fund may incur a loss. The Fund's ability to utilize Box Spreads effectively is dependent on the availability and willingness of other market participants to purchase Box Spreads from the Fund at competitive prices.

PORTFOLIO TURNOVER RISK. The Fund has an investment strategy that may frequently involve buying and selling portfolio securities. High portfolio turnover may result in the Fund paying higher levels of transaction costs, including brokerage commissions, dealer mark-ups and other costs and may generate greater tax liabilities for shareholders. Portfolio turnover risk may cause the Fund's performance to be less than expected.

FUND DISTRIBUTION RISK. The Fund's strategy seeks to provide investors with a target net income of approximately 15% on an annual basis. The Fund currently expects to make distributions on a monthly basis. While the Fund will normally pay its income as distributions, the Fund's distributions may exceed the Fund's income and gains for the Fund's taxable year. Under abnormal market conditions or for temporary defensive measures, the Fund may consider various actions, including reducing the distribution rate. Additionally, there may be times the Fund needs to sell securities when it would not otherwise do so in order to settle an option position, which could result in the distribution of premium from that option position being classified as a return of capital. This occurs because while the distribution consisted of the premium received from the sale of the call option, the Fund later sold securities to generate proceeds to settle that call option. Distributions in excess of the Fund's current and accumulated earnings and profits will be treated as a return of capital. Distributions in excess of the Fund's minimum distribution requirements, but not in excess of the Fund's earnings and profits, will be taxable to Shareholders and will not constitute nontaxable returns of capital. A return of capital distribution generally will not be taxable but will reduce the Shareholder's cost basis and will result in a higher capital gain or lower capital loss when those Fund shares on which the distribution was received are sold. Once a Shareholder's cost basis is reduced to zero, further distributions will be treated as capital gain, if the Shareholder holds shares of the Fund as capital assets. Additionally, any capital returned through distributions will be distributed after payment of Fund fees and expenses. Because the Fund's distributions may consist of return of capital, the Fund may not be an appropriate investment for investors who do not want their principal investment in the Fund to decrease over time or who do not wish to receive return of capital in a given period.

The Fund's investment strategy may limit its ability to distribute dividends eligible for treatment as qualified dividend income, which for non-corporate shareholders are subject to federal income tax at rates of up to 20%. The Fund's investment strategy may also limit its ability to distribute dividends eligible for the dividends-received deduction for corporate shareholders. For these reasons, a significant portion of distributions received by Shareholders may be subject to tax at effective tax rates that are higher than the rates that would apply if the Fund were to engage in a different investment strategy.

See “*PRINCIPAL RISK FACTORS — GENERAL RISKS – BORROWING; USE OF LEVERAGE; CLOSED-END FUND; LIMITED LIQUIDITY.*”

* * *

LIMITS OF RISK DISCLOSURES. The above discussions relate to the various principal risks associated with the Fund, its investments and Shares, and are not intended to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Prospective investors should read this entire Memorandum and consult with their own advisers before deciding whether to invest in the Fund. In addition, as the Fund’s investment program changes or develops over time, an investment in the Fund may be subject to risk factors not currently contemplated or described in this Memorandum.

In view of the risks noted above, the Fund should be considered a speculative investment and prospective investors should invest in the Fund only if they can sustain a complete loss of their investment.

No guarantee or representation is made that the investment program of the Fund will be successful or that the Fund will achieve its investment objective.

FUND PERFORMANCE

The Fund has no performance history as of the date of this Memorandum.

MANAGEMENT OF THE FUND

The Board of Trustees

The Board has overall responsibility for the management and supervision of the business operations of the Fund on behalf of the Shareholders. A majority of the Board is and will be persons who are not “interested persons,” as defined in Section 2(a)(19) of the Investment Company Act (the “Independent Trustees”). To the extent permitted by the Investment Company Act and other applicable law, the Board may delegate any of its rights, powers and authority to, among others, the officers of the Fund, any committee of the Board, or service providers. See “*BOARD OF TRUSTEES AND OFFICERS*” in the Fund’s SAI for the identities of the Trustees and executive officers of the Fund, brief biographical information regarding each of them, and other information regarding the election and membership of the Board.

The Advisers

First Trust Capital Management L.P. serves as the investment adviser (the “Investment Adviser”) of the Fund. The Investment Adviser is a Delaware limited partnership and is controlled by First Trust Capital Solutions L.P. First Trust Capital Solutions L.P. is owned by First Trust Capital Partners, LLC (“FTCP”) and by VFT Holdings LP and its affiliates. The Investment Adviser provides investment advice to open-end and closed-end funds and private funds, and as of December 31, 2024, had assets under management of approximately \$7.6 billion. Vest Financial LLC serves as sub-adviser to the Fund (the “Sub-Adviser” and, together with the Investment Adviser, the “Advisers”). As of December 31, 2024, approximately \$36.4 billion of assets were under the management of the Sub-Adviser. The Sub-Adviser is a subsidiary of Vest Group, Inc. (“VG”). FTCP, an affiliate of the Investment Adviser, is the largest single holder of voting shares in VG. The Advisers are investment advisers registered with the SEC under the Advisers Act.

The Investment Adviser, Sub-Adviser and their respective affiliates may serve as investment managers to other funds that have investment programs which are similar to the investment program of the Fund, and the Investment Adviser or one of its affiliates may in the future serve as the investment manager or otherwise manage or direct the investment activities of other registered and/or private investment companies with investment programs similar to the investment program of the Fund. See “*CONFLICTS OF INTEREST*” below and “*INVESTMENT MANAGEMENT AND OTHER SERVICES — Conflicts of Interest*” in the SAI.

Portfolio Managers

The personnel of the Advisers who currently have primary responsibility for management of the Fund (the “Portfolio Managers”) are as follows:

KARAN SOOD — Portfolio Manager

Mr. Sood has over ten years of experience in derivative based investment strategy design and trading. Mr. Sood joined the Sub-Adviser in June 2012. Prior to joining the Sub-Adviser, Mr. Sood worked at ProShares Advisors LLC. Prior to ProShares, Mr. Sood worked as a Vice President at Barclays Capital. Last based in New York, he was responsible for using derivatives to design structured investment strategies and solutions for the firm’s institutional clients in the Americas. Prior to his role in New York, Mr. Sood worked in similar capacity in London with Barclays Capital’s European clients. Mr. Sood received a master’s degree in Decision Sciences & Operations Research from London School of Economics & Political Science. He also holds a bachelor’s degree in engineering from the Indian Institute of Technology, Delhi.

TREVOR LACK — Portfolio Manager

Mr. Lack is a portfolio manager of the Fund’s Options strategy. Mr. Lack has over ten years of experience as a portfolio manager. Mr. Lack joined Vest in 2019. Prior to joining Vest, Mr. Lack worked at ProShare Advisors LLC from 2011 to 2019. Mr. Lack received a master’s degree in finance from Johns Hopkins University. He also holds a bachelor’s degree in business from Northeastern University.

Additional information about the portfolio managers’ compensation, other accounts managed, and the portfolio managers’ ownership of Fund securities is available in the Statement of Additional Information.

The Investment Management and Sub-Advisory Agreement

The Investment Management Agreement between the Investment Adviser and the Fund and the Sub-Advisory Agreement between the Investment Adviser and the Sub-Adviser (each an “Investment Management Agreement”, collectively, the “Investment Management Agreements”) became effective as of December 5, 2024 and will continue in effect for an initial two-year term. Thereafter, the Investment Management Agreements will continue in effect from year to year provided such continuance is specifically approved at least annually by (i) the vote of a majority of the outstanding voting securities of the Fund, or a majority of the Board, and (ii) the vote of a majority of the Independent Trustees of the Fund, cast in person at a meeting called for the purpose of voting on such approval. See “*VOTING*.” The Investment Management Agreements will terminate automatically if assigned (as defined in the Investment Company Act), and are terminable by vote of the Board or by vote of a majority of the outstanding voting securities of the Fund at any time without penalty upon sixty (60) days’ written notice to the Investment Adviser and in the case of the Sub-Advisory Agreement, the Sub-Adviser. The Investment Adviser may terminate the Investment Management Agreement or Sub-Advisory Agreement at any time without penalty upon sixty (60) days’ written notice to the Fund and, in the case of the Sub-Advisory Agreement, the Sub-Adviser. The Sub-Adviser may terminate the Sub-Advisory Agreement at any time without penalty upon sixty (60) days’ written notice to the Fund and Investment Adviser.

A discussion regarding the basis for the Board's approval of the Investment Management Agreement and Sub-Advisory Agreement will be available in the Fund's first annual or semi-annual report to Shareholders.

Each Investment Management Agreement provides that, in the absence of willful misfeasance, bad faith, gross negligence or reckless disregard of its obligations to the Fund, the Investment Adviser (or Sub-Adviser, as applicable) and any partner, director, officer or employee of the Investment Adviser (or Sub-Adviser, as applicable), or any of their affiliates, executors, heirs, assigns, successors or other legal representatives, will not be liable to the Fund for any error of judgment, for any mistake of law or for any act or omission by the person in connection with the performance of services to the Fund. Each Investment Management Agreement also provides for indemnification, to the fullest extent permitted by law, by the Fund, of the Investment Adviser (or Sub-Adviser, as applicable) or any partner, director, officer or employee of the Investment Adviser (or Sub-Adviser, as applicable), and any of their affiliates, executors, heirs, assigns, successors or other legal representatives, against any liability or expense to which the person may be liable that arises in connection with the performance of services to the Fund, so long as the liability or expense is not incurred by reason of the person's willful misfeasance, bad faith, gross negligence or reckless disregard of its obligations to the Fund.

Unitary Management Fee

The Fund pays the Investment Adviser a unitary management fee (the "Unitary Management Fee") in consideration of the advisory services provided by the Investment Adviser to the Fund. In turn, the Investment Adviser will pay substantially all operating expenses of the Fund, except initial and ongoing offering expenses, organizational expenses, interest expenses, taxes, portfolio transaction-related fees and expenses, costs of borrowing, distribution and service fees payable pursuant to a Rule 12b-1 plan, litigation and indemnification expenses, and any other extraordinary expenses not incurred in the ordinary course of the Fund's business. The Fund pays the Investment Adviser an annual rate of 2.65%, payable monthly in arrears, based upon the Fund's net assets as of each month-end. The Unitary Management Fee is paid to the Investment Adviser before giving effect to any repurchase of Shares in the Fund effective as of that date and will decrease the net profits or increase the net losses of the Fund.

Sub-Advisory Fee

The Investment Adviser pays the Sub-Adviser a management fee (the "Sub-Advisory Fee") in consideration of the advisory services provided by the Sub-Adviser to the Fund. The Sub-Adviser's fees are paid by the Investment Adviser out of the Unitary Management Fee. The Sub-Adviser receives a sub-advisory fee equal to 50% of the monthly Unitary Management Fee paid to the Investment Adviser, which shall be reduced as follows. The Sub-Adviser has agreed with the Investment Adviser that it will pay one-half of all operating expenses of the Fund, excluding the Unitary Management Fee, initial and ongoing offering expenses and organizational expenses, interest expenses, taxes, portfolio transaction-related fees and expenses, costs of borrowing, distribution and service fees payable pursuant to a Rule 12b-1 plan, and litigation and indemnification expenses and any other extraordinary expenses not incurred in the ordinary course of the Fund's business. The sub-advisory fees shall be reduced by the Sub-Adviser's share of such expenses, and in the event the Sub-Adviser's share of the expenses exceeds the amount of the sub-advisory fee in any month, the Sub-Adviser will pay the difference to the Investment Adviser.

PLACEMENT AGENT

Effective with the Fund's registration as an investment company under the Investment Company Act, First Trust Portfolios L.P. (the "Placement Agent") is the placement agent of the Shares of the Fund and is located at 120 East Liberty Drive, Suite 400, Wheaton, Illinois 60187. The Placement Agent is a registered broker-dealer and is a member of the Financial Industry Regulatory Authority, Inc. The Placement Agent is an affiliate of both Investment Adviser and the Sub-Adviser. The Investment Adviser and the Sub-Adviser will receive advisory fees based upon the size of the Fund. This may provide for a greater incentive for the Placement Agent to sell shares than it may otherwise possess with respect to unaffiliated investment advisers, sub-advisers or funds.

Class A Shares are offered with a maximum initial sales charge of 2.00% of the initial investment amount. The sales charge will be deducted out of the investor's initial investment amount and will not constitute part of an investor's investment in the Fund or part of the assets of the Fund. No sales charge may be charged without the consent of the Placement Agent. The Placement Agent may elect to reduce, otherwise modify or waive the sales charge with respect to any investor. No sales charge is expected to be charged with respect to investments by the Investment Adviser, its affiliates, and its directors, principals, officers and employees and others in the Placement Agent's sole discretion. Shareholders purchasing Shares of the Fund are subject to the following minimum investment requirements: the minimum initial investment in the Fund for Class A Shares and Class I Shares is \$25,000. The minimum additional investment in the Fund by any Shareholder is \$25,000.

The Fund's Shares are offered for sale through the Placement Agent at NAV. Shares of the Fund will not be listed on any national securities exchange and the Placement Agent will not act as a market maker in Shares of the Fund.

Under a Placement Agent Agreement with the Fund, the Placement Agent acts as the agent of the Fund in connection with the offering of Shares of the Fund. The Placement Agent continually distributes Shares of the Fund on a best efforts basis. The Placement Agent has no obligation to sell any specific quantity of Shares. The Placement Agent and its officers have no role in determining the investment policies of or which securities are to be purchased or sold by the Fund.

The Placement Agent may enter into agreements with investment advisers, broker-dealers, or other financial intermediaries for distribution of Shares of the Fund. These financial intermediaries may charge a fee for their services and may receive Shareholder service or other fees from parties other than the Placement Agent. These financial intermediaries may otherwise act as processing agents and are responsible for promptly transmitting purchase, repurchase and other requests to the Fund.

Investors who purchase shares through financial intermediaries will be subject to the procedures of those intermediaries through which they purchase shares, which may include charges, investment minimums, cutoff times and other restrictions in addition to, or different from, those listed herein. Information concerning any charges or services will be provided to customers by the financial intermediary through which they purchase shares. Investors purchasing shares of the Fund through financial intermediaries should acquaint themselves with their financial intermediary's procedures and should read the Memorandum in conjunction with any materials and information provided by their financial intermediary. The financial intermediaries, and not the Placement Agent or the Investment Adviser, are responsible for all suitability determinations with respect to an investor purchasing shares. The financial intermediary, and not its customers, will be the shareholder of record, although customers may have the right to vote shares depending upon their arrangement with the intermediary. The Placement Agent does not receive compensation from the Fund for its distribution services. The Investment Adviser pays the Placement Agent a fee for certain placement agent-related services. The Fund is relying on an exemptive order from the SEC. The Fund has adopted a Distribution and Service Plan with respect to Class A Shares and Class I Shares in compliance with Rule 12b-1 under the Investment Company Act. The Distribution and Service Plan allows the Fund to pay distribution and servicing fees for the sale and servicing of its Class A Shares and Class I Shares to qualified recipients. All or a portion of such Distribution and Servicing Fee may be used to compensate financial industry professionals for providing ongoing member services. Such activities may include electronic processing of client orders, electronic fund transfers between clients and the Fund, account reconciliations with the Fund's Transfer Agent, facilitation of electronic delivery to clients of Fund documentation, monitoring client accounts for back-up withholding and any other special tax reporting obligations, maintenance of books and records with respect to the foregoing, and such other information and ongoing liaison services as the Fund or the Investment Adviser may reasonably request.

The Fund may authorize one or more financial intermediaries and their authorized agents that have made arrangements with the Fund (collectively, "Financial Intermediaries") to receive on its behalf purchase orders and repurchase requests. Such Financial Intermediaries are authorized to designate other intermediaries or designees to receive purchase orders and repurchase requests on the Fund's behalf. The Fund will be deemed to have received a purchase order or repurchase request when a Financial Intermediary or, if applicable, a Financial Intermediary's designee, receives the order or repurchase request. Orders will be priced at a per-class NAV per Share determined after they are received by a Financial Intermediary or the Financial Intermediary's authorized designee.

Pursuant to the Placement Agent Agreement, the Placement Agent is solely responsible for its costs and expenses incurred in connection with its qualification as a broker-dealer under state or federal laws. The Placement Agent Agreement also provides that the Fund will indemnify the Placement Agent and its affiliates and certain other persons against certain liabilities. Specifically, the Placement Agent Agreement provides that the Fund and the Investment Adviser will indemnify and hold harmless the Placement Agent, its affiliates and their respective officers, directors, partners, members, shareholders, and employees from and against any liabilities, claims, damages, losses and costs (including attorneys' fees and expenses) arising out or relating to (i) the offer or sale of the Shares or the management or affairs of the Fund, (ii) any untrue statement of material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading in the Fund's organizational documents, marketing material or this Memorandum (collectively, the "Offering Materials") or in any advertising or promotional material approved, published or provided to the Placement Agent by or on behalf of the Fund or the Investment Adviser, or accurately derived from information approved, published or provided to the Placement Agent by or on behalf of the Fund or the Investment Adviser, other than with respect to information provided by the Placement Agent for inclusion therein, (iii) any violation of any law, rule or regulation relating to the registration or qualification of Shares or the Fund, (iv) any material breach by the Fund or the Investment Adviser of any representation, warranty or agreement contained in the Placement Agent Agreement, (v) any material violation of any applicable law, rule or regulation relating to the operation of the Fund or (vi) any gross negligence, willful misfeasance or reckless disregard by the Fund or the Investment Adviser or their respective affiliates in the performance of, or failure to perform, its respective obligations under the Placement Agent Agreement ("FT Covered Claims"), except to the extent that any such FT Covered Claim is caused by a material breach by the Placement Agent of the Placement Agent Agreement or the willful misconduct, gross negligence or reckless disregard of the Placement Agent or its affiliates in the performance of, or failure to perform, its obligations under the Placement Agent Agreement.

The Investment Adviser and/or its affiliates may make payments to selected affiliated or unaffiliated third parties (including the parties who have entered into selling agreements with the Placement Agent) from time to time in connection with the distribution of Shares and/or the servicing of Shareholders and/or the Fund. These payments will be made out of the Investment Adviser's and/or affiliates' own assets and will not represent an additional charge to the Fund. The amount of such payments may be significant in amount and the prospect of receiving any such payments may provide such third parties or their employees with an incentive to favor sales of Shares of the Fund over other investment options. Contact your financial intermediary for details about revenue sharing payments it receives or may receive.

DISTRIBUTION AND SERVICE PLAN

The Fund has adopted a Distribution and Service Plan with respect to Class A Shares and Class I Shares in compliance with Rule 12b-1 under the Investment Company Act. The Distribution and Service Plan allows the Fund to pay distribution and servicing fees for the sale and servicing of its Class A and Class I Shares. Under the Distribution and Service Plan, Class A Shares are permitted to pay as compensation up to 1.00% on an annualized basis of the aggregate net assets of the Fund attributable to Class A Shares and Class I Shares are permitted to pay as compensation up to 0.25% on an annualized basis the aggregate net assets of the fund attributable to Class I Shares (collectively, the "Distribution and Servicing Fee") to qualified recipients. Shareholders currently pay up to 0.75% and 0.25% of the net asset value of the Class A Shares and Class I Shares, respectively. The Fund or the Placement Agent may pay all or a portion of these fees to any registered securities dealer, financial institution or any other person who renders assistance in distributing or promoting the sale of the respective Class of Shares or who provides certain shareholder services, pursuant to a written agreement. The Distribution and Servicing Fee is paid out of the Fund's assets attributable to the applicable Class and decreases the net profits or increases the net losses of such Class.

ADMINISTRATION

The Fund has retained the Administrator, UMB Fund Services, Inc., whose principal business address is 235 West Galena Street, Milwaukee, WI 53212, to provide administrative services, and to assist with operational needs. The Administrator provides such services to the Fund pursuant to an administration agreement between the Fund and the Administrator (the "Administration Agreement"). The Administrator is responsible directly or through its agents for, among other things, providing the following services to the Fund: (1) maintaining a list of Shareholders and generally performing all actions related to the issuance and repurchase of Shares of the Fund, if any, including delivery of trade confirmations and capital statements; (2) providing certain administrative, clerical and bookkeeping services; (3) providing transfer agency services, services related to the payment of distributions, and accounting services; (4) computing the NAV of the Fund in accordance with U.S. generally accepted accounting principles ("GAAP") and procedures defined in consultation with the Investment Adviser; (5) overseeing the preparation of semi-annual and annual financial statements of the Fund in accordance with GAAP, quarterly reports of the operations of the Fund and information required for tax returns; (6) supervising regulatory compliance matters and preparing certain regulatory filings; and (7) performing additional services, as agreed upon, in connection with the administration of the Fund. The Administrator may from time to time delegate its responsibilities under the Administration Agreement to one or more parties selected by the Administrator, including its affiliates or affiliates of the Investment Adviser.

As compensation for the services provided by the Administrator under the Administration Agreement, the Fund has agreed to pay to the Administrator such compensation as may be specifically agreed upon from time to time and reimburse the Administrator for out-of-pocket expenses which are a normal incident of the services provided under the agreement (the “Administration Fee”). Pursuant to the terms of the Investment Management Agreement, the Fund does not directly pay the Administrator for these services, as the Investment Adviser has assumed responsibility for the payment of these expenses out of the Unitary Management Fee it receives from the Fund. The Administration Fee and the other terms of the Administration Agreement may change from time to time as may be agreed to by the Fund and the Administrator.

The Administration Agreement provides that, in the absence of willful misfeasance, bad faith, gross negligence or reckless disregard of its obligations to the Fund, the Administrator and any partner, director, officer or employee of the Administrator, or any of their affiliates, executors, heirs, assigns, successors or other legal representatives, will not be liable to the Fund for any error of judgment, for any mistake of law or for any act or omission by the person in connection with the performance of administration services for the Fund. The Administration Agreement also provides for indemnification, to the fullest extent permitted by law, by the Fund or the Administrator, or any partner, director, officer or employee of the Administrator, and any of their affiliates, executors, heirs, assigns, successors or other legal representatives, against any liability or expense to which the person may be liable that arises in connection with the performance of services to the Fund, so long as the liability or expense is not incurred by reason of the person’s willful misfeasance, bad faith, gross negligence or reckless disregard of its obligations to the Fund.

BROKERAGE ARRANGEMENTS

The Fund expects to trade securities and other financial instruments through one or more prime brokers, securities and futures brokers or clearing firms, introducing brokers, executing brokers, dealers, custodians and counterparties (collectively, “**brokers**”) in connection with its portfolio transactions. In selecting brokers to execute transactions, each of the Investment Adviser and the Sub-Adviser does not need to solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Each of the Investment Adviser and the Sub-Adviser will take into account the broker’s reliability, reputation, financial responsibility, stability, ability to execute trades, nature and frequency of sales coverage, commission rate, if any, and responsiveness. Each of the Investment Adviser and the Sub-Adviser may or may not negotiate “execution only” commission rates. In cases where the Investment Adviser or the Sub-Adviser does not negotiate “execution only” rates, the Fund may be deemed to be paying for other services provided by the broker with so-called “soft dollars” included in the commission rate. If the Investment Adviser or the Sub-Adviser uses “soft dollars”, it is expected that the Investment Adviser or the Sub-Adviser, as applicable, will only enter into “soft dollar” arrangements that fall within the “safe harbor” provided by Section 28(e) of the Securities Exchange Act of 1934, as amended (the “**Securities Exchange Act**”). Furthermore, to the extent that any incidental benefits (such as research) are provided to the Fund, the Investment Adviser, the Sub-Adviser and/or their respective affiliates, and/or other funds and/or accounts managed by the Investment Adviser, the Sub-Adviser or their respective affiliates in connection with trading futures or options on futures, it is expected that such incidental benefits would fall within the safe harbor provisions of Section 28(e) of the Securities Exchange Act as if such benefits were being provided in connection with the trading of securities. Research and brokerage services obtained by the use of commissions arising from the Fund’s portfolio transactions may be used by each of the Investment Adviser and the Sub-Adviser in its other investment activities, including for other client accounts and thus, the Fund may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided.

In some instances, the Investment Adviser or the Sub-Adviser may receive a product or service that may be used only partially for functions within Section 28(e). In such instances, the Investment Adviser or the Sub-Adviser, as applicable, will make a good-faith effort to determine the relative proportion of the product or service used to assist the Investment Adviser or the Sub-Adviser, as applicable, in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). The proportion of the product or service attributable to assisting the Investment Adviser or the Sub-Adviser in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by the Investment Adviser or the Sub-Adviser, as applicable, from its own resources, unless reimbursable by the Fund as indicated in the expense section.

The Fund may utilize broker-provided financing in connection with its trading and, accordingly, the Fund may pledge its assets held at such brokers as collateral to secure such financing arrangements.

Each of the Investment Adviser and the Sub-Adviser may, but is not required to, aggregate sale and purchase orders of securities and other financial instruments for the Fund with similar orders being made simultaneously for other accounts or entities, including those of its affiliates, if the Investment Adviser or the Sub-Adviser, as applicable, determines, in its reasonable judgment, such aggregation is reasonably likely to result in an overall economic benefit to the Fund based on an evaluation that the Fund will be benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors. No assurance can be given that it will be possible to execute such orders regularly at or near the desired buy or sell point or that the orders will be executed successfully. In many instances, the purchase or sale of securities and/or other financial instruments for the Fund will be effected simultaneously with the purchase or sale of like securities and/or other financial instruments for other accounts or entities. Such transactions may be made at slightly different prices, due to the volume of financial instruments purchased or sold. In such event, the average price of all securities and other financial instruments purchased or sold in such transactions may be determined by the Investment Adviser or the Sub-Adviser in its sole discretion, or the Investment Adviser or the Sub-Adviser will employ an objective price allocation system that promotes fairness among all accounts or entities, including client and proprietary accounts.

CUSTODIAN

UMB Bank, n.a. serves as custodian (“Custodian”) of the assets of the Fund and may maintain custody of such assets with U.S. and non-U.S. sub-custodians (which may be banks and trust companies), securities depositories and clearing agencies in accordance with the requirements of Section 17(f) of the Investment Company Act and the rules thereunder. Assets of the Fund are not held by the Investment Adviser or commingled with the assets of other accounts other than to the extent that securities are held in the name of the Custodian or U.S. sub-custodians in a securities depository, clearing agency or omnibus customer account of the custodian. UMB Bank, n.a.’s principal business address is 1010 Grand Blvd., Kansas City, MO 64106. UMB Bank, n.a. is an affiliate of the Administrator.

FUND FEES AND EXPENSES

Pursuant to the Investment Management Agreement, the Investment Adviser will pay substantially all operating expenses of the Fund, excluding the Unitary Management Fee, initial and ongoing offering expenses and organizational expenses, interest expenses, taxes, portfolio transaction-related fees and expenses, costs of borrowing, distribution and service fees payable pursuant to a Rule 12b-1 plan, and litigation and indemnification expenses and any other extraordinary expenses not incurred in the ordinary course of the Fund’s business. The expenses of the Fund include, but are not limited to, any fees and expenses in connection with the offering and issuance of Shares; all fees and expenses reasonably incurred in connection with the operation of the Fund; all fees and expenses directly related to portfolio transactions and positions for the Fund’s account such as direct and indirect expenses associated with the Fund’s investments, and enforcing the Fund’s rights in respect of such investments; quotation or valuation expenses; the Unitary Management Fee and the Administration Fee; Distribution and Servicing Fee; brokerage commissions; interest and fees on any borrowings by the Fund; professional fees; research expenses (including, without limitation, expenses of consultants who perform fund manager due diligence research); fees and expenses of outside legal counsel (including fees and expenses associated with the review of documentation for prospective investments by the Fund), including foreign legal counsel; accounting, auditing and tax preparation expenses; fees and expenses in connection with tender offers and any repurchases or redemptions of Shares; taxes and governmental fees (including tax preparation fees); fees and expenses of any custodian, sub-custodian, transfer agent, and registrar, and any other agent of the Fund; all costs and charges for equipment or services used in communicating information regarding the Fund’s transactions with any custodian or other agent engaged by the Fund; bank services fees; costs and expenses relating to any amendment of the Declaration of Trust or other organizational documents of the Fund; expenses of preparing, amending, printing, and distributing the Memorandum and any other sales material (and any supplements or amendments thereto), reports, notices, other communications to Shareholders, and proxy materials; expenses of preparing, printing, and filing reports and other documents with government agencies; expenses of Shareholders’ meetings, including the solicitation of proxies in connection therewith; expenses of corporate data processing and related services; shareholder recordkeeping and account services, fees, and disbursements; expenses relating to investor and public relations; fees and expenses of the members of the Board who are not employees of the Investment Adviser or its affiliates; insurance premiums; Extraordinary Expenses (as defined below); and all costs and expenses incurred as a result of dissolution, winding-up and termination of the Fund. The Fund may need to sell portfolio securities to pay fees and expenses, which could cause the Fund to realize taxable gains.

“Extraordinary Expenses” means all expenses incurred by the Fund outside of the ordinary course of its business, including, without limitation, costs incurred in connection with any claim, litigation, arbitration, mediation, government investigation or dispute and the amount of any judgment or settlement paid in connection therewith, or the enforcement of the rights against any person or entity; costs and expenses for indemnification or contribution payable to any person or entity; expenses of a reorganization, restructuring or merger, as applicable; expenses of holding, or soliciting proxies for, a meeting of shareholders (except to the extent relating to items customarily addressed at an annual meeting of a registered closed-end management investment company); and the expenses of engaging a new administrator, custodian or transfer agent.

The Investment Adviser bears all of its expenses and costs incurred in providing investment advisory services to the Fund, including travel and other expenses related to the selection and monitoring of investments. In addition, the Investment Adviser is responsible for the payment of the compensation and expenses of those officers of the Fund affiliated with the Investment Adviser, and making available, without expense to the Fund, the services of such individuals, subject to their individual consent to serve and to any limitations imposed by law.

The Fund bears its organizational and offering costs. Organizational expenses will be expensed as they are incurred. Certain ongoing offering costs associated with offers of Shares will be expensed as they are incurred. Offering costs cannot be deducted by the Fund or the Shareholders.

The Fund’s fees and expenses will decrease the net profits or increase the net losses of the Fund that are credited to Shareholders.

VOTING

Each Shareholder will have the right to cast a number of votes, based on the number of such Shareholder’s Shares, at any meeting of Shareholders called by the Board. Except for the exercise of such voting privileges, Shareholders will not be entitled to participate in the management or control of the Fund’s business and may not act for or bind the Fund.

SHAREHOLDER RIGHTS

Except for actions under the U.S. federal securities laws, the By-Laws (“By-Laws”) provide that by virtue of becoming a Shareholder, each Shareholder (i) irrevocably agrees that any claims, suits, actions or proceedings arising out of or relating in any way to the Trust, the Declaration of Trust or the By-Laws or asserting a claim governed by the internal affairs (or similar) doctrine, be exclusively brought in the Court of Chancery of the State of Delaware or, if such court does not have subject matter jurisdiction thereof, any other court in the State of Delaware with subject matter jurisdiction, (ii) irrevocably submits to the exclusive jurisdiction of such courts in connection with any such claim, suit, action or proceeding, (iii) irrevocably agrees not to, and waives any right to, assert in any such claim, suit, action or proceeding that (A) it is not personally subject to the jurisdiction of such courts or any other court to which proceedings in such courts may be appealed, (B) such claim, suit, action or proceeding is brought in an inconvenient forum, or (C) the venue of such claim, suit, action or proceeding is improper, (iv) expressly waives any requirement for the posting of a bond by a party bringing such claim, suit, action or proceeding, (v) consents to process being served in any such claim, suit, action or proceeding by mailing, certified mail, return receipt requested, a copy thereof to such party at the address in effect for notices hereunder, and agrees that such service shall constitute good and sufficient service of process and notice thereof; provided, nothing in clause (v) hereof shall affect or limit any right to serve process in any other manner permitted by law, and (vi) irrevocably waives any and all right to trial by jury in any such claim, suit, action or proceeding.

The designation of exclusive jurisdictions may make it more expensive for a Shareholder to bring a suit than if the Shareholder were permitted to select another jurisdiction. Also, the designation of exclusive jurisdictions and the waiver of jury trials limit a Shareholder's ability to litigate a claim in the jurisdiction and in a manner that may be more convenient and favorable to the Shareholder.

CONFLICTS OF INTEREST

The Fund may be subject to a number of actual and potential conflicts of interest.

As affiliates, the Investment Adviser, Sub-Adviser and Placement Agent share a common interest in marketing Shares of the Fund because they benefit from the Unitary Management Fee, Sub-Advisory Fee and compensation received for their respective roles. The Placement Agent is an affiliate of both Investment Adviser and the Sub-Adviser. The Investment Adviser and the Sub-Adviser will receive advisory fees based upon the size of the Fund. This may provide for a greater incentive for the Placement Agent to sell shares than it may otherwise possess with respect to unaffiliated investment advisers, sub-advisers or funds.

The Investment Adviser and its affiliates engage in financial advisory activities that are independent from, and may from time to time conflict with, those of the Fund. In the future, there might arise instances where the interests of such affiliates conflict with the interests of the Fund. The Investment Adviser and its affiliates may provide services to, invest in, advise, sponsor and/or act as Investment Adviser to investment vehicles and other persons or entities (including prospective investors in the Fund) which may have structures, investment objectives and/or policies that are similar to (or different than) those of the Fund; which may compete with the Fund for investment opportunities; and which may, subject to applicable law, co-invest with the Fund in certain transactions. In addition, the Investment Adviser and its affiliates and respective clients may themselves invest in securities that would be appropriate for the Fund.

Although the Investment Adviser and its affiliates will seek to allocate investment opportunities among the Fund and their other clients in a fair and reasonable manner, there can be no assurance that an investment opportunity which comes to the attention of the Investment Adviser and its affiliates will be appropriate for the Fund or will be referred to the Fund. The Investment Adviser and its affiliates are not obligated to refer any investment opportunity to the Fund.

The directors, partners, trustees, managers, members, officers and employees of the Investment Adviser and its affiliates may buy and sell securities or other investments for their own accounts (including through funds managed by the Investment Adviser and its affiliates). As a result of differing trading and investment strategies or constraints, investments may be made by directors, partners, trustees, managers, members, officers and employees that are the same, different from or made at different times than investments made for the Fund. To reduce the possibility that the Fund will be materially adversely affected by the personal trading described above, the Fund, Investment Adviser, Sub-Adviser and Placement Agent have adopted codes of ethics (collectively, the "Codes of Ethics") in compliance with Section 17(j) of the Investment Company Act that restricts securities trading in the personal accounts of investment professionals and others who normally come into possession of information regarding the portfolio transactions of the Fund. The Codes of Ethics are available on the EDGAR Database on the SEC's website at <https://www.sec.gov>, and copies may be obtained, after paying a duplicating fee, by email at publicinfo@sec.gov. See "*PRINCIPAL RISK FACTORS — POTENTIAL CONFLICTS OF INTEREST RISK*."

OUTSTANDING SECURITIES

There were no outstanding securities as of the date of the Memorandum.

TENDER OFFERS/OFFERS TO REPURCHASE

No Shareholder will have the right to require the Fund to redeem its Shares. In addition, no public market exists for the Shares and the Fund does not expect any trading market to develop for the Shares. As a result, if investors decide to invest in the Fund, they will have very limited opportunity to sell their Shares, as described below.

At the discretion of the Board and provided that it is in the best interests of the Fund and Shareholders to do so, the Fund intends to provide a limited degree of liquidity to Shareholders by conducting tender offers at least annually every twelfth month after the Initial Closing, as of a Friday (other than the 3rd Friday of the month). In each tender offer, the Fund may offer to repurchase its Shares at their NAV as determined as of the applicable valuation date. **Each tender offer in the first year of the Designated Period ordinarily will be limited to the repurchase of an amount up to 10% of the Shares outstanding, but if the number of Shares tendered for repurchase exceeds the number the Fund intended to repurchase, the Fund may determine to repurchase less than the full number of Shares tendered. In such event, Shareholders will have their Shares repurchased on a pro rata basis, and tendering Shareholders will not have all of their tendered Shares repurchased by the Fund.** Shareholders tendering Shares for repurchase will be asked to give written notice of their intent to do so by the date specified in the notice describing the terms of the applicable tender offer. In the second year of each Designated Period, subject to the Board's discretion, each tender offer that coincides with the expiration of the Designated Period shall be for up to 100% of the Shares outstanding. Shareholders who tender their Shares prior to the end of the Designated Period will not fully benefit from the Downside Hedge, which is designed to be achieved at the end of the specified Designated Period only if Shares are held for the entire specified Designated Period.

The Board will consider the following factors, among others, in making its determination for the Fund to make each tender offer:

- the recommendation of the Investment Adviser;
- whether any Shareholders have requested to tender Shares or portions thereof to the Fund;
- the liquidity of the Fund's assets (including fees and costs associated with withdrawing from investments);
- the investment plans and working capital requirements of the Fund;
- the relative economies of scale with respect to the size of the Fund;
- the history of the Fund in repurchasing Shares or portions thereof;
- the availability of information as to the value of the Fund's assets;
- the economic condition of the securities markets and the economy generally as well as political, national or international developments or current affairs; and
- the anticipated tax consequences to the Fund of any proposed repurchases of Shares or portions thereof.

Repurchases will be made at such times and on such terms as may be determined by the Board, in its sole discretion. However, no assurance can be given that repurchases will occur or that any Shares properly tendered will be repurchased by the Fund. The Fund may choose not to conduct a tender offer or may choose to conduct a tender offer for less than 10% (or 100% as applicable) of its outstanding Shares. Investors may not have access to the money invested in the Fund for an indefinite time.

In any given year, the Investment Adviser may or may not recommend to the Board that the Fund conduct a tender offer. For example, if adverse market conditions cause the Fund's investments to become more illiquid or trade at depressed prices or if the Investment Adviser believes that conducting a tender offer would impose an undue burden on Shareholders who do not tender compared to the benefits of giving Shareholders the opportunity to sell all or a portion of their Shares at NAV, the Fund may choose not to conduct a tender offer or may choose to conduct a tender offer for less than 10% (or 100% as applicable) of its outstanding Shares. Regardless of the recommendation of the Investment Adviser, the Board may or may not determine to cause the Fund to conduct a tender offer for any given year. The decision to offer to repurchase Shares is in the complete and absolute discretion of the Board, which may, under certain circumstances, elect not to offer to repurchase Shares.

In a tender offer, the Fund repurchases outstanding Shares at the NAV per share of each class of Shares on the last day of the offer (which is the valuation date of the offer). The Fund may sell portfolio investments to fund tender offers. Moreover, if the Fund's portfolio does not provide adequate liquidity to fund tender offers, the Fund may extend the last day of any tender offer. Although tender offers generally would be beneficial to Shareholders by providing them with some ability to sell their Shares at NAV, the repurchase of Shares by the Fund will decrease the total assets of the Fund. Tender offers are, therefore, likely to increase the Fund's expense ratio, may result in untimely sales of portfolio securities, increase the Fund's portfolio turnover and/or may limit the Fund's ability to execute its investment strategy. To the extent the Fund maintains a cash position to satisfy Fund repurchases, the Fund would not be fully invested, which may reduce the Fund's investment performance. Consummating a tender offer may require the Fund to liquidate portfolio securities, and realize gains or losses, at a time when the Investment Adviser would otherwise consider it disadvantageous to do so.

A 2.00% repurchase fee will be charged by the Fund with respect to any repurchase of Shares from a Shareholder in the first year of each Designated Period ("Repurchase Fee"). A Repurchase Fee payable by a Shareholder may be waived by the Fund in circumstances where the Board determines that doing so is in the best interests of the Fund. To the extent the Fund determines to waive, impose scheduled variations of, or eliminate the Repurchase Fee, it will do so consistently with the requirements of Rule 22d-1 under the Investment Company Act, and the Fund's waiver of, scheduled variation in, or elimination of, the Repurchase Fee will apply uniformly to all shareholders regardless of share class. A Shareholder whose Shares (or a portion thereof) are repurchased by the Fund will not be entitled to a return of any sales charge that was charged in connection with the Shareholder's purchase of the Shares.

A Shareholder who tenders for repurchase only a portion of its Shares in the Fund will be required to maintain a minimum account balance of \$25,000. Subject to certain requirements under the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder, the Fund reserves the right to reduce the amount to be repurchased from a Shareholder so that the required account balance is maintained. Such minimum capital account balance requirement may also be waived by the Board in its sole discretion, subject to applicable federal securities laws.

See "TAXES" for information on the potential tax consequences to the Fund and Shareholders.

TENDER/REPURCHASE PROCEDURES

Shareholders tendering Shares for repurchase will be asked to give written notice of their intent to do so by the date specified in the notice describing the terms of the applicable tender offer. The Fund expects to set the price of its tender offers using the NAV per share for each applicable class as of the last day of such tender offer. **The Fund's NAV per share will be available five business days after month-end and can be obtained by calling the Investment Adviser at 773.828.8700.** Following the commencement of an offer to repurchase Shares, the Fund may suspend, postpone or terminate such offer in certain circumstances upon the determination of a majority of the Board, including a majority of the independent Trustees, that such suspension, postponement or termination is advisable for the Fund and its stockholders, including, without limitation, circumstances as a result of which it is not reasonably practicable for the Fund to dispose of its investments or to determine its net asset value, and other unusual circumstances. Each tender offer will be made and Shareholders will be notified in accordance with the requirements of the Exchange Act and the Investment Company Act, by mailing. The tender offer documents will contain information prescribed by such laws and the rules and regulations promulgated thereunder. The Fund's NAV per share may change materially from the date a tender offer is mailed to the tender valuation date (or any later valuation date if the tender offer is extended), and to the effective date of repurchase, and it also may change materially shortly after a tender is completed. Once the tender has been accepted for payment, the Fund will repurchase the Shares and remit the repurchase price to Shareholders, less any applicable repurchase fee, within five (5) business days after the applicable expiration date.

If Shareholders tender for repurchase more than the Tender Offer Amount for a given Tender Offer in the first year of a Designated Period, the Fund may, but is not required to, repurchase an additional amount of Shares not to exceed 2% of the outstanding Shares of the Fund on the Repurchase Request Deadline. If the Fund determines not to repurchase more than the Tender Offer Amount, or if Shareholders tender Shares in an amount exceeding the Tender Offer Amount plus 2% of the outstanding Shares on the Repurchase Request Deadline, the Fund will repurchase the Shares on a pro rata basis. However, the Fund may accept all shares tendered for repurchase by Shareholders who own less than \$25,000 worth of Shares and who tender all of their Shares, before prorating other amounts tendered. In addition, the Fund will accept the total number of Shares tendered in connection with required minimum distributions from an IRA or other qualified retirement plan. It is the Shareholder's obligation to both notify and provide the Fund supporting documentation of a required minimum distribution from an IRA or other qualified retirement plan.

Repurchase of Shares by the Fund are subject to certain regulatory requirements imposed by SEC rules. If the Fund's repurchase procedures must be revised in order to comply with regulatory requirements, the Board will adopt modified procedures reasonably designed to provide investors substantially the same liquidity for Shares as would be available under the procedures described above. Notwithstanding the foregoing, the Fund may suspend repurchases during any period or at any time. The Fund will provide notice to Shareholders of any suspension or postponement or termination of a tender offer.

In certain circumstances, the Board may require a Shareholder to tender its Shares. The Fund may cause a mandatory repurchase or redemption of all or some of the Shares of a Shareholder, or any person acquiring Shares from or through a Shareholder, at NAV in accordance with the Declaration of Trust and Section 23 of the Investment Company Act and Rule 23c-2 thereunder.

TRANSFERS OF SHARES

There is no public market for the Shares and none is expected to develop. The Fund does not list its Shares on a stock exchange or similar market. Shares are transferable only in limited circumstances as described below, and liquidity for investments in Shares may be provided only through the tender offers described above. If a shareholder attempts to transfer Shares in violation of the Fund's transfer restrictions, the transfer will not be permitted and will be void. An investment in the Fund is therefore suitable only for investors that can bear the risks associated with the limited liquidity of Shares and should be viewed as a long-term investment.

No person shall become a substituted Shareholder of the Fund without the consent of the Fund, which consent may be withheld in its sole discretion. Shares held by Shareholders may be transferred only: (i) by operation of law in connection with the death, divorce, bankruptcy, insolvency, or adjudicated incompetence of the Shareholder; or (ii) under other limited circumstances, with the consent of the Board (which may be withheld in its sole discretion and is expected to be granted, if at all, only under extenuating circumstances).

Notice to the Fund of any proposed transfer must include evidence satisfactory to the Board that the proposed transferee, at the time of transfer, meets any requirements imposed by the Fund with respect to investor eligibility and suitability. See "INVESTOR QUALIFICATIONS." Notice of a proposed transfer of a Share must also be accompanied by a properly completed investor application in respect of the proposed transferee. In connection with any request to transfer Shares, the Fund may require the Shareholder requesting the transfer to obtain, at the Shareholder's expense, an opinion of counsel selected by the Fund as to such matters as the Fund may reasonably request. The Board generally will not consent to a transfer of Shares by a Shareholder (i) unless such transfer is to a single transferee, or (ii) if, after the transfer of the Shares, the balance of the account of each of the transferee and transferor is less than \$25,000. Each transferring Shareholder and transferee may be charged reasonable expenses, including, but not limited to, attorneys' and accountants' fees, incurred by the Fund in connection with the transfer.

Any transferee acquiring Shares by operation of law in connection with the death, divorce, bankruptcy, insolvency, or adjudicated incompetence of the Shareholder, will be entitled to the distributions allocable to the Shares so acquired, to transfer the Shares in accordance with the terms of the Agreement and Declaration of Trust and to tender the Shares for repurchase by the Fund, but will not be entitled to the other rights of a Shareholder unless and until the transferee becomes a substituted Shareholder as specified in the Agreement and Declaration of Trust. If a Shareholder transfers Shares with the approval of the Board, the Fund shall as promptly as practicable take all necessary actions so that each transferee or successor to whom the Shares are transferred is admitted to the Fund as a Shareholder.

By subscribing for Shares, each Shareholder agrees to indemnify and hold harmless the Fund, the Board, the Investment Manager, and each other Shareholder, and any affiliate of the foregoing against all losses, claims, damages, liabilities, costs, and expenses (including legal or other expenses incurred in investigating or defending against any losses, claims, damages, liabilities, costs, and expenses or any judgments, fines, and amounts paid in settlement), joint or several, to which such persons may become subject by reason of or arising from any transfer made by that Shareholder in violation of the Agreement and Declaration of Trust or any misrepresentation made by that Shareholder in connection with any such transfer.

ANTI-MONEY LAUNDERING

If the Fund, the Investment Adviser or any governmental agency believes that the Fund has sold Shares to, or is otherwise holding assets of, any person or entity that is acting, directly or indirectly, in violation of U.S., international or other anti-money laundering laws, rules, regulations, treaties or other restrictions, or on behalf of any suspected terrorist or terrorist organization, suspected drug trafficker, or senior foreign political figure(s) suspected of engaging in corruption, the Fund, the Investment Adviser or such governmental agency may freeze the assets of such person or entity invested in the Fund or suspend the repurchase of Shares. The Fund may also be required to, or deem it necessary or advisable to, remit or transfer those assets to a governmental agency, in some cases without prior notice to the investor.

CALCULATION OF NET ASSET VALUE

GENERAL

The Administrator calculates the Fund's NAV as of the close of business on the last day of each month and at such other times as the Board may determine, including in connection with repurchases of Shares, in accordance with the procedures described below or as may be determined from time to time in accordance with policies established by the Board.

The Fund will calculate its NAV (i) as of the close of business on the last business day of each calendar month; (ii) on each date that Shares are to be repurchased in connection with the Fund's offer to purchase Shares; and (iii) at such other times as the Board shall determine (each, a "Determination Date") typically as of the regularly scheduled close of normal trading on the New York Stock Exchange ("NYSE") (normally, 4:00 p.m. Eastern time). If the regular schedule of the NYSE is for a close prior to 4:00 p.m. Eastern time, such as on days in advance of holidays observed by the NYSE, the Fund typically will calculate its NAV as of such earlier closing time. In unusual circumstances, such as an unscheduled close or halt of trading on the NYSE, the Fund may calculate its NAV as of an alternative time. In determining its NAV, the Fund will value its investments as of the relevant Determination Date. The NAV of the Fund will equal, unless otherwise noted, the value of the total assets of the Fund (including the NAV of each class of Shares, including interest accrued but not yet received), less all of its liabilities (including accrued fees and expenses, dividends payable and any borrowings of the Fund), each determined as of the relevant Determination Date. The NAV of each class of Shares will be calculated separately based on the fees and expenses applicable to each class. It is expected that the NAV of each class of Shares will vary over time as a result of the differing fees and expenses applicable to each class.

The Board has approved valuation procedures for the Fund (the "Valuation Procedures"). For purposes of calculating NAV, portfolio securities and other assets for which market quotations are readily available are valued at market value. A market quotation is readily available only when that quotation is a quoted price (unadjusted) in active markets for identical investments that the Fund can access at the measurement date, provided that a quotation will not be readily available if it is not reliable. The participation of the investment professionals of the Investment Adviser in the Fund's valuation process could result in a conflict of interest as the Unitary Management Fee is based on the value of the Fund's assets. See "*CONFLICTS OF INTERESTS*" above.

Investments for which market quotations are not readily available are valued at fair value as determined in good faith pursuant to Rule 2a-5 under the Investment Company Act. As a general principle, the fair value of a security or other asset is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Pursuant to Rule 2a-5, the Board has designated the Investment Adviser as the valuation designee ("Valuation Designee") for the Fund to perform in good faith the fair value determination relating to all Fund investments, under the Board's oversight. The Investment Adviser carries out its designated responsibilities as Valuation Designee through its Valuation Committee. The participation of the investment professionals of the Investment Adviser in the Fund's valuation process could result in a conflict of interest as the Unitary Management Fee is based on the value of the Fund's assets. See "*CONFLICTS OF INTERESTS*" above. The fair values of one or more assets may not be the prices at which those assets are ultimately sold and the differences may be significant.

The Valuation Designee may value put and call options by taking the mid price between the bid and ask price. Certain exchange-traded options, such as FLEX Options, are typically valued using a model-based price provided by a pricing service provider.

The Valuation Designee may value Fund portfolio securities for which market quotations are not readily available and other Fund assets utilizing inputs from pricing services, quotation reporting systems, valuation agents and other third-party sources.

Debt securities will generally be valued using a third-party pricing system, agent, or dealer selected by the Valuation Designee, which may include the use of valuations furnished by a pricing service that employs a matrix to determine valuations for normal institutional size trading units. Debt securities with remaining maturities of 60 days or less, absent unusual circumstances, will be valued at amortized cost, so long as such valuations are determined by the Valuation Designee to represent fair value.

Assets and liabilities initially expressed in foreign currencies will be converted into U.S. dollars using foreign exchange rates provided by a pricing service. Trading in foreign securities generally is completed, and the values of such securities are determined, prior to the close of securities markets in the United States. Foreign exchange rates are also determined prior to such close. On occasion, the values of securities and exchange rates may be affected by events occurring between the time as of which determination of such values or exchange rates are made and the time as of which the NAV of the Fund is determined. When such events materially affect the values of securities held by the Fund or its liabilities, such securities and liabilities will be valued at fair value as determined in good faith by the Valuation Designee.

Prospective investors should be aware that situations involving uncertainties as to the value of portfolio positions could have an adverse effect on the Fund's NAV if the judgments of the Valuation Designee regarding appropriate valuations should prove incorrect. Further, the Placement Agent is under no duty to verify any valuations of the Fund's investments.

SUSPENSION OF CALCULATION OF NET ASSET VALUE

As noted above, the Administrator calculates the Fund's NAV as of the close of business on the last day of each month. However, there may be circumstances where it may not be practicable to determine a NAV, such as during any period when the principal stock exchanges for securities in which the Fund has invested its assets are closed other than for weekends and customary holidays (or when trading on such exchanges is restricted or suspended). In such circumstances, the Board (after consultation with the Investment Adviser) may suspend the calculation of NAV. The Fund will not accept subscriptions for Shares if the calculation of NAV is suspended, and the suspension may require the termination of a pending tender offer by the Fund (or the postponement of the repurchase pricing date for a tender offer). Notwithstanding a suspension of the calculation of NAV, the Fund will be required to determine the value of its assets and report NAV in its semi-annual and annual reports to Shareholders, and in its reports on Form N-PORT (or any successor form) filed with the SEC after the end of the first and third quarters of the Fund's fiscal year. The Administrator will resume calculation of the Fund's NAV after the Board (in consultation with the Investment Adviser) determines that conditions no longer require suspension of the calculation of NAV.

DISTRIBUTION POLICY

The Fund intends to make monthly distributions to its shareholders equal to 15% annually of the Fund's NAV per Share (the "Distribution Policy"). This predetermined dividend rate may be modified by the Board from time to time and increased to the extent of the Fund's investment company taxable income that it is required to distribute in order to maintain its status as a RIC.

If, for any distribution, available cash is less than the amount of this predetermined dividend rate, then assets of the Fund will be sold, and such disposition may generate additional taxable income. The Fund's final distribution for each calendar year will include any remaining investment company taxable income and net tax-exempt income (if any) undistributed during the year, as well as the net capital gain realized during the year. If the total distributions made in any calendar year exceed investment company taxable income, net tax-exempt interest income (if any) and net capital gains, such excess distributed amount would be treated as ordinary dividend income to the extent of the Fund's current and accumulated earnings and profits. Payments in excess of the earnings and profits would first be a tax-free return of capital to the extent of the adjusted tax basis in each Share. After such adjusted tax basis is reduced to zero, the payment would constitute capital gain (assuming the Shares are held as capital assets). This distribution policy may, under certain circumstances, have certain adverse consequences to the Fund and its shareholders because it may result in a return of capital resulting in less of a shareholder's assets being invested in the Fund and, over time, increase the Fund's expense ratio. The expected sources of the distribution are from premiums collected from the sale of short-term call options and dividend income from the Reference Stocks. The distribution policy also may cause the Fund to sell a security at a time it would not otherwise do so in order to manage the distribution of income and gain.

The dividend distribution described above may result in the payment of approximately the same amount or percentage to the Fund's shareholders each period. Section 19(a) of the Investment Company Act and Rule 19a-1 thereunder require the Fund to provide a written statement accompanying any such payment that adequately discloses its source or sources. Thus, if the source of the dividend or other distribution were the original capital contribution of the shareholder, and the payment amounted to a return of capital, the Fund would be required to provide written disclosure to that effect. As required under the Investment Company Act, the Fund will provide a notice to shareholders at the time of a payment or distribution when such does not consist solely of net income. Additionally, each payment will be accompanied by a written statement which discloses the source or sources of each payment. The Internal Revenue Service (the "IRS") requires you to report these amounts, excluding returns of capital, (such amounts will be reported by the Fund to shareholders on IRS Form 1099) on your income tax return for the year declared. The Fund will provide disclosures, with each payment, that estimates the percentages of the current and year-to-date payments that represent (1) net investment income, (2) capital gains and (3) return of capital. At the end of the year, the Fund may be required under applicable law to re-characterize payments made previously during that year among (1) ordinary income, (2) capital gains and (3) return of capital for tax purposes. Nevertheless, persons who periodically receive the payments may be under the impression that they are receiving net profits when they are not. Shareholders should read any written disclosure provided pursuant to Section 19(a) and Rule 19a-1 carefully and should not assume that the source of any payment from the Fund is net profit.

The Board reserves the right to change the Distribution Policy from time to time.

TAXES

INTRODUCTION

The following is a summary of certain material federal income tax consequences of acquiring, holding and disposing of Shares. Because the federal income tax consequences of investing in the Fund may vary from Shareholder to Shareholder depending on each Shareholder's unique federal income tax circumstances, this summary does not attempt to discuss all of the federal income tax consequences of such an investment. Among other things, except in certain limited cases, this summary does not purport to deal with persons in special situations (such as financial institutions, non-U.S. persons, insurance companies, entities exempt from federal income tax, RICs, dealers in commodities and securities and pass through entities). Further, to the limited extent this summary discusses possible foreign, state and local income tax consequences, it does so in a very general manner. Finally, this summary does not purport to discuss federal tax consequences (such as estate and gift tax consequences) other than those arising under the federal income tax laws. *You are therefore urged to consult your tax advisers to determine the federal, state, local and foreign tax consequences of acquiring, holding and disposing of Shares.*

The following summary is based upon the Code as well as administrative regulations and rulings and judicial decisions thereunder, as of the date hereof, all of which are subject to change at any time (possibly on a retroactive basis). Accordingly, no assurance can be given that the tax consequences to the Fund or Shareholders will continue to be as described herein.

The Fund has not sought or obtained a ruling from the IRS (or any other federal, state, local or foreign governmental agency) or an opinion of legal counsel as to any specific federal, state, local or foreign tax matter that may affect it. Accordingly, although this summary is considered to be a correct interpretation of applicable law, no assurance can be given that a court or taxing authority will agree with such interpretation or with the tax positions taken by the Fund.

Except where specifically noted, this summary relates solely to U.S. Shareholders. A U.S. Shareholder for purposes of this discussion is a person who is a citizen or a resident alien of the U.S., a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) organized under the laws of the U.S. or any political subdivision thereof, an estate whose income is subject to U.S. federal income tax regardless of its source or a trust if: (i) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust or (ii) the trust has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

SHAREHOLDER TAXATION

Distributions to Shareholders. The Fund contemplates declaring as dividends each year all or substantially all of its taxable income. In general, distributions will be taxable to you for federal, state and local income tax purposes unless you are a tax-exempt entity, including qualified retirement plans or individual retirement accounts ("IRAs").

Fund distributions, if any, that are attributable to "qualified dividend income" or "long-term capital gains" earned by the Fund would be taxable to non-corporate Shareholders at reduced rates. Shareholders must have owned the Fund Shares for at least sixty-one (61) days during the one hundred twenty-one (121) day period beginning sixty (60) days before the ex-dividend date to benefit from the lower rates on qualified dividend income. Additionally, if you receive a capital gain dividend from the Fund and sell your shares at a loss after holding them for six months or less, the loss will be recharacterized as a long-term capital loss to the extent of the capital gain dividend received. Capital gains on the sale of assets held for less than one year will be short-term capital gains, taxed at ordinary income rates.

U.S. individuals with modified adjusted gross income exceeding \$200,000 (\$250,000 for married couples filing jointly) and trusts and estates with income above specified levels are subject to a 3.8% tax on their net investment income, which includes interest, dividends and capital gains.

Shareholders are generally taxed on any dividends from the Fund in the year they are actually distributed, except that dividends declared in October, November or December of a year, and paid in January of the following year, will generally be treated for federal income tax purposes as having been paid to Shareholders on December 31st of the year in which the dividend was declared.

A corporation that owns shares generally will not be entitled to a dividends received deduction with respect to many dividends received from the Fund. However, certain qualifying dividends received by the Fund and distributed to shareholders may be reported by the Fund as eligible for the dividends received deduction. If the Fund has covered call options, the amount of dividends that qualify for the dividends received deduction may be reduced. The Fund expects to have significant straddle exposure, which is expected to impact the taxability of distributions described above.

If the Fund is not treated as a "publicly offered regulated investment company," as defined in the Code, certain U.S. Shareholders will be treated as having received a dividend from the Fund in the amount of such U.S. Shareholders' allocable share of the Unitary Management Fee paid to the Investment Adviser and certain other expenses, and these fees and expenses will be treated as miscellaneous itemized deductions of such U.S. Shareholders. A "publicly offered regulated investment company" is a RIC whose shares are either (i) continuously offered pursuant to a public offering within the meaning of Section 4 of the 1933 Act, (ii) regularly traded on an established securities market or (iii) held by at least 500 persons at all times during the taxable year. If we are not treated as a publicly offered regulated investment company for any calendar year, each U.S. Shareholder that is an individual, trust or estate will be treated as having received a dividend in the amount of such U.S. Shareholder's allocable share of the Unitary Management Fee paid to the Investment Adviser and certain of our other expenses for the calendar year, and these fees and expenses will be treated as miscellaneous itemized deductions of such U.S. shareholder. Miscellaneous itemized deductions are disallowed through 2025. After 2025, such deductions are not deductible for purposes of the alternative minimum tax, are subject to the "2 percent floor" on miscellaneous itemized deductions, and are subject to the overall limitation on itemized deductions under the Code.

Repurchases. You will recognize taxable gain or loss on a repurchase of your shares in an amount equal to the difference between your tax basis in the shares and the amount you receive for them. Generally, this gain or loss will be long-term or short-term depending on whether your holding period exceeds twelve (12) months. Additionally, any loss realized on a repurchase of shares of the Fund may be disallowed under “wash sale” rules to the extent the shares repurchased of are replaced with other shares of the Fund within a period of sixty-one (61) days beginning thirty (30) days before and ending thirty (30) days after the shares are disposed of. If disallowed, the loss will be reflected in an upward adjustment to the basis of the shares acquired.

The Fund is required to compute and report the cost basis of shares repurchased. The Fund will use the First In, First Out (“FIFO”) method, unless you instruct the Fund to select a different method, or choose to specifically identify your shares at the time of each repurchase. If your account is held by your broker or other advisor, they may select a different default method. In these cases, please contact the holder of your shares to obtain information with respect to the available methods and elections for your account. You should carefully review the cost basis information provided by the Fund and make any additional basis, holding period or other adjustments that are required when reporting these amounts on your federal and state income tax returns.

Pursuant to the Regulations directed at tax shelter activity, taxpayers are required to disclose to the IRS certain information on Form 8886 if they participate in a “reportable transaction.” A transaction may be a “reportable transaction” based upon any of several indicia with respect to a shareholder, including the recognition of a loss in excess of certain thresholds (for individuals, \$2 million in one year or \$4 million in any combination of years). Investors should consult their own tax advisers concerning any possible disclosure obligation with respect to their investment in Fund Shares.

IRAs and Other Tax Qualified Plans. In general, dividends received and gain or loss realized with respect to shares held in an IRA or other tax qualified plan are not currently taxable unless the Fund Shares were acquired with borrowed funds.

U.S. Tax Treatment of Foreign Shareholders. Nonresident aliens, foreign corporations and other foreign investors in the Fund will generally be exempt from U.S. federal income tax on Fund distributions attributable to net capital gains. However, the Fund does not expect to make significant distributions that will be designated as net capital gains. Moreover, the exemption may not apply, if the investment in the Fund is connected to a trade or business of the foreign investor in the United States or if the foreign investor is present in the United States for one hundred eighty-three (183) days or more in a year and certain other conditions are met.

Fund distributions attributable to other categories of Fund income, such as interest from non-U.S. payors, and dividends from companies whose securities are held by the Fund, will generally be subject to a 30% withholding tax when paid to foreign shareholders. However, the Fund may be able to designate a portion of the distributions made as interest related dividends or short-term capital gain dividends which are generally exempt from this withholding tax.

The withholding tax may, however, be reduced (and, in some cases, eliminated) under an applicable tax treaty between the United States and a shareholder’s country of residence or incorporation, provided that the shareholder furnishes the Fund with a properly completed Form W-8BEN or W-BEN-E to establish entitlement to these treaty benefits.

A foreign investor will generally not be subject to U.S. tax on gains realized on sales or exchanges of Fund shares unless the investment in the Fund is connected to a trade or business of the investor in the United States or if the investor is present in the United States for one hundred eighty-three (183) days or more in a year and certain other conditions are met.

In addition, the Fund will be required to withhold 30% tax on certain payments to foreign entities that do not meet specified information reporting requirements under the Foreign Account Tax Compliance Act, even if such distributions would otherwise be exempt from withholding.

All foreign investors should consult their own tax advisers regarding the tax consequences of an investment in the Fund in their country of residence.

State and Local Taxes. In addition to the U.S. federal income tax consequences summarized above, you may be subject to state and local taxes on distributions, sales, exchanges, and redemptions. State income taxes may not apply, however, to the portions of the Fund's distributions, if any, that are attributable to interest on U.S. government securities.

Information Reporting and Backup Withholding. Under applicable "backup withholding" requirements, the Fund may be required in certain cases to withhold and remit to the IRS a percentage of taxable dividends or gross proceeds realized upon sale exchange or redemption payable to Shareholders who have failed to provide a correct tax identification number in the manner required, or who are subjected to backup withholding by the IRS for failure to properly include on their return payments of taxable interest or dividends, or who have failed to certify to the Fund that they are not subject to backup withholding when required to do so or that they are "exempt recipients." The current backup withholding rate is 24%. The amount of any backup withholding from a payment to a Shareholder will be allowed as a credit against the Shareholder's U.S. federal income tax liability and may entitle such a Shareholder to a refund, provided that the required information is timely furnished to the IRS.

OTHER TAX MATTERS

The preceding is a summary of some of the tax rules and considerations affecting Shareholders and the Fund's operations and does not purport to be a complete analysis of all relevant tax rules and considerations, nor does it purport to be a complete listing of all potential tax risks inherent in making an investment in the Fund. A Shareholder may be subject to other taxes, including but not limited to, state and local taxes, estate and inheritance taxes, and intangible taxes that may be imposed by various jurisdictions. The Fund also may be subject to state, local, and foreign taxes that could reduce cash distributions to Shareholders. It is the responsibility of each Shareholder to file all appropriate tax returns that may be required. Each prospective Shareholder is urged to consult with his or her tax adviser with respect to any investment in the Fund.

ERISA AND CODE CONSIDERATIONS

Persons who are fiduciaries with respect to an employee benefit plan or other arrangements subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA") (an "ERISA Plan"), certain IRAs, or certain Keogh plans, should consider, among other things, the matters described below before determining whether to invest in the Fund. ERISA imposes certain general and specific responsibilities on persons who are fiduciaries with respect to an ERISA Plan, including prudence, diversification, the avoidance of prohibited transactions, and other standards. In determining whether a particular investment is appropriate for an ERISA Plan, U.S. Department of Labor regulations provide that a fiduciary of the ERISA Plan must give appropriate consideration to, among other things, the role that the investment plays in the ERISA Plan's portfolio, whether the investment is designed reasonably to further the ERISA Plan's purposes, the risk and return factors, the portfolio's composition with regard to diversification, the liquidity and current total return of the portfolio relative to the anticipated cash flow needs of the ERISA Plan and the proposed investment, the income taxes (if any) attributable to the investment, and the projected return of the investment relative to the ERISA Plan's funding objectives. Before investing the assets of an ERISA Plan in the Fund, an ERISA Plan fiduciary should determine whether such an investment is consistent with ERISA's fiduciary responsibilities and the foregoing considerations. If a fiduciary with respect to any such ERISA Plan breaches such responsibilities with regard to selecting an investment or an investment course of action for such ERISA Plan, the fiduciary may be held personally liable for losses incurred by the ERISA Plan as a result of such breach. Non-ERISA-covered IRAs and Keogh plans and other arrangements not subject to ERISA, but subject to the prohibited transaction rules of Section 4975 of the Code ("Code Plans"; together with ERISA Plans, "Plans"), should determine whether an investment in the Fund will violate those rules.

Because the Fund will be registered as an investment company under the Investment Company Act, the underlying assets of the Fund will not be considered "plan assets" of the Plans investing in the Fund for purposes of ERISA's fiduciary responsibility rules and ERISA and the Code's prohibited transaction rules. Thus, the Investment Adviser will be a fiduciary within the meaning of ERISA and the Code with respect to the assets of any Plan that becomes a Shareholder of the Fund, solely as a result of the Plan's investment in the Fund.

Certain prospective ERISA Plan investors may currently maintain relationships with the Investment Adviser or with other entities that are affiliated with the Investment Adviser. Each of such persons may be deemed to be a party in interest to, a disqualified person of, and/ or a fiduciary of any ERISA Plan to which it provides investment management, investment advisory, or other services. ERISA and the Code prohibit ERISA Plan assets from being used for the benefit of a party in interest or disqualified person and also prohibit a fiduciary from using its position to cause the ERISA Plan to make an investment from which it or certain third parties in which such fiduciary has an interest would receive a fee or other consideration. ERISA Plan investors should consult with legal counsel to determine if participation in the Fund is a transaction that is prohibited by ERISA or the Code. ERISA Plan fiduciaries will be required to represent that the decision to invest in the Fund was made by them as fiduciaries that are independent of such affiliated persons, that they are duly authorized to make such investment decisions, and that they have not relied on any individualized advice or recommendation of such affiliated persons as a primary basis for the decision to invest in the Fund.

The provisions of ERISA and the Code are subject to extensive and continuing administrative and judicial interpretation and review. The discussion of ERISA and the Code contained herein is, of necessity, general and may be affected by the future publication or the future applicability of final regulations and rulings.

Potential investors should consult with their legal advisers regarding the consequences under ERISA and the Code of the acquisition and ownership of Shares.

DESCRIPTION OF SHARES

The Fund is authorized to offer two separate classes of Shares designated as Class A Shares and Class I Shares. While the Fund presently intends to offer two classes of Shares, it may offer other classes of Shares as well in the future. From time to time, the Board may create and offer additional classes of Shares, or may vary the characteristics of Class A Shares and Class I Shares described herein, including without limitation, in the following respects: (1) the amount of fees permitted by a distribution and/or service plan as to such class; (2) voting rights with respect to a distribution and/or service plan as to such class; (3) different class designations; (4) the impact of any class expenses directly attributable to a particular Class of Shares; (5) differences in any dividends and NAVs resulting from differences in fees under a distribution and/or service plan or in class expenses; (6) any sales load structure; and (7) any conversion features, as permitted under the Investment Company Act. The amount of fees permitted by a distribution and/or service plan or voting rights with respect to such plan may not be changed for Class A Shares and Class I Shares without a vote of shareholder of the relevant class. The Fund's tender offers will be made to all of its classes of Shares at the same time, in the same proportional amounts and on the same terms, except for differences in NAVs resulting from differences in fees under a distribution and/or service plan or in class expenses. See "VOTING"; "TENDER OFFERS; REPURCHASES"; "DISTRIBUTION POLICY."

INVESTOR QUALIFICATIONS

Each prospective investor in the Fund will be required to certify that it is an "accredited investor" within the meaning of Rule 501 of Regulation D under the 1933 Act. The criteria for qualifying as an "accredited investor" are set forth in the investor application that must be completed by each prospective investor. Investors who meet such qualifications are referred to in this Memorandum as "Eligible Investors." Existing Shareholders who request to purchase additional Shares will be required to qualify as "Eligible Investors".

Further, because Shares are being offered pursuant to Rule 506(c) the Fund, the Placement Agent or financial intermediaries (i.e., sub-placement agents) that enter into an agreement with the Placement Agent for the sale of Shares are required to take "reasonable steps to verify" that all purchasers of Shares qualify as accredited investors at the time such Shares are purchased. To meet this requirement, individual investors (i.e., natural persons) purchasing Shares will generally be required to deliver information sufficient for the Fund to verify such investor's accredited status.

Rule 506(c) provides for both "safe harbor" verification and Principle Based Verification of accredited investor status. The SEC has and continues to issue guidance with respect to Principle Based Verification and the adequacy of particular verification procedures. Nonetheless, the Fund's use of Principle Based Verification involves more risk than if the Fund were to solely use the "safe harbor" verification provisions. See the section entitled "GENERAL RISKS - Private Offering Exemption" for additional information.

An investment in the Fund involves a considerable amount of risk. An investor may lose some or all of its investment in the Fund. Before making an investment decision, a prospective Investor should (i) consider the suitability of this investment with respect to the Investor's investment objectives and personal situation and (ii) consider factors such as the Investor's personal net worth, income, age, risk tolerance and liquidity needs. The Fund is a highly illiquid investment. Investors have no right to require the Fund to redeem their Shares of the Fund.

PURCHASING SHARES

The minimum initial investment in Class A Shares by any investor is \$25,000 and the minimum initial investment in Class I Shares by any investor is \$25,000. The minimum additional investment in the Fund by any Shareholder is \$25,000. The Shares were initially issued at \$25.00 per share. Thereafter the purchase price for each Class of Shares is based on the NAV per Share of that Class as of the date such Shares are purchased.

Class A Shares may be subject to a 2.00% initial sales charge. Class I Shares are not subject to any initial sales charge. The Placement Agent may elect to reduce, otherwise modify or waive the sales charge with respect to any investor. See “PLACEMENT AGENT.”

The initial closing date for subscriptions Shares currently is anticipated to be in April 2025, but may occur on such later date as the Investment Adviser may determine in its sole discretion (the “Initial Closing”). The Fund’s Shares will be offered at an initial price of \$25.00 per Share. Thereafter, the Shares will be offered once every two years to coincide with the start of a new Designated Period. Shares will generally be offered once at the beginning of each Designated Period, generally on a Friday (other than the 3rd Friday of the month) or such other times and/or more or less frequently as may be determined by the Board in its sole discretion. Once a prospective investor’s purchase order is received, a confirmation is sent to the investor. Potential investors should send funds by wire transfer pursuant to instructions provided to them by the Fund. Purchases are generally subject to the receipt of cleared funds on or prior to the acceptance date set by the Fund and notified to prospective investors. Pending any closing, funds received from prospective investors will be placed in an interest-bearing escrow account with the Fund’s Custodian in accordance with Rule 15c2-4 under the Securities Act of 1934, as amended (the “Exchange Act”). On the date of any closing, the balance in the escrow account with respect to each investor whose investment is accepted will be invested in the Fund on behalf of such investor. Any interest earned on escrowed amounts will be credited to the Fund for the benefit of all Shareholders. A prospective investor will not become an investor of the Fund, and has no rights (including, without limitation, any voting or redemption rights, or any rights with respect to standing), until the relevant closing date.

Except as otherwise permitted by the Board, initial and subsequent purchases of Shares will be payable in cash. Orders will be priced at the appropriate price next computed after the order is received by the Administrator. The Fund reserves the right, in its sole discretion, to accept or reject any subscription to purchase Shares in the Fund at any time.

Pending any offering, funds received from prospective investors will be placed in an escrow account with the Fund’s Custodian. On the date of any closing, the balance in the escrow account with respect to each investor whose investment is accepted will be invested in the Fund on behalf of such investor. A prospective investor will be required to complete a subscription agreement (the “Subscription Agreement”) certifying that the Shares being purchased are being acquired by an Eligible Investor. In general, an investment will be accepted if the investor meets the Fund’s eligibility requirement and a completed investor application and funds are received in good order on or prior to the Acceptance Date set by the Fund. The Fund reserves the right to reject, in its sole discretion, any request to purchase Shares in the Fund at any time. For any investor whose investment is not accepted, the balance in the escrow account with respect to such investor will be returned to the investor. Any interest earned with respect to escrow accounts will be paid to the Fund.

DERIVATIVE ACTIONS/EXCLUSIVE FORUM

No person, other than a Trustee, who is not a Shareholder will be entitled to bring any derivative action, suit or other proceeding on behalf of the Fund. Except for claims asserted under the U.S. federal securities laws including, without limitation, the Investment Company Act, no shareholder may maintain a derivative action on behalf of the Fund unless holders of at least ten percent (10%) of the outstanding shares join in the bringing of such action. Notwithstanding the foregoing, neither of the preceding provisions governing derivative actions will apply to claims brought under the federal securities laws.

In addition to the requirements set forth in Section 3816 of the Delaware Statutory Trust Act, a Shareholder may bring a derivative action on behalf of the Fund or any class of the Fund only if the following conditions are met: (a) the Shareholder or Shareholders must make a pre-suit written demand upon the Trustees to bring the subject action unless an effort to cause the Trustees to bring such an action is not likely to succeed; and a demand on the Trustees shall only be deemed not likely to succeed and therefore excused if a majority of the Trustees, or a majority of any committee established to consider the merits of such action, has a personal financial interest in the transaction at issue, and a Trustee shall not be deemed interested in a transaction or otherwise disqualified from ruling on the merits of a Shareholder demand by virtue of the fact that such Trustee receives remuneration for his service as a Trustee of the Fund or as a trustee or director of one or more investment companies that are under common management with or otherwise affiliated with the Fund; and (b) unless a demand is not required under clause (a) above, the Trustees must be afforded a reasonable amount of time to consider such Shareholder request and to investigate the basis of such claim; and the Trustees shall be entitled to retain counsel or other advisers in considering the merits of the request and shall require an undertaking by the Shareholders making such request to reimburse the Fund for the expense of any such advisers in the event that the Trustees determine not to bring such action. For purposes of this paragraph, the Trustees may designate a committee of one Trustee to consider a Shareholder demand if necessary to create a committee with a majority of Trustees who do not have a personal financial interest in the transaction at issue. If the demand for derivative action has been considered by the Board, and a majority of the Independent Trustees, after considering the merits of the claim, has determined that maintaining a suit would not be in the best interests of the Fund or the affected class, as applicable, the complaining Shareholders shall be barred from commencing the derivative action. If upon such consideration the appropriate members of the Board determine that such a suit should be maintained, then the appropriate officers of the Fund shall commence initiation of that suit and such suit shall proceed directly rather than derivatively. The Declaration of Trust provides that the foregoing provisions will not apply to claims brought under the federal securities laws.

The Fund's By-Laws provide that each Shareholder irrevocably agrees that any claims, suits, actions or proceedings arising out of or relating in any way to the Fund will be exclusively brought in the Court of Chancery of the State of Delaware or, if such court does not have subject matter jurisdiction, then any other court in the State of Delaware with subject matter jurisdiction, and irrevocably waives any right to trial by jury. The exclusive forum provision may require shareholders to bring an action in an inconvenient or less favorable forum. The exclusive forum and jury waiver provisions do not apply to claims arising under the Federal securities laws.

TERM, DISSOLUTION AND LIQUIDATION

The Fund may be dissolved upon approval of a majority of the Trustees. Upon the liquidation of the Fund, its assets will be distributed first to satisfy (whether by payment or the making of a reasonable provision for payment) the debts, liabilities and obligations of the Fund, including actual or anticipated liquidation expenses, other than debts, liabilities or obligations to Shareholders, and then to the Shareholders proportionately in accordance with the amount of Shares that they own. Assets may be distributed in-kind on a proportionate basis if the Board or liquidator determines that the distribution of assets in-kind would be in the interests of the Shareholders in facilitating an orderly liquidation.

REPORTS TO SHAREHOLDERS

The Fund will furnish to Shareholders as soon as practicable after the end of each of its taxable years such information as is necessary for them to complete U.S. federal and state income tax or information returns, along with any other tax information required by law. The Fund anticipates providing Shareholders with an unaudited semi-annual and an audited annual report within 60 days after the close of the period for which the report is being made, or as otherwise required by the Investment Company Act. Shareholders also will be provided with reports regarding the Fund's operations each quarter.

FISCAL YEAR

The Fund's fiscal year is the 12-month period ending on December 31. The Fund's taxable year is the 12-month period ending on December 31.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM; LEGAL COUNSEL

Ernst & Young LLP, 155 North Wacker Drive, Chicago, IL 60606, serves as the Fund's independent registered public accounting firm.

Faegre Drinker Biddle & Reath LLP, One Logan Square, Suite 2000, Philadelphia, PA 19103-6996, serves as counsel to the Fund and the Independent Trustees.

INQUIRIES

Inquiries concerning the Fund and Shares (including procedures for purchasing Shares) should be directed to the Fund's Administrator, UMB Fund Services, Inc. at (877) 779-1999.

FT Vest Total Return Income Fund: Series B1

c/o UMB Fund Services, Inc.
120 West Galena Street
Milwaukee, WI 53212
(877) 779-1999

Investment Adviser

First Trust Capital Management L.P.
225 W. Wacker Drive, 21st Floor
Chicago, IL 60606

Sub-Adviser

Vest Financial LLC
8350 Broad Street, Suite 240
McLean, VA 22102

Transfer Agent/Administrator

UMB Fund Services, Inc.
235 West Galena Street
Milwaukee, WI 53212

Custodian Bank

UMB Bank, N.A.
1010 Grand Boulevard
Kansas City, MO 64106

Placement Agent

First Trust Portfolios L.P.
120 East Liberty Drive, Suite 400
Wheaton, IL 60187

Fund Counsel

Faegre Drinker Biddle & Reath LLP
One Logan Square, Suite 2000
Philadelphia, PA 19103-6996

Independent Registered Public Accounting Firm

Ernst & Young LLP
155 North Wacker Drive
Chicago, IL 60606