AIFMD ANNUAL REPORT

2023 Annual Report for the purposes of Article 22 AIFMD by

Blackstone Liquid Credit Strategies LLC

(the “Investment Manager”)

in respect of

Blackstone Floating Rate Enhanced Income Fund

(the “Fund”)

March 2023

DEFINITIONS

1. This section of the Annual Report sets out the meaning of certain defined terms used in the Annual Report and makes provisions regarding the interpretation of certain references in the Annual Report.

2. In this Annual Report, the following capitalised terms shall have the following meanings:

   (A) "AIF" means an alternative investment fund for the purposes of and as defined in the AIFMD.

   (B) "AIFM" means an alternative investment fund manager for the purposes of and as defined in the AIFMD.

   (C) "AIFMD" means Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers.

   (D) "Annual Report" means this AIFMD Annual Report.

   (E) "EEA" means the European Economic Area.

   (F) "EEA Investor" means an investor or a decision maker in respect of an investment in the Fund to whom the Fund is marketed within an EEA member state.

   (G) "EU" means the European Union.

   (H) "Fund" means Blackstone Floating Rate Enhanced Income Fund.

   (I) "Investment Manager" means Blackstone Liquid Credit Strategies LLC.

   (J) "Professional Investor" has the meaning ascribed to it in article 4(1)(AG) of the AIFMD.

   (K) "Prospectus" means the prospectus of the Fund, as amended, restated or supplemented from time to time.

   (L) "Regulation" means Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012.

   (M) "Reporting Period" means 1 October 2021 through 30 September 2022.

   Certain other terms are defined in the Annual Report.

IMPORTANT NOTICES TO RECIPIENTS

1. This Annual Report is confidential.

2. This confidential Annual Report is being provided to investors of the Fund and regulatory bodies, as necessary, solely for the purpose of providing disclosures in connection with the requirements of the AIFMD. By accepting this Annual Report, you expressly acknowledge that the accounting and certain other information contained in this Annual Report is as of 30 September 2022 unless otherwise indicated and that more recent information, including

performance data, is available and has been provided by the Investment Manager to shareholders of the Fund and that other material changes with respect to the Fund and its investments may not be reflected in this Annual Report. The delivery of this Annual Report shall not under any circumstances create an assumption that the information presented herein is correct as of any time subsequent to 30 September 2022. This Annual Report is not, and may not be relied upon in any manner as, legal, tax, financial or investment advice or as an offer to sell or a solicitation of an offer to buy any security, product or service or to provide investment advice. This Annual Report does not purport to contain all of the information that may be required to evaluate an investment in the Fund and each recipient is urged to consult its tax, legal, financial, accounting and other advisors about the matters discussed herein. Any investment performance information contained in this Annual Report is presented for informational purposes only and is not indicative of future results. Due to various risks and uncertainties, actual events or results and the actual performance of the Fund may differ materially from those reflected or contemplated herein. It should not be assumed that the specific investments identified and discussed herein were or will be profitable or that any investments made in the future will equal the performance of the investments identified herein. No guarantee of investment performance is being provided and no inference to the contrary should be made. There can be no assurance that the Fund will be able to obtain comparable returns, be able to implement its investment strategy, achieve its investment objective or avoid substantial losses.

DISCLOSURE OBLIGATION

1. The Investment Manager is the manager of the Fund for the purposes of the AIFMD and is a non-EU AIFM. Article 42 of the AIFMD allows member states to permit a non-EU AIFM to market the Fund to Professional Investors in that member state subject to compliance with, amongst other things, the requirement to make available an annual report containing the information in Article 22 and, if applicable, the disclosures required under Article 29. As a consequence of its marketing activities within certain jurisdictions of the EEA the Investment Manager is required to provide this Annual Report upon request to investors in the Fund who are domiciled in such jurisdictions, and to make it available to the competent authorities of certain member states where the Fund has been marketed, no later than six months following the end of the Fund's Reporting Period.

SUBSTANCE OF DISCLOSURES REQUIREMENTS

1. The Investment Manager is only required to comply with limited provisions of the AIFMD. Save where a member state has imposed requirements additional to those of Article 42 of the AIFMD, the Investment Manager is not subject to some of the AIFMD's detailed requirements relating to, e.g., operating and organisational requirements relating to capital, indemnity insurance, remuneration, conflicts, risk management, liquidity management, investment in securitisation positions, human and technical resources, valuation, and delegation. Certain disclosures required under Article 22 and certain periodic disclosures required under Article 23 specifically relate to the subject matter of these other requirements, in particular, remuneration, risk management, and liquidity management. In the interests of providing "materially relevant, reliable, comparable and clear information" the Investment Manager has in certain instances addressed the substance of the relevant disclosure requirement based on its own procedures and policies (where applicable).

2. With respect to the disclosure obligations under Article 29 of the AIFMD, the AIFM shall request and use its best efforts to ensure, with respect to any non-listed company established in the EEA of which the Fund has acquired control (individually or jointly),

that the annual report of such non-listed company is drawn up in accordance with Article 29(2) of the AIFMD and is made available by the board of directors of such non-listed company to the employees' representatives, or, where there are none, to the employees themselves within the period such annual report has to be drawn up in accordance with the national applicable law.

INTERPRETATION

1. References to statutory provisions, regulations, notices or the AIFMD shall include those provisions, regulations, notices or the AIFMD as amended, extended, consolidated, substituted, re-issued or re-enacted from time to time.

2. Unless the context otherwise requires and except as varied or otherwise specified in this Annual Report, words and expressions contained in this Annual Report shall bear the same meaning as in the Prospectus provided that, if there is any conflict between words defined in this Annual Report and the Prospectus, this Annual Report shall prevail.

AIFMD ANNUAL REPORT

The following information has been included in this Annual Report in order to comply with the obligations set out under the AIFMD and the Regulation. The shares in the Fund have been notified for marketing in various jurisdictions within the EEA in accordance with the requirements set out under Article 42 of the AIFMD. As a result, the information in this Annual Report in relation to the Fund must be: (i) made available to certain competent authorities in the EEA; and (ii) provided to certain EEA Investors in the Fund.

AIFMD Reference	Information Requirement	Required Disclosure
Article 22.2 (a)	**Balance sheet or statement of assets and liabilities**	Please see Annex 1 for disclosure of the balance sheet / statement of assets and liabilities of the Fund.
Article 22.2 (b)	**Income and expenditure account**	Please see Annex 1 for disclosure of the Fund's income and expenditure account.
Article 22.2 (c)	**Report on activities for the Reporting Period**	Please see Annex 2 setting out the report on the activities for the Fund for the year ending 30 September 2022.
Article 22.2(d)	**Any material changes in the information listed in Article 23 during the Reporting Period**	Please see Annex 3 for disclosure on the material changes in the information listed in Article 23 during the Reporting Period.
Article 22.2(e)	**The total amount of remuneration for the Reporting Period split into fixed and variable remuneration, paid by the AIFM to its staff and number of beneficiaries and, where relevant, carried interest paid by the AIF**	Please see Annex 4 for the remuneration disclosures.
Article 22.2(f)	**The aggregate amount of remuneration broken down by senior management and members of staff of the AIFM whose actions have a material impact on the risk profile of the AIF**	Please see Annex 4 for the remuneration disclosures.

ANNEX 1 – AIF AUDITED FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDING 30 SEPTEMBER 2022

1. Please see Appendix 1 for the Fund's audited financial statements and Independent Auditors' Report for the Reporting Period ended 30 September 2022.

2. Please see page 24 of the Fund's audited financial statements for a balance sheet / statement of assets and liabilities of the Fund as at the end of the Reporting Period.

3. Please see page 25 of the Fund's audited financial statements for the income and expenditure for the Reporting Period.

4. Please note that Article 104(2) of the Regulation sets out the form and content requirements for the Fund's income and expenditure statement. The Fund's audited financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the United States ("US GAAP"). Some of the requirements of US GAAP as to how the income and expenditure statement element of the Fund's audited Combined Financial Statements are required (or permitted) to be presented differ from the form and content requirements set out in Article 104(2) of the Regulation. As a result of these differences, the income and expenditure statement element of the audited financial statements that are included within this Annual Report at Appendix 1 do not fully comply with the form and content requirements of Article 104(2) of the Regulation. Consequently, the Investment Manager has, in addition to including its audited financial statements in this Annual Report, prepared the tables at paragraph 5 below, in order to comply with the requirements of Article 104(2) of the Regulation. This is set out at Annex 2 to this Annual Report.

5. The net unrealised loss figure for the Fund for the Reporting Period-end 2022 is $32,496,278. The net change in unrealised loss is $35,135,095.

ANNEX 2 – REPORT ON THE ACTIVITIES OF THE REPORTING PERIOD

Activities of the Reporting Period

1. This section of the Annual Report sets out a report on the activities of the Fund for the Reporting Period. This report is prepared as at the end of the Reporting Period.

Investment activities

2. In overview, the Fund engaged in the following key investment activities during the Reporting Period:

   The Fund's investment objective is to provide attractive current income with low sensitivity to rising interest rates. Under normal market conditions, the Fund will invest at least 80% of its Managed Assets (as defined below) in floating rate loans, notes, or bonds. "Managed Assets" means net assets plus the amount of any borrowings for investment purposes. The Fund may invest in securities of any credit quality, maturity and duration. The Fund may invest in U.S. dollar and non-U.S. dollar denominated securities of issuers located anywhere in the world, and of issuers that operate in any industry. In pursuing the Fund's investment objective, the Investment Manager will seek to enhance the Fund's return by the use of leverage. The Fund favours what the Investment Manager believes to be the more stable sectors that exhibit strong asset coverage and free cash flow generation. The investment team typically is more cautious of more volatile sectors. The Investment Manager believes that diversification is an important risk management tool, with typical issuer and industry concentration exposures in the 0.1% – 2.0% (5.0% maximum investment limitation) and 1.0% – 15.0% (25.0% maximum investment limitation) ranges, respectively.

   In 2022, the Fund focused on the objectives and strategy outlined previously. The Fund's portfolio was, on average, approximately 92.5% invested in floating rate debt obligations during the fiscal year ending September 30, 2022. At September 2022 month-end, the Fund was 90.5% invested in floating rate loans and 4.5% invested in collateralised loan obligation ("CLO") liabilities (both floating rate assets). The Investment Manager focused on maintaining adequate diversification, actively trading the portfolio, and optimizing the yield per unit of risk. In addition, the Fund consistently implemented a disciplined credit underwriting and risk monitoring process. The portfolio's diversification is illustrated by the average position size of approximately 0.25%, and 447 positions, as of 30 September 2022. Active trading can be illustrated by portfolio turnover of 77% for the 1-year period ending 30 September 2022.The Fund reduced its allocation to high yield bonds and CLOs during the period in favour of loans. From a risk monitoring perspective, the Fund experienced three investment defaults since inception. The Fund experienced two defaults in the 12-month period ending 30 September 2022.

   Portfolio

1. In overview, the Fund's portfolio as at the end of the Reporting Period comprised the following investments:

   As of 30 September 2022, the Fund had Managed Assets of $410 million and net assets of $278 million. The Fund was 85.0% invested in first-lien loans, 5.5% in second-lien loans, 4.8% in high yield bonds, and 4.5% in CLO securities. The Fund's yields as of 30 September 2022 for the I, T, D, T-I, and U share classes were 8.19%, 7.69%, 7.94%, 7.69%, and 7.69% respectively.(1) The Fund was diversified with 447 positions, a largest position of 1.00% of the

Fund's Managed Assets, and an average position size of 0.25%. As of 30 September 2022, the highest single GICs Industry concentration (as a percentage of Managed Assets) in the Fund was Software at 12.7%; Software comprised 11.8% of the reference benchmark, the Morningstar LSTA US Leveraged Loan Index ("Morningstar LSTA LLI"). The next three highest GICs Industry concentrations as a percentage of Managed Assets in the Fund were Healthcare Providers & Services, Diversified Financial Services, and Commercial Services & Supplies, representing 7.9%, 7.0%, and 6.2% of the Fund, respectively. Please see below for more information about the Fund's positioning at the end of the Reporting Period.

Portfolio Characteristics (1)	
Managed Assets	$410 M
Net Asset Value	$278 M
Number of Positions	447
Average Market Price (2)	$91.57
Average Duration (2)(3)	0.34
Average Maturity (2)	5.1 Years
Average All-In-Rate (2)	7.04%
Average Position Size (4)	0.25%
Leverage (4)	32.21%

Share Class	Ticker	NAV / Share	Distribution Rate(1)	Inception
I Share	BGFLX	$20.74	8.19%	1/18/2018
T Share	BGFTX	$20.70	7.69%	5/7/2018
D Share	BGFDX	$20.77	7.94%	9/28/2018

Note: All data as of 30 September 2022.
(1) Reflects the current month's cumulative distribution rate annualised. The cumulative distribution rate for the month presented represents the sum of the daily dividend distribution rate as calculated by dividing the daily dividend per share by the daily NAV per share, for each respective class, for each day in the month for which a daily dividend is declared. The amount of the distributions that the Fund may pay, if any, is uncertain. The distribution rate shown may vary from the actual amount paid, due to whether month ends fall on business days. 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 return of capital.
(2) Figures exclude any equity and ETF investments in the Fund.
(3) Loan durations are based on the actual remaining time until LIBOR is reset for each individual loan.
(4) As a percentage of Managed Assets.

Performance

1. Since inception of the Fund through 30 September 2022, the Fund's I share returned 2.13% (net) versus 2.80% (gross) for the Morningstar LSTA LLI. From 7 May 2018 (the inception date of the T Share) through 30 September 2022, the T Share returned 1.46% (net) versus 2.68% (gross) for the Morningstar LSTA LLI. With the maximum 2.5% sales load factored in, the T Share returned 0.88% (net). From 28 September 2018 (the inception date of the D Share)

through 30 September 2022, the D Share returned 1.38% (net) versus 2.42% (gross) for the Morningstar LSTA LLI. From 18 April 2019 (the inception date of the T-I Share) through September 30, 2021, the T-I Share returned 0.88% (net) versus 2.32% (gross) for the Morningstar LSTA LLI. With the maximum 3.5% sales load factored in, the T-I Share returned -0.16% (net). From 27 November 2019 (the inception date of the U Share) through 30 September 2022, the U Share returned 0.40% (net) versus 2.28% (gross) for the Morningstar LSTA LLI. Senior loans (represented by the Morningstar LSTA LLI) and high yield bonds (represented by the Bloomberg High Yield Index) returned -2.59% and -14.14%, respectively, during the Fund's fiscal year ending 30 September 2022.

2. Volatility impacted the past twelve-month period ended 30 September 2022, as global financial markets adjusted to tightening monetary policy in the face of record-high inflation. That led us from a near 0% interest rate environment to one that saw the U.S. Federal Reserve (the "Fed") push rates to nearly 3.25% as of the end of September 2022. The macro rollercoaster that generated wild swings across equity and debt markets in 2022 also caused significant underperformance as markets readjusted to the new normal. Despite losing 2.53% for the LTM period, loans outperformed most other asset classes including high yield bonds and the S&P 500. Overall flows into leveraged loan mutual funds were positive over the 12-month period through end of September 2022. However, inflows during the first six months turned to outflows over the second half of this period. There were net $10.7 billion of inflows in Q4'21 and Q1'22, which provided support for loan prices. Of those flows, $13.7 billion were inflows to actively managed funds and just under $3 billion left exchange traded funds ("ETFs"). However, retail funds recorded a net outflow of $15.2 billion between May and September, reversing most of the inflows through May. Exchange-traded-funds were key sellers, offloading liquid assets to meet redemptions, and acting as a key technical pressure on loan prices.

   The Fund typically invests in what the Investment Manager would consider the more liquid and actively traded segment of the loan market. The Fund's underperformance relative to the benchmark for the twelve months ended 30 September 2022 was primarily attributable to the Fund's use of leverage and its allocation to high yield bonds. The Investment Manager continues to believe that floating rate senior loans offer a compelling risk-reward opportunity. The Investment Manager believes the seniority of loans in the corporate structure offers a defensive positioning unique to the asset class and one that is well suited for portfolio construction. Given the Fund's actively managed portfolio, we expect the Fund to perform well.

Principal Risks and Uncertainties

1. Please refer to the section entitled "Risks" in the Prospectus, Part 2A of the Investment Manager's Form ADV on file with the U.S. Securities and Exchange Commission and Note 10 on pages 44 to 50 of the financial statements for a statement of the risk factors associated with the Fund.

   A copy of Part 2A of the Investment Manager's Form ADV can be found here: https://files.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=805716

Material changes to Article 23 disclosure information

1. Please see Annex 3 of this Annual Report for a summary of the material changes to the Fund's Article 23 disclosure information.

ANNEX 3 – MATERIAL CHANGES TO ARTICLE 23 DISCLOSURES

Material Changes

1. Please note that no material changes have been made to the information disclosed to investors pursuant to Article 23 of the AIFMD as included in the Prospectus or other public filings for the Fund.

2. The latest net asset value of the Fund and the historical performance of the Fund are available via online portal or by such other means as is determined by the Investment Manager from time to time and notified to shareholders or prospective investors, as the case may be.

ANNEX 4 – REMUNERATION DISCLOSURE

<u>Remuneration – Procedures and Practices</u>

1. The Investment Manager is not subject to the requirements in the AIFMD that would require it, among other things, to implement and apply a remuneration policy that is compliant with Article 13 of the AIFMD (including Annex II) or the ESMA *Guidelines on sound remuneration policies under the AIFMD* (but is required in those jurisdictions where the Fund has been notified under Article 42 of the AIFMD to comply with Section XIII of the *Guidelines* for these purposes). The description below of remuneration attributable to the Fund during the Reporting Period is therefore not representative of information compiled by the Investment Manager for its own internal management purposes, has not been audited, and has not been prepared on the basis of a set of compensation policies and procedures that would be required were the Investment Manager otherwise subject to Article 13 of the AIFMD.

2. The Investment Manager is subject to the remuneration policies and practices (the "Policies") of Blackstone Inc. ("Blackstone"). The staff included in the aggregate figures disclosed below are rewarded in line with the Policies.

3. Blackstone uses financial measures as a basis for compensation decisions across its businesses. Relevant senior management of Blackstone ("Senior Management") make operating decisions and assess the performance of each of Blackstone's business segments based on financial and operating metrics. Such Senior Management would include the global heads of the businesses as well as the CEO and the COO of Blackstone. The Senior Management ensure that compensation decisions are consistently taken across Blackstone, with consideration for the overall risk profile and appetite of Blackstone.

4. The Policies reflect Blackstone's ethos of good governance and encapsulate the following principal objectives:

   - Remuneration is comprised of fixed and variable elements, as described below, with a level of total reward that is competitive within Blackstone's peers;

   - Variable performance-driven compensation must be closely aligned with the principles of Blackstone, supportive of Blackstone's strategy and must not incentivise inappropriate risk taking.

5. The Remuneration Policy applies to staff globally. While Senior Management is involved in determining and implementing the Policies, no individual is involved in setting his or her own remuneration.

6. The Investment Manager classifies members of the Fund's Investment Committee, Senior Managing Directors, Heads of Control Functions and any employees with comparable compensation to a member of the Fund's Investment Committee as material risk takers. Blackstone assesses various risk factors which it is exposed to when considering and implementing remuneration for staff and considers whether any potential award would give rise to a conflict of interest.

7. Mechanisms are in place to ensure that remuneration does not reward failure, whether on the early termination of a contract or otherwise. Where awards of carried interest and incentive payments are made, these are inherently risk-adjusted given that they are directly tied to the

performance of investments or portfolios. In some cases, these payments are subject to a clawback obligation in the event of subsequent underperformance.

8. Blackstone operates an annual total compensation process dependent on individual and business performance, taking into account financial and non-financial criteria. This includes the performance of Blackstone as a whole, performance of each business unit within Blackstone - which would include regional businesses - as well as the individual's performance. The individual's performance is evaluated through an annual comprehensive performance management process known as "360". The "360" performance process provides an evaluation of an individual's performance based on feedback from peers, managers and subordinates and assesses individuals quantitatively and qualitatively on a wide range of criteria including skills, values, collaboration and leadership. An individual's performance is also compared to agreed objectives and contribution to business strategy. The results of the performance evaluation process are used to produce total compensation recommendations for each individual which are subject to the review and approval by the Senior Management. An individual's compensation is designed to align employee incentives with the interests of Blackstone's clients, shareholders and business strategy. Total compensation payable to an individual, including determination of awards, is based on an assessment of a sustainable and risk adjusted performance of the business and applicable business risks from time to time. Bonus deferral awards are a deferred component of year-end discretionary bonus awards, if awarded. These awards are intended to encourage retention, align the recipient to the performance of Blackstone globally and incentivise long-term financial performance. Special equity awards are a retention tool/long term incentive plan for select individuals who demonstrate exceptional performance, and are subject to a vesting schedule weighted to encourage retention. Carried interest and incentive payment participation is generally reserved for most investment professionals who may significantly influence the performance of investments made by the funds managed by Blackstone.

9. The Investment Manager has adopted a methodology for the purposes of determining, or allocating, the remuneration paid that can be reasonably attributed to the services provided by the Investment Manager to the Fund.

10. The disclosure below reflects the proportion of the total remuneration of the staff of the Investment Manager attributable to the Fund only. For these purposes, the total remuneration attributable to the activities of the Investment Manager has been allocated to each fund under management in proportion to the time spent on and proportional AUM of each applicable fund, hence the figures included below are an approximation only. While the Investment Manager believes that the information and the sources used are reliable for the purposes of this Annual Report, it should be specifically noted that the remuneration information presented herein is subject to the "Important Notices to Recipients" set out above.

Remuneration - Amount of Remuneration Paid

1. The remuneration paid by the Investment Manager to its staff in respect of the Reporting Period ending on 30 September 2022 (as attributable to the Fund in accordance with the methodology described above is as follows):

Total remuneration	$982,518
Fixed remuneration	$212,039
Variable remuneration	$770,479

Number of beneficiaries	696

Carried interest realised during the Reporting Period included with the total variable remuneration specified above: $290,556

Aggregate remuneration paid to Senior Management $464,147

Aggregate remuneration paid to staff whose actions have a material impact on the risk profile of the Fund $474,823

Note: Certain members of Senior Management of the Investment Manager also perform investment functions that have a material impact on the risk profile of the Fund; remuneration paid to those individuals has consequently been included in both aggregate amounts disclosed above.

Appendix 1
Financial Statements

Please refer to the attached Financial Statements for the Reporting Period ended 30 September 2022 and Independent Auditors' Report in respect of the Fund.

Blackstone

Blackstone Floating Rate Enhanced Income Fund

Nasdaq:
BGFLX (Class I)
BGFTX (Class T)
BGFDX (Class D)
BGFPX (Class T-I)
BGFVX (Class U)

Annual Report
September 30, 2022

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To Our Shareholders:

Volatility has plagued the past twelve-month period ended September 30, 2022, as global financial markets adjust to tightening monetary policy in the face of record-high inflation. That has led us from a near 0% interest rate environment to one that has seen the U.S. Federal Reserve (the "Fed") push rates to nearly 3.25% as of the end of September, with a further increase to nearly 4.00% in November 2022 and more hikes expected to bring inflation under control.

The macro rollercoaster that has generated wild swings across equity and debt markets in 2022 has also caused significant underperformance as markets readjust to the new normal. Despite losing 2.53% for the LTM period,[1] loans outperformed most other asset classes including high yield bonds and the S&P 500.

In contrast, following a brief bout of Omicron-related volatility in late November 2021, the final quarter of 2021 ended on a high note. Appetite for floating-rate and higher-yielding assets ahead of rising interest rate expectations fueled the year-end rally across loans, leaving average prices at $98.64.[2] This continued into early January 2022, buoyed by the rollback of COVID-19 restrictions. As the quarter progressed, risk-on sentiment weakened with Russia's invasion of Ukraine and as the Fed became increasingly hawkish in the face of inflation running at 40-year highs.

Determination to fight inflation led the Fed to hike rates five times before the end of September 2022, including three "jumbo" increases of 75 basis each. However, these increases also brought recession risk to the forefront, causing the U.S. Treasury yield curve to invert as leading economic indicators trended lower. Concerns around recession and lower growth joined the many headwinds facing markets in 2022, including not only inflation and rising interest rates, but also supply chain issues, lockdowns in China, the war in Ukraine, the escalating energy crisis in Europe, and most recently the market upset caused by the UK's "mini-budget."

12-Month Total Returns as of September 30, 2022

US Loans (Morningstar LSTA US Leveraged Loan Index)	-2.53%
High Yield (Bloomberg High Yield Index)	-14.14%
3-month Treasury Bills (Bloomberg US Treasury Bellwethers: 3 Month)	0.62%
10-Year Treasuries (Bloomberg US Treasury Bellwethers: 10 Year)	-16.29%
US Aggregate Bonds (Bloomberg US Aggregate Bonds Index)	-14.60%
US Investment Grade Bonds (Bloomberg US Investment Grade Bonds Index)	-18.53%
Emerging Markets (Bloomberg Emerging Markets Index)	-23.01%
US Large Cap Equities (Bloomberg US Large Cap Equities Index)	-17.35%

Sources: Bloomberg, Barclays, S&P/LCD

Past performance is no guarantee of future results. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.

Meanwhile corporate performance mostly continued to hold up over the 1Q and 2Q earnings seasons despite the increasingly negative macro backdrop, prompting a mid-summer rally across credit markets. Earnings expectations have become more conservative as growth has slowed. Higher interest rates could cause earnings to contract, making companies more vulnerable to higher interest expenses and cost pressures, weaker free cash flow and debt service metrics.

Despite the material outperformance compared to other asset classes,[3] loan prices were not immune to issues faced by the broader financial markets, falling significantly over the 12-month period. Driven by technical and fundamental factors, prices fell to lows of $91.75 in July,[4] levels not experienced since 2020.

Overall flows into leveraged loan mutual funds were positive over the past 12-month period through end of September 2022. However, inflows during the first six months turned to outflows over the second half of this period. There were net $10.7 billion of inflows in Q421 and Q122, which provided support for loan prices. Of those flows, $13.7 billion came from actively managed funds and just under $3 billion left exchange traded funds ("ETFs").[5] However, retail funds recorded an outflow of $15.2 billion between May and September, outdoing most of the inflows through May. Exchange-traded-funds were key sellers, offloading liquid assets to meet redemptions, and acting as a key technical pressure on loan prices.

Activity from collateralized loan obligations ("CLOs") maintained demand for loans and helped to partially offset the retail outflows. However, the path to pricing new deals became challenging given widening liability spreads and a reduced flow of primary loans. Instead, managers focused on "print and sprint," short-dated and static transactions to take advantage of cheap secondary market loans and the pull to par arbitrage dynamic such loans can offer. This has helped support issuance so that the $162.2 billion of new CLOs priced over the period is on a par with the same period last year.[6]

As it relates to loan supply, the volatility caused issuers to pull back from bringing new deals over much of the year, leaving new issue loan volumes at $316.5 billion, compared with $764 billion over the same period last year.[6]

In high yield, negative retail flows were the big story, with a whopping $54.9 billion leaving funds over the course of the period. Duration risk prompted an initial sell-off in high yield, which was exacerbated by rate and equity volatility as investors opted for floating rate assets, at least in the first six months.

Mounting recession concerns and growing risk-off sentiment as 2022 progressed led to an increase in quality bias among investors. In contrast to 2021, where lower rated assets outperformed, 2022 experienced increased dispersion among both price and credit spreads. As a result, CCC loan assets have severely underperformed with returns at -10.16%, compared to BB's at -0.90% in the 2022 YTD period.

Loan defaults have started to rise, albeit from a low base, but are not expected to rise above historical averages over the next year.

This year's economic rollercoaster ride shows no sign of slowing down, and we have little doubt about the challenging nature of the operating environment as we head into the final quarter of the year. The latest crisis in the UK highlighted the fragile sentiment, and there is increasing wariness about what lies ahead.

However, we remain constructive on the loan market as a source of income and protection against interest rate volatility. Moreover, recovery rates remain high, yields are compelling, the near-term maturity wall is manageable and high interest coverage ratios provide a good cushion against higher base rates.[7] We advocate robust portfolio management, as well as staying up in quality and in defensive sectors to protect performance.

At Blackstone Credit, we value your continued investment and confidence in us and in our family of funds. Additional information about our funds is available on our website at www.blackstone-credit.com and www.bgflx.com.

Sincerely,
Blackstone Liquid Credit Strategies LLC

1 *Morningstar LSTA US Leveraged Loan Index, September 30, 2022.*
2 *Morningstar LSTA US Leveraged Loan Index, December 31, 2021.*
3 *Morningstar LSTA US Leveraged Loan Index, July 1, 2022.*
4 *LCD as of July 31, 2022.*
5 *J.P. Morgan Fund Flows, as of October 1, 2022.*
6 *LCD, as of October 1, 2022.*
7 *J.P. Morgan, Interest (ing) Coverage Scenarios, April 2022.*

Portfolio Management Commentary

Fund Performance
The Fund’s Class I, Class D, Class T, and Class T-I underperformed the Fund’s benchmark, the Morningstar LSTA US Leveraged Loan Index ("Morningstar LLI"), for the three-month, six-month, one-year, and three-year periods, and since inception. The Fund’s Class U underperformed the Morningstar LLI for the three-month, six-month and one-year periods and since inception.

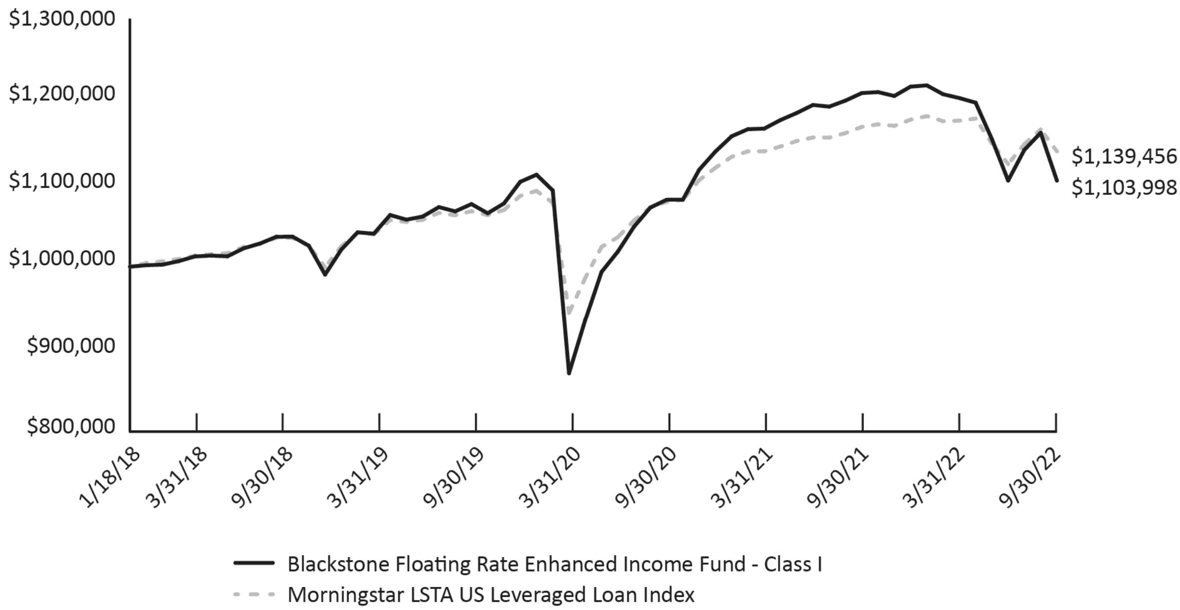
NAV Performance Factors
The Fund’s underperformance relative to the benchmark for the twelve months ended September 30, 2022 was primarily attributable to the Fund’s use of leverage, its allocation to bonds, security selection within loans, and CLO securities. By issuer, the largest positive contributors to total return were Quidditch Acquisition, Vantage Specialty Chemicals, and Project Leopard Holdings, and the most significant detractors were Envision Healthcare, Carestream Health, and Genesiscare USA.

Portfolio Activity and Positioning
During the period, we continued to manage the Fund dynamically to take advantage of relative value opportunities between loans, high yield, and CLO securities. The Fund’s largest sector overweights were Computers & Peripherals, Commercial Services & Supplies, and Diversified Financials; the largest sector underweights were Software, IT Services, and Hotels, Restaurants, and Leisure. The Fund reduced its allocation to high yield bonds during the period in favor of floating rate assets. As of September 30, 2022, the Fund held 85.0% of its Managed Assets in first lien loans, 5.5% in second lien loans, 4.8% in corporate bonds, 4.5% in CLO securities, and 0.2% in equity and warrants. The Fund’s investments represented the obligations of 370 companies, with an average position size representing 0.25% of Managed Assets of the Fund.

Performance Summary

Performance quoted represents past performance, which is no guarantee of future results. Past performance is not indicative of future results. Investment returns and principal value of an investment will fluctuate so that an investor's shares, when repurchased, may be worth more or less than their original cost. The returns shown do not reflect taxes that an investor would pay on fund distributions or on the sale of fund shares. To obtain the most recent month-end performance, visit www.bgflx.com.

Value of a $1,000,000 Investment Since Inception at Net Asset Value*



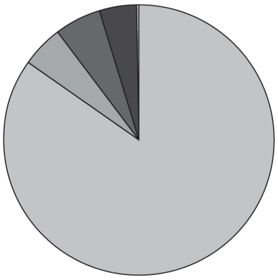
* *The line graph represents historical performance of a hypothetical investment of $1,000,000 in Class I Shares of the Fund from January 18, 2018 (commencement of operations) to September 30, 2022, assuming the reinvestment of distributions.*

Total Return (as of September 30, 2022)

	3 Month	1 Year^	3 Year†	Since Inception†
Class I*	-0.01%	-8.75%	0.87%	2.13%
Class T*	-0.14%	-9.20%	0.37%	1.46%
Class T* w/ 2.5% Sales Load**	-2.63%	-11.47%	-0.47%	0.88%
Class D*	-0.07%	-8.96%	0.67%	1.38%
Class T-I*	-0.09%	-9.18%	0.49%	0.88%
Class T-I* w/ 3.5% Sales Load***	-3.57%	-12.37%	-0.70%	-0.16%
Class U*	-0.10%	-9.19%	N/A	0.40%
Morningstar LSTA US Leveraged Loan Index****	1.37%	-2.53%	2.21%	2.82%

* *Assumes distributions are reinvested pursuant to the Fund's dividend reinvestment plan. Performance data quoted represents past performance and does not guarantee future results.*
** *Assumes payment of the full front-end 2.5% sales load at initial subscription.*
*** *Assumes payment of the full front-end 3.5% sales load at initial subscription.*
**** *Inception to date returns for the Morningstar LLI are based on the I Share inception date of 1/18/18.*
^ *Excludes adjustments in accordance with the accounting principles generally accepted in the United States of America and as such, the net asset value and total return for shareholder transactions reported to the market at period ended September 30, 2022 may differ from the net asset value for financial reporting purposes.*
† *Annualized.*

Portfolio Composition*

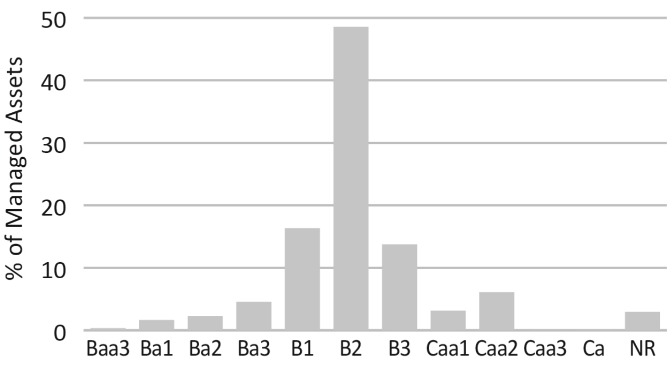


Asset Allocation
(as a % of Managed Assets)

1st Lien Loans	85.00%
2nd Lien Loans	5.51%
Bonds	4.83%
CLO Securities	4.54%
Equity	0.16%
Cash and Other	-0.04%

* *The Fund's Cash & Other Assets less Liabilities represents net cash and other assets and liabilities, which includes amounts payable for investments purchased but not yet settled and amounts receivable for investments sold but not yet settled. At period end, the amounts payable for investments purchased but not yet settled exceeded the amount of cash on hand. The Fund uses sales proceeds or its leverage program to settle amounts payable for investments purchased, but such amounts are not reflected in the Fund's net cash.*

Moody's Rating Distribution**



** *For more information on Moody's ratings and descriptions refer to www.moodys.com.*

Portfolio Characteristics

Weighted Average Coupon	7.04%
Current Dividend Yield – I Share^	4.94%
Current Dividend Yield – T Share^	4.64%
Current Dividend Yield – D Share^	4.77%
Current Dividend Yield – T-I Share^	4.52%
Current Dividend Yield – U Share^	4.45%
Average Duration^^	0.34 yr
Average Position*	0.25%
Leverage*	32.21%

^ *Represents annualized distribution rate of I Share, T Share, D Share, T-I Share and U Share. Reflects September month cumulative distribution rate annualized. The cumulative distribution rate for the month presented represents the sum of the daily dividend distribution rate as calculated by dividing the daily dividend per share by the daily net asset value ("NAV") per share, for each respective class, for each day in the month for which a daily dividend is declared.*

^^ *Loan durations are based on the actual remaining time until respective reference rates are reset for each individual loan.*

* *As a percentage of Managed Assets.*

Top 10 Issuers*

Curia Global, Inc.	1.00%
Park River Holdings, Inc.	0.90%
Weld North Education Llc	0.86%
LBM Acquisition LLC	0.85%
Garda World Security	0.84%
TRC Companies Inc	0.84%
MH Sub I LLC	0.80%
AMC Entertainment Holdings, Inc.	0.80%
PetVet Care Centers LLC	0.79%
GI Consilio Parent LLC	0.78%
Top 10 Issuers	**8.47%**

* *As a percentage of Managed Assets.*

Portfolio holdings and distributions are subject to change and are not recommendations to buy or sell any security.

Top 5 Industries*^

Software	12.73%
Health Care Providers & Services	7.88%
Diversified Financial Services	6.99%
Commercial Services & Supplies	6.20%
Hotels, Restaurants & Leisure	4.87%
Top 5 Industries	**38.66%**

* *As a percentage of Managed Assets.*

^ *GICS Industry Classification Schema.*

	Principal Amount	Value
FLOATING RATE LOAN INTERESTS[a] - 133.52%		
Aerospace & Defense - 4.49%		
Amentum Government Services Holdings LLC, First Lien Term Loan, 6M US L + 4.00%, 02/15/2029	$1,401,589	$1,342,022
Atlas CC Acquisition Corp., First Lien B Term Loan, 3M US L + 4.25%, 0.75% Floor, 05/25/2028	2,687,235	2,365,439
Atlas CC Acquisition Corp., First Lien C Term Loan, 3M US L + 4.25%, 0.75% Floor, 05/25/2028	546,558	481,107
Dynasty Acquisition Co., Inc., First Lien 2020 B-1 Term Loan, 1M US L + 3.50%, 04/06/2026	1,939,919	1,796,647
Dynasty Acquisition Co., Inc., First Lien 2020 B-2 Term Loan, 1M US L + 3.50%, 04/06/2026	1,043,776	966,688
Peraton Corp., First Lien B Term Loan, 1M US L + 3.75%, 0.75% Floor, 02/01/2028	3,282,702	3,119,798
TransDigm, Inc., First Lien Tranche F Refinancing Term Loan, 3M US L + 2.25%, 12/09/2025	1,621,924	1,557,907
Vertex Aerospace Corp., First Lien Term Loan, 3M US L + 3.75%, 12/06/2028	880,192	858,187
		12,487,795
Air Freight & Logistics - 1.24%		
Kenan Advantage Group, Inc.,The, First Lien U.S. B-1 Term Loan, 1M US L + 3.75%, 0.75% Floor, 03/24/2026	2,723,423	2,582,159
WWEX UNI TopCo Holdings LLC, First Lien Initial Term Loan, 3M US L + 4.00%, 0.75% Floor, 07/26/2028	959,861	876,924
		3,459,083
Airlines - 2.26%		
AAdvantage Loyality IP, Ltd., First Lien Initial Term Loan, 3M US L + 4.75%, 0.75% Floor, 04/20/2028	1,601,729	1,556,079
Air Canada, First Lien B Term Loan, 3M US L + 3.50%, 0.75% Floor, 08/11/2028	2,317,184	2,209,400
American Airlines, Inc., First Lien 2018 Replacement Term Loan, 1M US L + 1.75%, 06/27/2025	325,866	316,804
American Airlines, Inc., First Lien 2020 Term Loan, 1M US L + 1.75%, 01/29/2027	348,666	321,521
KKR Apple Bidco LLC, Second Lien Initial Term Loan, 1M US L + 5.75%, 0.50% Floor, 09/21/2029	248,629	239,097
United AirLines, Inc., First Lien Class B Term Loan, 3M US L + 3.75%, 0.75% Floor, 04/21/2028	1,695,030	1,624,992
		6,267,893
Auto Components - 1.17%		
Burgess Point Purchaser Corp., First Lien Term Loan, 3M US L + 5.25%, 07/25/2029	2,106,800	1,950,107
Wheel Pros, Inc., First Lien Initial Term Loan, 1M US L + 4.50%, 0.75% Floor, 05/11/2028	1,743,241	1,289,510
		3,239,617
Beverages - 1.07%		
Triton Water Holdings, Inc., First Lien Initial Term Loan, 3M US L + 3.50%, 0.50% Floor, 03/31/2028	3,296,939	2,975,026
Biotechnology - 0.28%		
Grifols Worldwide Operati Tlb, First Lien Term Loan, 3M US L + 2.00%, 11/08/2027	813,047	773,582
Building Products - 1.75%		
Arc Falcon I, Inc., First Lien Initial Term Loan, 1M US L + 3.75%, 09/30/2028	102,638	95,026
Cornerstone Building Brands, Inc., First Lien Tranche B Term Loan, 1M US L + 3.25%, 0.50% Floor, 04/12/2028	1,181,300	977,159
CP Atlas Buyer, Inc., First Lien B Term Loan, 1M US L + 3.50%, 0.50% Floor, 11/23/2027	2,493,853	2,184,615
Illuminate Merger Sub Corp, First Lien Initial Term Loan, 3M US L + 3.50%, 0.50% Floor, 07/21/2028	624,591	548,862

See Notes to Financial Statements.

	Principal Amount	Value
Building Products (continued)		
Kodiak Building Partners Inc. TLB, First Lien Term Loan, 3M US L + 3.25%, 0.75% Floor, 02/25/2028	$1,161,496	$1,070,754
		4,876,416
Capital Markets - 1.32%		
Advisor Group Holdings, Inc., First Lien B-1 Term Loan, 1M US L + 4.50%, 07/31/2026	1,296,005	1,236,557
Edelman Financial Center LLC, Second Lien Initial Term Loan, 1M US L + 6.75%, 07/20/2026	384,615	342,308
Edelman Financial Engines Center LLC, First Lien Initial (2021) Term Loan, 1M US L + 3.50%, 0.75% Floor, 04/07/2028	2,276,799	2,095,612
		3,674,477
Chemicals - 2.90%		
Ascend Performance Materials Operations LLC, First Lien 2021 Refinancing Term Loan, 3M US L + 4.75%, 0.75% Floor, 08/27/2026	1,859,188	1,825,025
CPC Acquisition Corp., First Lien Initial Term Loan, 3M US L + 3.75%, 0.75% Floor, 12/29/2027	1,735,410	1,361,568
DCG Acquisition Corp., First Lien B Term Loan, 1M US L + 4.50%, 09/30/2026	910,313	851,898
Geon Performance Solutions LLC, First Lien Term Loan, 3M US L + 4.50%, 0.75% Floor, 08/18/2028	562,222	544,653
Hyperion Materials & Technologies, Inc., First Lien Initial Term Loan, 4M US L + 4.50%, 0.50% Floor, 08/30/2028	1,080,734	1,015,890
Vantage Specialty Chemicals, Inc., First Lien Closing Date Term Loan, 3M US L + 3.50%, 1.00% Floor, 10/28/2024	420,169	405,333
Vantage Specialty Chemicals, Inc., First Lien Term Loan, 3M US L + 3.50%, 10/28/2024	913,100	880,858
Vantage Specialty Chemicals, Inc., Second Lien Initial Term Loan, 3M US L + 8.25%, 1.00% Floor, 10/27/2025	1,200,000	1,165,998
		8,051,223
Commercial Services & Supplies - 9.11%		
Access CIG LLC, First Lien B Term Loan, 3M US L + 3.75%, 02/27/2025	448,576	430,745
Access CIG LLC, Second Lien Initial Term Loan, 3M US L + 7.75%, 02/27/2026	2,385,997	2,275,645
Allied Universal Holdco LLC, First Lien Initial U.S. Dollar Term Loan, 1M US L + 3.75%, 0.50% Floor, 05/12/2028	2,817,948	2,485,078
Anticimex International AB, First Lien Term Loan, 3M US L + 3.50%, 0.50% Floor, 11/16/2028	790,043	750,541
DG Investment Intermediate Holdings 2, Inc., First Lien Closing Date Initial Term Loan, 1M US L + 3.75%, 0.75% Floor, 03/31/2028	2,121,850	1,983,272
DG Investment Intermediate Holdings 2, Inc., Second Lien Initial Term Loan, 1M US L + 6.75%, 0.75% Floor, 03/30/2029	860,357	807,660
Divisions Holding Corp., First Lien B Term Loan, 1M US L + 4.75%, 0.75% Floor, 05/27/2028	783,238	750,929
EAB Global, Inc., First Lien Term Loan, 3M US L + 3.50%, 0.50% Floor, 08/16/2028	997,053	936,696
Foundational Education Group, Inc., First Lien Term Loan, 3M US L + 3.75%, 08/31/2028[(b)]	834,834	784,744
Garda World Security Corp., First Lien B-2 Term Loan, 3M US L + 4.25%, 10/30/2026	3,344,472	3,155,828
Garda World Security Corp., First Lien Term Loan, 3M US L + 4.25%, 02/01/2029	313,636	292,988
Genuine Financial Holdings LLC, First Lien Initial Term Loan, 1M US L + 3.75%, 07/11/2025	3,049,176	2,967,245
Revspring, Inc., First Lien Initial Term Loan, 3M US L + 4.00%, 10/11/2025	1,732,500	1,674,756
Seren BidCo, First Lien Term Loan, 3M US L + 4.00%, 11/16/2028	788,040	753,563
TRC Companies, First Lien Term Loan, 1M US L + 3.75%, 12/08/2028	2,631,392	2,471,324
TRC Companies, Second Lien Term Loan, 1M US L + 6.75%, 12/07/2029	1,026,154	967,150
United Site Cov-Lite, First Lien Term Loan, 1M US L + 4.25%, 12/15/2028	1,563,527	1,339,419
Vaco Holdings, LLC, First Lien Term Loan, 3M US L + 5.00%, 01/21/2029	489,161	476,932
		25,304,515

See Notes to Financial Statements.

	Principal Amount	Value
Communications Equipment - 0.13%		
MLN US HoldCo LLC, First Lien B Term Loan, 3M US L + 4.50%, 11/30/2025	$590,078	$371,604
Construction & Engineering - 0.96%		
Aegion Corp., First Lien Initial Term Loan, 1M US L + 4.75%, 0.75% Floor, 05/17/2028	2,162,948	1,995,319
Tutor Perini Corp., First Lien B Term Loan, 1M US L + 4.75%, 1.00% Floor, 08/18/2027	731,415	681,130
		2,676,449
Construction Materials - 0.67%		
White Cap Buyer LLC, First Lien Initial Closing Date Term Loan, 1M US L + 3.75%, 0.50% Floor, 10/19/2027	1,992,293	1,868,482
Containers & Packaging - 5.74%		
Berlin Packaging L.L.C., First Lien Term Loan, 1M US L + 3.75%, 03/11/2028	2,642,063	2,501,703
Charter Next Generation, Inc., First Lien Initial (2021) Term Loan, 3M US L + 3.75%, 0.75% Floor, 12/01/2027	2,897,306	2,756,743
Clydesdale Acquisition Holdings, Inc., First Lien Term Loan, 3M US L + 4.175%, 0.50% Floor, 04/13/2029	2,738,423	2,590,863
IBC Capital I, Ltd., First Lien Tranche B-1 Term Loan, 1M US L + 3.75%, 09/11/2023	467,498	432,632
LABL, Inc., First Lien Term Loan, 1M US L + 5.00%, 10/29/2028	815,268	739,603
ProAmpac PG Borrower LLC, First Lien 2020-1 Term Loan, 3M US L + 3.75%, 0.75% Floor, 11/03/2025	1,677,720	1,579,992
Ring Container Technologies Group, LLC, First Lien Initial Term Loan, 3M US L + 3.75%, 0.50% Floor, 08/12/2028	817,417	790,172
Tekni-Plex, Inc., First Lien Delayed Draw Tem Term Loan, 3M US L + 4.00%, 0.50% Floor, 09/15/2028[(c)]	246,571	234,212
Tekni-Plex, Inc., First Lien Tranche B-3 Initial Term Loan, 3M US L + 4.00%, 0.50% Floor, 09/15/2028	2,269,562	2,155,800
Tricorbraun Holdings, Inc., First Lien Closing Date Initial Term Loan, 1M US L + 3.25%, 0.50% Floor, 03/03/2028	2,294,192	2,160,704
		15,942,424
Distributors - 1.26%		
LBM Acquisition LLC, First Lien Initial Term Loan, 3M US L + 3.75%, 0.75% Floor, 12/17/2027	3,985,757	3,498,498
Diversified Consumer Services - 5.94%		
Element Materials Technology Group Holdings DTL, First Lien Term Loan, 3M US L + 4.25%, 06/22/2029	841,175	793,859
Element Materials Technology Group Holdings TL, First Lien Term Loan, 3M US L + 4.25%, 06/22/2029	1,822,546	1,720,028
KUEHG Corp., First Lien B-3 Term Loan, 1M US L + 3.75%, 1.00% Floor, 02/21/2025	3,020,234	2,861,671
Learning Care Group No. 2, Inc., First Lien Initial Term Loan, 3M US L + 3.25%, 1.00% Floor, 03/13/2025	1,838,462	1,743,781
Loyalty Ventures, Inc., First Lien Term Loan, 3M US L + 4.50%, 11/03/2027	719,180	245,240
McKissock Investment Holdings, LLC, First Lien Term Loan, 3M US L + 5.00%, 03/12/2029	317,666	308,136
Pre Paid Legal Services, Inc., First Lien Term Loan, 3M US L + 3.75%, 12/15/2028	2,119,630	2,018,291
Rinchem Company, Inc., First Lien Term Loan, 3M US L + 4.50%, 03/02/2029[(b)]	738,294	707,840
Spring Education Group, Inc., First Lien Initial Term Loan, 3M US L + 4.25%, 07/30/2025	1,322,845	1,263,317
St. George's University Scholastic Services LLC, First Lien Term Loan B Term Loan, 1M US L + 3.25%, 0.50% Floor, 02/10/2029	1,362,612	1,294,482
Weld North Education LLC, First Lien Term Loan, 1M US L + 3.75%, 0.50% Floor, 12/21/2027	3,652,976	3,541,853
		16,498,498

See Notes to Financial Statements.

	Principal Amount	Value
Diversified Financial Services - 3.62%		
Apex Group Treasury, Ltd., First Lien USD Term Loan, 3M US L + 3.75%, 0.50% Floor, 07/27/2028	$1,082,300	$1,033,597
Lereta, LLC, First Lien Term Loan, 1M US L + 5.25%, 07/30/2028	702,130	600,433
Mitchell International, Inc., First Lien Term Loan, 3M US L + 3.75%, 10/15/2028	2,443,824	2,221,436
Mitchell International, Inc., Second Lien Term Loan, 3M US L + 6.50%, 10/15/2029	592,784	556,476
Outcomes Group Holdings, Inc., First Lien Initial Term Loan, 3M US L + 3.50%, 10/24/2025	2,012,500	1,940,392
Outcomes Group Holdings, Inc., Second Lien Initial Term Loan, 3M US L + 7.50%, 10/26/2026	147,929	144,970
Polaris Newco LLC, First Lien Dollar Term Loan, 3M US L + 4.00%, 0.50% Floor, 06/02/2028	2,835,504	2,624,032
Sedgwick Claims Management Services, Inc., First Lien 2020 Term Loan, 1M US L + 4.25%, 1.00% Floor, 09/03/2026	960,000	928,205
		10,049,541
Diversified Telecommunication Services - 1.91%		
Level 3 Financing, Inc., First Lien Term Loan, 1M US L + 1.75%, 03/01/2027	612,903	583,646
Numericable U.S. LLC, First Lien USD TLB-[12] Term Loan, 3M US L + 3.6875%, 01/31/2026	1,808,397	1,645,641
Telesat Canada, First Lien B-5 Term Loan, 1M US L + 2.75%, 12/07/2026	1,890,777	1,026,928
Zacapa S.A.R.L., First Lien Term Loan, 3M US L + 4.25%, 03/22/2029	2,147,223	2,045,230
		5,301,445
Electrical Equipment - 0.89%		
Madison IAQ LLC, First Lien Initial Term Loan, 3M US L + 3.25%, 0.50% Floor, 06/21/2028	2,679,885	2,483,195
Electronic Equipment, Instruments & Components - 2.17%		
CPI International, Inc., First Lien Initial Term Loan, 3M US L + 3.50%, 1.00% Floor, 09/30/2022	2,364,600	2,335,042
Ingram Micro, Inc., First Lien Initial Term Loan, 3M US L + 3.50%, 0.50% Floor, 06/30/2028[(b)]	1,086,250	1,060,452
LTI Holdings, Inc., First Lien Initial Term Loan, 1M US L + 3.25%, 09/06/2025	2,223,958	2,063,833
LTI Holdings, Inc., First Lien Term Loan:		
1M US L + 4.50%, 07/24/2026	300,362	284,217
1M US L + 4.50%, 07/24/2026	302,632	286,365
		6,029,909
Entertainment - 3.67%		
AMC Entertainment Holdings, Inc., First Lien B-1 Term Loan, 1M US L + 3.00%, 04/22/2026	4,150,888	3,264,694
Amplify Finco Pty, Ltd., First Lien U.S. Dollar Term Loan, 3M US L + 4.25%, 0.75% Floor, 11/26/2026	2,448,552	2,362,852
CE Intermediate I, LLC, First Lien Term Loan, 3M US L + 4.00%, 11/10/2028[(b)]	1,249,092	1,167,901
Crown Finance US, Inc., First Lien Initial Dollar Tranche Term Loan, 3M US L + 2.50%, 1.00% Floor, 02/28/2025	2,035,680	877,612
Crown Finance US, Inc., First Lien Second Amendment Dollar Tranche Term Loan, 3M US L + 2.75%, 09/30/2026	321,236	136,627
Recorded Books, Inc., First Lien 2021 Replacement Term Loan, 1M US L + 4.00%, 08/29/2025	2,487,743	2,399,901
		10,209,587
Food Products - 1.45%		
Froneri International, Ltd., First Lien Facility B2 Term Loan, 3M US L + 2.25%, 01/29/2027	2,317,065	2,192,813
Snacking Investments BidCo Pty, Ltd., First Lien Initial US Term Loan, 1M US L + 4.00%, 1.00% Floor, 12/18/2026[(b)]	1,883,728	1,827,216
		4,020,029
Health Care Equipment & Supplies - 4.41%		
Artivion, Inc., First Lien Initial Term Loan, 3M US L + 3.50%, 1.00% Floor, 06/01/2027	2,397,251	2,229,443

See Notes to Financial Statements.

	Principal Amount	Value
Health Care Equipment & Supplies (continued)		
Auris Luxembourg III SARL, First Lien Facility B2 Term Loan, 6M US L + 3.75%, 02/27/2026	$3,238,507	$2,849,886
Femur Buyer, Inc., First Lien Initial Term Loan, 3M US L + 4.50%, 03/05/2026	1,863,262	1,666,464
Resonetics LLC, First Lien Initial Term Loan, 3M US L + 4.00%, 0.75% Floor, 04/28/2028	399,521	380,544
Tecostar Holdings, Inc., First Lien 2017 Term Loan, 3M US L + 3.50%, 1.00% Floor, 05/01/2024	2,372,145	2,145,309
Viant Medical Holdings, Inc., First Lien Initial Term Loan, 1M US L + 3.75%, 07/02/2025	3,180,414	2,969,060
		12,240,706
Health Care Providers & Services - 11.45%		
Covenant Surgical Partners, Inc., First Lien Delayed Draw Term Loan, 1M US L + 4.00%, 07/01/2026	555,686	521,650
Covenant Surgical Partners, Inc., First Lien Initial Term Loan, 1M US L + 4.00%, 07/01/2026	2,695,091	2,530,016
DaVita, Inc., First Lien B Term Loan, 1M US L + 1.75%, 08/12/2026	1,621,924	1,545,678
Envision Healthcare Corp., First Lien Term Loan:		
3M US L + 4.25%, 03/31/2027	1,869,726	869,423
3M US L + 7.88%, 03/31/2027	287,842	278,487
Genesis Care Finance Pty, Ltd., First Lien Facility B5 Term Loan, 3M US L + 5.00%, 1.00% Floor, 05/14/2027	1,881,540	766,728
Global Medical Response, Inc., First Lien 2018 New Term Loan, 1M US L + 4.25%, 1.00% Floor, 03/14/2025	620,818	540,155
Global Medical Response, Inc., First Lien 2020 Refinancing Term Loan, 1M US L + 4.25%, 1.00% Floor, 10/02/2025	2,299,050	2,004,772
Heartland Dental Care, Inc., First Lien Term Loan, 3M US L + 5.00%, 04/30/2025[b]	1,397,569	1,313,715
Heartland Dental LLC, First Lien 2021 Incremental Term Loan, 1M US L + 4.00%, 04/30/2025	1,573,621	1,462,681
LifePoint Health, Inc., First Lien B Term Loan, 1M US L + 3.75%, 11/16/2025	2,017,692	1,881,135
Medical Solutions LLC, First Lien Term Loan, 3M US L + 3.50%, 11/01/2028	1,977,993	1,887,994
NAPA Management Services Corp., First Lien Term Loan, 3M US L + 5.25%, 0.75% Floor, 02/23/2029	1,334,152	1,204,072
National Mentor Holdings, Inc., TL, First Lien Term Loan, 3M US L + 3.75%, 02/18/2028	2,664,153	1,919,855
National Mentor Holdings, Inc., TLC, First Lien Term Loan, 3M US L + 3.75%, 02/18/2028	75,425	54,353
Onex TSG Intermediate Corp., First Lien Initial Term Loan, 1M US L + 4.75%, 0.75% Floor, 02/28/2028	1,975,000	1,751,173
Pathway Vet Alliance LLC, First Lien 2021 Replacement Term Loan, 3M US L + 3.75%, 03/31/2027	1,946,807	1,725,358
Pediatric Associates Holding Co. LLC, First Lien Term Loan:		
3M US L + 0.00%, 12/29/2028[c]	2,934	2,831
3M US L + 3.25%, 0.50% Floor, 12/29/2028	38,629	37,278
PetVet Care Centers LLC, Second Lien Initial Term Loan, 1M US L + 6.25%, 02/13/2026	3,373,588	3,233,011
Phoenix Guarantor, Inc., First Lien Tranche B-3 Term Loan, 3M US L + 3.50%, 03/05/2026	1,944,831	1,852,889
Surgery Center Holdings, Inc., First Lien 2021 New Term Loan, 1M US L + 3.75%, 0.75% Floor, 08/31/2026	2,167,135	2,061,898
Team Health Holdings, Inc., First Lien Initial Term Loan, 1M US L + 2.75%, 1.00% Floor, 02/06/2024	2,583,093	2,373,216
		31,818,368
Health Care Technology - 1.61%		
AthenaHealth Group, Inc., First Lien Term Loan, 1M US L + 5.7998%, 02/15/2029	1,986,387	1,784,769
Project Ruby Ultimate Parent Corp., First Lien Closing Date Term Loan, 1M US L + 3.25%, 0.75% Floor, 03/10/2028	1,044,550	977,829
Verscend Holding Corp., First Lien B-1 Term Loan, 1M US L + 4.00%, 08/27/2025	1,767,903	1,719,285
		4,481,883
Hotels, Restaurants & Leisure - 6.55%		
Bally's Corp., First Lien Term Loan, 1M US L + 3.25%, 0.50% Floor, 10/01/2028	2,294,221	2,078,335

See Notes to Financial Statements.

	Principal Amount	Value
Hotels, Restaurants & Leisure (continued)		
Fertitta Entertainment, LLC, First Lien Term Loan, 1M US L + 4.00%, 01/27/2029	$2,462,577	$2,291,477
Flutter Financing B.V., First Lien Term Loan, 3M US L + 3.25%, 0.50% Floor, 09/16/2028	1,062,560	1,038,982
Fogo de Chao, Inc., First Lien 2018 Refinancing Term Loan, 1M US L + 4.25%, 1.00% Floor, 04/07/2025	384,731	363,330
IRB Holding Corp., First Lien Term Loan, 1M US L + 3.00%, 0.75% Floor, 12/15/2027	1,595,939	1,499,185
MIC Glen LLC, First Lien Initial Term Loan, 1M US L + 3.50%, 0.50% Floor, 07/21/2028	2,371,938	2,219,245
Quidditch Acquisition, Inc., First Lien B Term Loan, 1M US L + 7.00%, 1.00% Floor, 03/21/2025[(b)]	2,702,556	2,689,043
Tacala Investment Corp., Second Lien Initial Term Loan, 1M US L + 7.50%, 0.75% Floor, 02/04/2028	2,000,000	1,840,000
Travel Leaders Group LLC, First Lien 2018 Refinancing Term Loan, 1M US L + 4.00%, 01/25/2024	2,234,167	2,062,024
Whatabrands LLC, First Lien Initial B Term Loan, 1M US L + 3.25%, 0.50% Floor, 08/03/2028	2,294,221	2,129,324
		18,210,945
Household Durables - 1.52%		
Hunter Douglas Inc., First Lien Term Loan, 3M US L + 3.50%, 02/26/2029	1,531,250	1,267,875
Osmosis Buyer Limited Delayed, First Lien Term Loan, 3M US L + 3.75%, 07/31/2028	287,037	267,752
Osmosis Buyer Limited, First Lien Initial B Term Loan, 1M US L + 3.75%, 0.50% Floor, 07/31/2028	1,626,197	1,514,909
Osmosis Buyer Limited, First Lien Term Loan, 3M US L + 3.75%, 07/31/2028	1,262,963	1,178,111
		4,228,647
Industrial Conglomerates - 4.57%		
Bettcher Industries, Inc., First Lien Term Loan, 3M US L + 4.00%, 12/14/2028	1,208,489	1,148,064
Engineered Machinery Holdings, Inc., First Lien Term Loan, 3M US L + 3.75%, 0.75% Floor, 05/19/2028	2,543,655	2,451,447
Justrite Safety Group, First Lien Delayed Draw Term Loan, 1M US L + 4.50%, 06/28/2026	97,216	90,168
Justrite Safety Group, First Lien Initial Term Loan, 1M US L + 4.50%, 06/28/2026[(b)]	1,798,357	1,667,976
Redwood Star Merger Sub, Inc., First Lien Term Loan, 1M US L + 4.50%, 04/05/2029	2,485,223	2,308,151
Tailwind Smith Cooper Intermediate Corp., First Lien Initial Term Loan, 3M US L + 5.00%, 05/28/2026	2,369,764	2,197,067
TK Elevator Midco GmbH, First Lien Facility B1 Term Loan, 6M US L + 3.50%, 0.50% Floor, 07/30/2027	2,941,128	2,825,939
		12,688,812
Insurance - 3.66%		
Acrisure LLC, First Lien 2021-1 Additional Term Loan, 1M US L + 3.75%, 02/15/2027	479,368	440,420
Acrisure LLC, First Lien Term Loan, 1M US L + 4.25%, 02/15/2027	547,235	515,769
AssuredPartners, Inc., First Lien Term Loan:		
1M US L + 3.50%, 02/12/2027	567,150	538,262
1M US L + 3.50%, 0.50% Floor, 02/12/2027	1,779,052	1,688,436
Baldwin Risk Partners, LLC, First Lien Initial Term Loan, 1M US L + 3.50%, 10/14/2027	2,717,607	2,602,109
HIG Finance 2, Ltd., First Lien 2021 Dollar Refinancing Term Loan, 1M US L + 3.25%, 0.75% Floor, 11/12/2027	2,227,130	2,127,956
NFP Corp., First Lien Closing Date Term Loan, 1M US L + 3.25%, 02/15/2027	2,388,786	2,250,236
		10,163,188
Interactive Media & Services - 1.53%		
Cengage Learning, Inc., First Lien Term Loan B Term Loan, 3M US L + 4.75%, 07/14/2026	1,064,503	966,537
Internet Brands, Inc., First Lien 2020 June New Term Loan, 1M US L + 3.75%, 1.00% Floor, 09/13/2024	2,485,140	2,374,551

See Notes to Financial Statements.

	Principal Amount	Value
Interactive Media & Services (continued)		
MH SUB I LLC, Second Lien 2021 Replacement Term Loan, 3M US L + 6.25%, 02/23/2029	$972,997	$918,675
		4,259,763
Internet & Direct Marketing Retail - 0.15%		
Shutterfly LLC, First Lien 2021 Refinancing B Term Loan, 3M US L + 5.00%, 0.75% Floor, 09/25/2026	652,464	413,033
IT Services - 5.35%		
ConvergeOne Holdings, Corp., First Lien Initial Term Loan, 1M US L + 5.00%, 01/04/2026	1,971,923	1,422,871
DCert Buyer, Inc., Second Lien First Amendment Refinancing Term Loan, 3M US L + 7.00%, 02/19/2029	2,302,775	2,158,851
Endurance International Group Holdings, Inc., First Lien Initial Term Loan, 1M US L + 3.50%, 0.75% Floor, 02/10/2028	3,537,706	3,007,050
Ensono LP, First Lien Initial Term Loan, 1M US L + 3.75%, 05/26/2028	1,090,943	960,030
Park Place Technologies LLC, First Lien Closing Date Term Loan, 1M US L + 5.00%, 1.00% Floor, 11/10/2027	2,410,926	2,294,406
Sabre GLBL Inc., First Lien Term Loan, 1M US L + 5.10%, 06/30/2028	1,098,801	1,020,512
Sabre GLBL, Inc., First Lien 2021 Other B-1 Term Loan, 1M US L + 3.50%, 0.50% Floor, 12/17/2027	687,551	617,366
Sabre GLBL, Inc., First Lien 2021 Other B-2 Term Loan, 1M US L + 3.50%, 0.50% Floor, 12/17/2027	1,095,997	984,118
Virtusa Corp., First Lien Term Loan:		
1M US L + 3.75%, 0.75% Floor, 02/11/2028	1,655,340	1,556,706
1M US L + 3.75%, 02/15/2029	902,824	848,654
		14,870,564
Leisure Products - 1.06%		
Motion Finco LLC, First Lien Facility B1 (USD) Loan Term Loan, 3M US L + 3.25%, 11/12/2026	1,697,967	1,555,915
Motion Finco LLC, First Lien Facility B2 (USD) Loan Term Loan, 3M US L + 3.25%, 11/12/2026	223,161	204,492
Recess Holdings, Inc., First Lien Initial Term Loan, 3M US L + 3.75%, 1.00% Floor, 09/30/2024	1,215,633	1,182,203
		2,942,610
Life Sciences Tools & Services - 3.32%		
Cambrex Corp., First Lien Tranche B-2 Dollar Term Loan, 1M US L + 3.60%, 0.75% Floor, 12/04/2026	1,850,063	1,777,217
Curia Global, Inc., First Lien 2021 Term Loan, 3M US L + 3.75%, 0.75% Floor, 08/30/2026	4,411,349	4,111,730
LSCS Holdings/Eversana, First Lien Term Loan, 3M US L + 4.50%, 12/16/2028	2,215,208	2,132,137
Packaging Coordinators Midco, Inc., First Lien Term Loan, 3M US L + 3.75%, 0.75% Floor, 11/30/2027	175,546	167,317
Parexel International Corporation, First Lien Term Loan, 3M US L + 3.25%, 0.50% Floor, 11/15/2028	1,072,430	1,025,849
		9,214,250
Machinery - 1.03%		
PRO MACH Group, Inc., First Lien Closing Date Initial Term Loan, 3M US L + 4.00%, 1.00% Floor, 08/31/2028	2,993,624	2,861,859
Media - 2.46%		
Clear Channel Outdoor Holdings, Inc., First Lien B Term Loan, 3M US L + 3.50%, 08/21/2026	1,736,573	1,556,403
McGraw-Hill Education, Inc., First Lien Initial Term Loan, 3M US L + 4.75%, 0.50% Floor, 07/28/2028	1,527,314	1,412,292
Univision Communications, Inc., First Lien Term Loan:		
3M US L + 3.25%, 0.75% Floor, 03/24/2026	1,858,393	1,768,084
3M US L + 4.25%, 06/24/2029	312,273	305,247

See Notes to Financial Statements.

	Principal Amount	Value
Media (continued)		
Virgin Media Bristol LLC, First Lien Term Loan, 1M US L + 2.50%, 01/31/2028	$1,442,113	$1,379,821
Ziggo Financing Partnership, First Lien I Facility Term Loan, 3M US L + 2.50%, 04/30/2028	422,362	403,989
		6,825,836
Oil, Gas & Consumable Fuels - 1.01%		
Freeport LNG, First Lien Term Loan, 3M US L + 3.50%, 12/21/2028	3,022,062	2,805,123
Pharmaceuticals - 0.38%		
Padagis LLC, First Lien Initial Term Loan, 3M US L + 4.75%, 0.50% Floor, 07/06/2028[(b)]	590,793	516,944
Sharp MicCo, LLC, First Lien Term Loan, 3M US L + 4.00%, 12/31/2028	568,434	537,170
		1,054,114
Professional Services - 4.73%		
AG Group Holdings, Inc., First Lien Term Loan, 3M US L + 4.25%, 12/29/2028[(b)]	798,905	780,930
AqGen Island Holdings, Inc., First Lien Term Loan, 3M US L + 6.50%, 08/02/2029	2,669,198	2,415,625
CoreLogic, Inc., First Lien Initial Term Loan, 1M US L + 3.50%, 0.50% Floor, 06/02/2028	2,642,468	2,001,670
Corporation Service Company, First Lien Term Loan, 3M US L + 3.25%, 08/31/2029	869,382	849,821
Deerfield Dakota Holding LLC, First Lien Initial Dollar Term Loan, 1M US L + 3.75%, 1.00% Floor, 04/09/2027	866,724	819,778
Deerfield Dakota Holding LLC, Second Lien 2021 Replacement Term Loan, 1M US L + 6.75%, 0.75% Floor, 04/07/2028[(b)]	440,000	427,900
Equiniti Group PLC, First Lien Term Loan, 3M US L + 4.50%, 12/11/2028	498,055	484,981
Galaxy US Opco Inc. TL, First Lien Term Loan, 1M US L + 4.75%, 04/29/2029	981,451	925,017
Inmar, Inc., First Lien Initial Term Loan, 1M US L + 4.00%, 1.00% Floor, 05/01/2024	2,290,283	2,172,195
National Intergovernmental Purchasing Alliance Company, First Lien Initial Term Loan, 3M US L + 3.50%, 05/23/2025	1,163,163	1,128,268
VT Topco, Inc., First Lien 2021 Delayed Draw Term Loan, 1M US L + 3.75%, 0.75% Floor, 08/01/2025[(c)]	41,076	39,228
VT Topco, Inc., First Lien 2021 Term Loan, 1M US L + 3.75%, 0.75% Floor, 08/01/2025	1,138,266	1,087,044
		13,132,457
Software - 18.50%		
Apttus Corp., First Lien Initial Term Loan, 3M US L + 4.25%, 0.75% Floor, 05/08/2028	831,238	768,895
BMC Software, Inc., Second Lien 2nd Lien Term Loan, 1M US L + 5.50%, 0.50% Floor, 02/27/2026	1,217,347	1,137,459
Boxer Parent Company, Inc., First Lien 2021 Replacement Dollar Term Loan, 1M US L + 3.75%, 0.50% Floor, 10/02/2025	1,966,565	1,868,994
CDK Global, Inc., First Lien Term Loan, 4M US L + 6.6095%, 07/06/2029	2,478,588	2,393,535
Cloudera, Inc., First Lien Term Loan, 1M US L + 3.75%, 0.50% Floor, 10/08/2028	2,854,068	2,518,715
Connectwise, LLC, First Lien Term Loan, 3M US L + 3.50%, 0.50% Floor, 09/29/2028	2,321,003	2,175,940
Cornerstone OnDemand, Inc., First Lien Initial Term Loan, 1M US L + 3.75%, 0.50% Floor, 10/16/2028	841,672	711,213
DTI Holdco, Inc. TL, First Lien Term Loan, 3M US L + 4.75%, 04/26/2029	1,132,950	1,078,631
ECI Macola/MAX Holding LLC, First Lien Initial Term Loan, 3M US L + 3.75%, 0.75% Floor, 11/09/2027	3,158,479	3,000,571
Epicor Software Corp., Second Lien Initial Term Loan, 1M US L + 7.75%, 1.00% Floor, 07/31/2028	1,677,966	1,646,085
Fiserv Investment Solutions, Inc., First Lien Initial Term Loan, 3M US L + 4.00%, 02/18/2027[(b)]	873,295	840,546
Greeneden U.S. Holdings I LLC, First Lien Initial Dollar (2020) Term Loan, 1M US L + 4.00%, 0.75% Floor, 12/01/2027	2,221,326	2,121,166
Help/Systems Holdings, Inc., First Lien Seventh Amendment Refinancing Term Loan, 1M US L + 4.00%, 0.75% Floor, 11/19/2026	3,243,092	2,990,131

See Notes to Financial Statements.

	Principal Amount	Value
Software (continued)		
Hyland Software, Inc., Second Lien 2021 Refinancing Term Loan, 1M US L + 6.25%, 0.75% Floor, 07/07/2025	$3,005,003	$2,964,931
Idera, Inc., First Lien B-1 Term Loan, 1M US L + 3.75%, 0.75% Floor, 03/02/2028	1,564,775	1,457,846
Imperva, Inc., First Lien Term Loan, 3M US L + 4.00%, 1.00% Floor, 01/12/2026	1,696,144	1,436,634
ION Trading Finance, Ltd., First Lien Initial Dollar (2021) Term Loan, 3M US L + 4.75%, 04/01/2028	2,290,127	2,132,109
Ivanti Software, Inc., First Lien First Amendment Term Loan, 3M US L + 4.00%, 0.75% Floor, 12/01/2027	357,604	280,182
Ivanti Software, Inc., First Lien Term Loan, 3M US L + 4.25%, 12/01/2027	1,886,573	1,478,800
Ivanti Software, Inc., Second Lien Term Loan, 3M US L + 7.25%, 12/01/2028	772,388	580,577
LI Group Holdings, Inc., First Lien 2021 Term Loan, 1M US L + 3.75%, 0.75% Floor, 03/11/2028	1,037,520	993,425
Magenta Buyer LLC, First Lien Initial Term Loan, 1M US L + 4.75%, 0.75% Floor, 07/27/2028	2,443,539	2,213,847
McAfee Corp., First Lien Term Loan, 1M US L + 3.85%, 03/01/2029	1,967,546	1,799,950
Mitnick Corporate Purchaser Inc., First Lien Term Loan, 3M US L + 4.75%, 05/02/2029	604,240	571,762
Perforce Software, Inc., First Lien New Term Loan, 1M US L + 3.75%, 07/01/2026	425,299	397,655
Project Alpha Intermediate Holding, Inc., First Lien 2021 Refinancing Term Loan, 1M US L + 4.00%, 04/26/2024	1,194,162	1,152,928
Quest Borrower Ltd., First Lien Term Loan, 3M US L + 4.25%, 02/01/2029	2,010,732	1,497,995
Rocket Software, Inc., First Lien Initial Term Loan, 1M US L + 4.25%, 11/28/2025	361,448	346,568
Rocket Software, Inc., First Lien USD Term Loan, 3M US L + 4.25%, 11/28/2025	505,208	485,950
S2P Acquisition Borrower, Inc., First Lien Initial Term Loan, 1M US L + 3.75%, 08/14/2026	1,404,489	1,374,644
Skopima Merger Sub Inc., First Lien Initial Term Loan, 1M US L + 4.00%, 05/12/2028	3,448,390	3,207,003
Veritas US, Inc., First Lien Dollar B-2021 Term Loan, 3M US L + 5.00%, 1.00% Floor, 09/01/2025	1,382,666	1,104,978
Vision Solutions, Inc., First Lien Term Loan, 3M US L + 4.00%, 0.75% Floor, 04/24/2028	3,042,210	2,687,290
		51,416,955
Specialty Retail - 0.58%		
EG Group, Ltd., First Lien Additional Facility Term Loan:		
3M US L + 4.00%, 02/07/2025	1,421,145	1,329,666
3M US L + 4.25%, 0.50% Floor, 03/31/2026	315,331	295,361
		1,625,027
Technology Hardware, Storage & Peripherals - 0.67%		
Project Castle, Inc., First Lien Term Loan, 3M US L + 5.50%, 06/01/2029	2,175,500	1,854,614
Textiles, Apparel & Luxury Goods - 0.47%		
S&S Holdings LLC, First Lien Initial Term Loan, 3M US L + 5.00%, 0.50% Floor, 03/11/2028	1,360,085	1,315,882
Trading Companies & Distributors - 3.15%		
Foundation Building Materials, Inc., First Lien Initial Term Loan, 3M US L + 3.25%, 0.50% Floor, 01/31/2028	2,091,026	1,891,333
Park River Holdings, Inc., First Lien Initial Term Loan, 3M US L + 3.25%, 0.75% Floor, 12/28/2027	4,329,974	3,696,715
SRS Distribution, Inc., First Lien 2021 Refinancing Term Loan, 3M US L + 3.50%, 0.50% Floor, 06/02/2028	1,745,624	1,615,793
SRS Distribution, Inc., First Lien Term Loan, 3M US L + 3.50%, 06/02/2028	1,693,472	1,560,958
		8,764,799
Transportation Infrastructure - 0.42%		
Drive Chassis Holdco LLC, Second Lien 2021 Refinancing B Term Loan, 3M US L + 6.75%, 04/10/2026	1,180,158	1,175,733

See Notes to Financial Statements.

	Principal Amount	Value
Wireless Telecommunication Services - 0.94%		
CCI Buyer, Inc., First Lien Initial Term Loan, 3M US L + 4.00%, 0.75% Floor, 12/17/2027	$2,761,497	$2,610,305
TOTAL FLOATING RATE LOAN INTERESTS		
(Cost $398,593,804)		371,034,761
COLLATERALIZED LOAN OBLIGATION SECURITIES[a] - 6.70%		
Diversified Financial Services - 6.70%		
522 Funding CLO 2021-7, Ltd., 3M US L + 6.22%, 04/23/2034[b][d]	500,000	421,908
AGL CLO 9, Ltd., 3M US L + 7.26%, 01/20/2034[b][d]	1,500,000	1,352,733
Allegro CLO XII, Ltd., 3M US L + 7.10%, 01/21/2032[b]	1,000,000	868,165
Ares LIV CLO, Ltd., 3M US L + 7.34%, 10/15/2032[b][d]	500,000	431,918
Barings Clo, Ltd. 2021-III, 3M US L + 6.65%, 01/18/2035[b][d]	1,000,000	828,586
CarVal CLO I, Ltd., 3M US L + 5.77%, 07/16/2031[b][d]	1,000,000	836,762
Eaton Vance CLO 2013-1, Ltd., 3M US L + 6.80%, 01/15/2034[b][d]	250,000	214,990
Elmwood CLO 16, Ltd., 3M US SOFR + 7.22%, 04/20/2034[b][d]	750,000	706,232
Galaxy 30 Clo, Ltd., 3M US SOFR + 6.95%, 04/15/2035[b][d]	1,000,000	932,405
HalseyPoint CLO 4, Ltd., 3M US L + 6.71%, 04/20/2034[b][d]	1,000,000	846,789
Halseypoint Clo 5, Ltd., 3M US L + 6.94%, 01/30/2035[b][d]	1,500,000	1,297,862
HPS Loan Management CLO 6-2015, Ltd., 3M US L + 5.10%, 02/05/2031[b][d]	833,000	624,675
Jamestown CLO XIV, Ltd., 3M US L + 7.20%, 10/20/2034[b][d]	1,000,000	867,220
OCP CLO 2017-13, Ltd., 3M US L + 6.50%, 07/15/2030[b][d]	1,500,000	1,300,817
Palmer Square CLO 2019-1, Ltd., 3M US L + 6.50%, 11/14/2034[b][d]	1,000,000	852,345
Parallel 2021-2, Ltd., 3M US L + 7.20%, 10/20/2034[b][d]	1,000,000	852,811
Parallel CLO 2019-1, Ltd., 3M US L + 6.72%, 07/20/2032[b][d]	667,000	572,535
Park Avenue Institutional Advisers CLO, Ltd. 2022-1, 3M US SOFR + 7.29%, 04/20/2035[b][d]	1,000,000	924,525
Rad CLO 5, Ltd., 3M US L + 6.70%, 07/24/2032[b][d]	500,000	428,475
Regatta CLO XV Funding, Ltd., 3M US L + 3.30%, 10/25/2031[b][d]	250,000	225,236
Romark CLO II, Ltd., 3M US L + 3.35%, 07/25/2031[b][d]	500,000	442,758
Romark CLO IV, Ltd., 3M US L + 6.95%, 07/10/2034[b][d]	1,000,000	858,018
Romark CLO, Ltd., 3M US L + 3.00%, 10/23/2030[b][d]	500,000	443,274
Sound Point CLO XXVII, Ltd., 3M US L + 6.56%, 10/25/2034[b][d]	1,000,000	808,336
TIAA CLO IV, Ltd., 3M US L + 5.95%, 01/20/2032[b][d]	800,000	669,260
		18,608,635
TOTAL COLLATERALIZED LOAN OBLIGATION SECURITIES		
(Cost $21,272,460)		18,608,635
CORPORATE BONDS - 7.12%		
Aerospace & Defense - 0.28%		
Bombardier, Inc.:		
7.125%, 06/15/2026[d]	110,000	101,044
7.875%, 04/15/2027[d]	84,000	77,467
6.000%, 02/15/2028[d]	40,000	33,527
Howmet Aerospace, Inc., 5.950%, 02/01/2037	200,000	181,176
TransDigm, Inc.:		
4.625%, 01/15/2029	250,000	201,879
4.875%, 05/01/2029	230,000	186,300
		781,393
Auto Components - 0.04%		
American Axle & Manufacturing, Inc., 6.500%, 04/01/2027	116,000	98,479

See Notes to Financial Statements.

	Principal Amount	Value
Auto Components (continued)		
Goodyear Tire & Rubber Co., 5.250%, 07/15/2031	$15,000	$12,019
		110,498
Automobiles - 0.08%		
Ford Motor Co.:		
9.625%, 04/22/2030	100,000	111,315
5.291%, 12/08/2046	70,000	49,502
Winnebago Industries, Inc., 6.250%, 07/15/2028[d]	70,000	64,929
		225,746
Banks - 0.15%		
Intesa Sanpaolo SpA:		
5.017%, 06/26/2024[d]	250,000	233,288
5.710%, 01/15/2026[d]	200,000	182,111
		415,399
Building Products - 0.06%		
Builders FirstSource, Inc., 6.375%, 06/15/2032[d]	70,000	62,345
PGT Innovations, Inc., 4.375%, 10/01/2029[d]	130,000	106,881
		169,226
Capital Markets - 0.05%		
MSCI, Inc.:		
3.625%, 09/01/2030[d]	120,000	98,891
3.875%, 02/15/2031[d]	60,000	50,639
		149,530
Chemicals - 0.25%		
Ashland LLC, 3.375%, 09/01/2031[d]	190,000	147,250
Chemours Co., 4.625%, 11/15/2029[d]	205,000	152,723
CVR Partners LP / CVR Nitrogen Finance Corp., 6.125%, 06/15/2028[d]	130,000	113,380
LSB Industries, Inc., 6.250%, 10/15/2028[d]	90,000	77,372
Mativ Holdings, Inc., 6.875%, 10/01/2026[d]	70,000	61,855
Minerals Technologies, Inc., 5.000%, 07/01/2028[d]	90,000	78,533
Nufarm Australia, Ltd. / Nufarm Americas, Inc., 5.000%, 01/27/2030[d]	80,000	66,691
		697,804
Commercial Services & Supplies - 0.04%		
Stericycle, Inc., 3.875%, 01/15/2029[d]	120,000	99,504
Communications Equipment - 0.26%		
CommScope, Inc.:		
8.250%, 03/01/2027[d]	400,000	331,092
7.125%, 07/01/2028[d]	70,000	54,187
Viasat, Inc.:		
5.625%, 09/15/2025[d]	40,000	31,112
6.500%, 07/15/2028[d]	315,000	210,179
Viavi Solutions, Inc., 3.750%, 10/01/2029[d]	100,000	80,144
		706,714
Construction & Engineering - 0.14%		
Brundage-Bone Concrete Pumping Holdings, Inc., 6.000%, 02/01/2026[d]	70,000	63,260
Dycom Industries, Inc., 4.500%, 04/15/2029[d]	70,000	59,132

See Notes to Financial Statements.

	Principal Amount	Value
Construction & Engineering (continued)		
Meritage Homes Corp., 3.875%, 04/15/2029[d]	$80,000	$63,764
Taylor Morrison Communities, Inc., 5.125%, 08/01/2030[d]	70,000	56,603
Taylor Morrison Communities, Inc. / Taylor Morrison Holdings II, Inc., 5.625%, 03/01/2024[d]	150,000	147,043
		389,802
Consumer Finance - 0.22%		
FirstCash, Inc., 4.625%, 09/01/2028[d]	250,000	209,851
Navient Corp.:		
6.750%, 06/25/2025	300,000	281,272
4.875%, 03/15/2028	70,000	53,613
PRA Group, Inc., 5.000%, 10/01/2029[d]	80,000	64,978
		609,714
Containers & Packaging - 0.07%		
OI European Group BV, 4.750%, 02/15/2030[d]	130,000	103,657
Sealed Air Corp., 6.875%, 07/15/2033[d]	90,000	86,146
		189,803
Diversified Consumer Services - 0.10%		
Prime Security Services Borrower LLC / Prime Finance, Inc.:		
5.250%, 04/15/2024[d]	46,000	44,452
6.250%, 01/15/2028[d]	115,000	98,324
Service Corp. International:		
3.375%, 08/15/2030	80,000	62,684
4.000%, 05/15/2031	100,000	80,584
		286,044
Diversified Telecommunication Services - 0.21%		
Frontier Communications Holdings LLC, 6.750%, 05/01/2029[d]	250,000	206,824
Hughes Satellite Systems Corp., 6.625%, 08/01/2026	70,000	63,633
Lumen Technologies, Inc.:		
5.125%, 12/15/2026[d]	30,000	25,857
4.500%, 01/15/2029[d]	90,000	63,366
5.375%, 06/15/2029[d]	190,000	141,641
SBA Communications Corp., 3.125%, 02/01/2029	101,000	81,452
		582,773
Electric Utilities - 0.03%		
PG&E Corp., 5.000%, 07/01/2028	95,000	81,925
Electronic Equipment, Instruments & Components - 0.02%		
TTM Technologies, Inc., 4.000%, 03/01/2029[d]	70,000	56,518
Energy Equipment & Services - 0.21%		
Nabors Industries, Ltd., 7.250%, 01/15/2026[d]	100,000	87,205
Patterson-UTI Energy, Inc., 5.150%, 11/15/2029	120,000	99,218
Petrofac, Ltd., 9.750%, 11/15/2026[d]	250,000	187,823
Precision Drilling Corp., 6.875%, 01/15/2029[d]	180,000	159,262
Transocean, Inc., 7.500%, 01/15/2026[d]	50,000	37,097
		570,605
Equity Real Estate Investment Trusts (REITs) - 0.21%		
Iron Mountain, Inc., 4.875%, 09/15/2029[d]	460,000	378,562

See Notes to Financial Statements.

	Principal Amount	Value
Equity Real Estate Investment Trusts (REITs) (continued)		
Service Properties Trust:		
4.750%, 10/01/2026	$200,000	$151,186
3.950%, 01/15/2028	70,000	47,727
		577,475
Food & Staples Retailing - 0.04%		
Ingles Markets, Inc., 4.000%, 06/15/2031[d]	80,000	65,440
Rite Aid Corp., 8.000%, 11/15/2026[d]	55,000	39,055
		104,495
Food Products - 0.24%		
Lamb Weston Holdings, Inc., 4.875%, 05/15/2028[d]	295,000	268,329
Post Holdings, Inc.:		
5.625%, 01/15/2028[d]	190,000	173,769
5.500%, 12/15/2029[d]	100,000	86,602
4.500%, 09/15/2031[d]	175,000	141,238
		669,938
Gas Utilities - 0.09%		
AmeriGas Partners LP / AmeriGas Finance Corp.:		
5.625%, 05/20/2024	200,000	191,314
5.500%, 05/20/2025	60,000	55,798
		247,112
Health Care Equipment & Supplies - 0.07%		
AdaptHealth LLC, 5.125%, 03/01/2030[d]	140,000	115,654
Hologic, Inc., 3.250%, 02/15/2029[d]	90,000	73,795
		189,449
Health Care Providers & Services - 0.17%		
Acadia Healthcare Co., Inc.:		
5.500%, 07/01/2028[d]	130,000	118,794
5.000%, 04/15/2029[d]	70,000	62,125
Encompass Health Corp.:		
4.500%, 02/01/2028	100,000	85,858
4.625%, 04/01/2031	140,000	110,915
ModivCare, Inc., 5.875%, 11/15/2025[d]	100,000	92,414
		470,106
Hotels, Restaurants & Leisure - 0.63%		
1011778 BC ULC / New Red Finance, Inc.:		
3.875%, 01/15/2028[d]	258,000	224,949
4.000%, 10/15/2030[d]	230,000	181,672
Aramark Services, Inc., 5.000%, 02/01/2028[d]	60,000	53,568
Churchill Downs, Inc., 4.750%, 01/15/2028[d]	420,000	364,008
Hilton Domestic Operating Co., Inc.:		
3.750%, 05/01/2029[d]	150,000	124,183
4.875%, 01/15/2030	250,000	218,029
Las Vegas Sands Corp., 3.900%, 08/08/2029	190,000	157,316
Life Time, Inc., 8.000%, 04/15/2026[d]	60,000	51,367
Royal Caribbean Cruises, Ltd.:		
4.250%, 07/01/2026[d]	30,000	22,111
5.500%, 08/31/2026[d]	40,000	30,651
Scientific Games Holdings LP/Scientific Games US FinCo, Inc., 6.625%, 03/01/2030[d]	40,000	32,129

See Notes to Financial Statements.

	Principal Amount	Value
Hotels, Restaurants & Leisure (continued)		
Wynn Las Vegas LLC / Wynn Las Vegas Capital Corp., 5.500%, 03/01/2025(d)	$50,000	$46,884
Wynn Resorts Finance LLC / Wynn Resorts Capital Corp., 5.125%, 10/01/2029(d)	35,000	28,366
Yum! Brands, Inc., 4.750%, 01/15/2030(d)	230,000	201,512
		1,736,745
Household Durables - 0.12%		
Installed Building Products, Inc., 5.750%, 02/01/2028(d)	70,000	63,077
M/I Homes, Inc., 4.950%, 02/01/2028	130,000	108,550
Tempur Sealy International, Inc., 4.000%, 04/15/2029(d)	80,000	63,181
TopBuild Corp., 3.625%, 03/15/2029(d)	128,000	101,321
		336,129
Household Products - 0.10%		
Central Garden & Pet Co.:		
4.125%, 10/15/2030	120,000	95,767
4.125%, 04/30/2031(d)	60,000	47,299
Energizer Holdings, Inc., 6.500%, 12/31/2027(d)	160,000	142,349
		285,415
Independent Power and Renewable Electricity Producers - 0.09%		
DPL, Inc., 4.125%, 07/01/2025	190,000	175,102
Vistra Operations Co. LLC, 4.375%, 05/01/2029(d)	90,000	75,059
		250,161
Industrial Conglomerates - 0.09%		
Icahn Enterprises LP / Icahn Enterprises Finance Corp., 5.250%, 05/15/2027	270,000	236,994
Interactive Media & Services - 0.06%		
Cinemark USA, Inc., 5.875%, 03/15/2026(d)	196,000	164,107
Machinery - 0.13%		
Allison Transmission, Inc.:		
4.750%, 10/01/2027(d)	92,000	81,165
3.750%, 01/30/2031(d)	250,000	192,135
Titan International, Inc., 7.000%, 04/30/2028	100,000	90,938
		364,238
Media - 0.16%		
CCO Holdings LLC / CCO Holdings Capital Corp., 4.250%, 02/01/2031(d)	160,000	122,998
Gray Escrow II, Inc., 5.375%, 11/15/2031(d)	50,000	39,328
Sirius XM Radio, Inc.:		
4.000%, 07/15/2028(d)	260,000	221,699
3.875%, 09/01/2031(d)	80,000	62,218
		446,243
Metals & Mining - 0.37%		
ATI, Inc., 5.125%, 10/01/2031	250,000	204,686
Carpenter Technology Corp.:		
6.375%, 07/15/2028	11,000	10,225
7.625%, 03/15/2030	156,000	150,443
Commercial Metals Co., 3.875%, 02/15/2031	225,000	177,012
FMG Resources August 2006 Pty, Ltd.:		
5.875%, 04/15/2030(d)	53,000	46,178
6.125%, 04/15/2032(d)	53,000	45,620

See Notes to Financial Statements.

	Principal Amount	Value
Metals & Mining (continued)		
Mineral Resources, Ltd.:		
8.000%, 11/01/2027(d)	$120,000	$115,704
8.500%, 05/01/2030(d)	290,000	280,891
		1,030,759
Mortgage Real Estate Investment Trusts (REITs) - 0.18%		
Rithm Capital Corp., 6.250%, 10/15/2025(d)	130,000	110,327
Starwood Property Trust, Inc., 4.375%, 01/15/2027(d)	470,000	401,403
		511,730
Oil, Gas & Consumable Fuels - 0.98%		
Baytex Energy Corp., 8.750%, 04/01/2027(d)	110,000	110,823
Berry Petroleum Co. LLC, 7.000%, 02/15/2026(d)	80,000	70,651
California Resources Corp., 7.125%, 02/01/2026(d)	134,000	126,163
Calumet Specialty Products Partners LP / Calumet Finance Corp., 8.125%, 01/15/2027(d)	450,000	415,548
Crestwood Midstream Partners LP / Crestwood Midstream Finance Corp.:		
6.000%, 02/01/2029(d)	55,000	49,300
8.000%, 04/01/2029(d)	101,000	97,422
CVR Energy, Inc., 5.750%, 02/15/2028(d)	260,000	222,685
Delek Logistics Partners LP / Delek Logistics Finance Corp., 7.125%, 06/01/2028(d)	80,000	70,450
EnLink Midstream Partners LP, 5.450%, 06/01/2047	75,000	54,934
Enviva Partners LP / Enviva Partners Finance Corp., 6.500%, 01/15/2026(d)	130,000	123,104
EQM Midstream Partners LP, 6.500%, 07/15/2048	160,000	122,371
Global Partners LP / GLP Finance Corp., 7.000%, 08/01/2027	120,000	109,488
Hess Midstream Operations LP, 5.125%, 06/15/2028(d)	97,000	85,064
Holly Energy Partners LP / Holly Energy Finance Corp., 5.000%, 02/01/2028(d)	160,000	141,279
Northern Oil and Gas, Inc., 8.125%, 03/01/2028(d)	140,000	131,538
Occidental Petroleum Corp., 7.950%, 06/15/2039	130,000	145,971
Parkland Corp., 4.500%, 10/01/2029(d)	30,000	24,290
PBF Holding Co. LLC / PBF Finance Corp., 6.000%, 02/15/2028	220,000	191,027
Sunoco LP / Sunoco Finance Corp., 4.500%, 05/15/2029	190,000	157,955
Vermilion Energy, Inc., 6.875%, 05/01/2030(d)	163,000	150,226
W&T Offshore, Inc., 9.750%, 11/01/2023(d)	70,000	68,684
Western Midstream Operating LP, 5.500%, 08/15/2048	80,000	64,864
		2,733,837
Paper & Forest Products - 0.08%		
Mercer International, Inc., 5.125%, 02/01/2029	280,000	223,559
Personal Products - 0.08%		
Edgewell Personal Care Co., 5.500%, 06/01/2028(d)	150,000	134,322
Herbalife Nutrition, Ltd. / HLF Financing, Inc., 7.875%, 09/01/2025(d)	110,000	99,869
		234,191
Professional Services - 0.14%		
Gartner, Inc.:		
4.500%, 07/01/2028(d)	120,000	107,473
3.625%, 06/15/2029(d)	150,000	125,198
KBR, Inc., 4.750%, 09/30/2028(d)	60,000	51,670
TriNet Group, Inc., 3.500%, 03/01/2029(d)	120,000	97,992
		382,333

See Notes to Financial Statements.

	Principal Amount	Value
Real Estate Management & Development - 0.02%		
Kennedy-Wilson, Inc., 4.750%, 02/01/2030	$70,000	$52,080
Software - 0.27%		
Fair Isaac Corp., 4.000%, 06/15/2028[(d)]	320,000	273,341
NCR Corp., 5.250%, 10/01/2030[(d)]	200,000	151,309
NortonLifeLock, Inc., 6.750%, 09/30/2027[(d)]	131,000	126,011
PTC, Inc., 3.625%, 02/15/2025[(d)]	225,000	209,889
		760,550
Specialty Retail - 0.17%		
Asbury Automotive Group, Inc.:		
4.750%, 03/01/2030	110,000	86,084
5.000%, 02/15/2032[(d)]	160,000	123,482
Foot Locker, Inc., 4.000%, 10/01/2029[(d)]	40,000	31,070
Group 1 Automotive, Inc., 4.000%, 08/15/2028[(d)]	110,000	88,818
Murphy Oil USA, Inc., 3.750%, 02/15/2031[(d)]	120,000	96,688
Sonic Automotive, Inc., 4.625%, 11/15/2029[(d)]	60,000	47,171
		473,313
Technology Hardware, Storage & Peripherals - 0.12%		
Seagate HDD Cayman, 5.750%, 12/01/2034	60,000	47,772
Xerox Holdings Corp., 5.500%, 08/15/2028[(d)]	360,000	287,998
		335,770
Thrifts & Mortgage Finance - 0.26%		
MGIC Investment Corp., 5.250%, 08/15/2028	110,000	98,498
Nationstar Mortgage Holdings, Inc.:		
6.000%, 01/15/2027[(d)]	110,000	94,033
5.125%, 12/15/2030[(d)]	84,000	61,020
5.750%, 11/15/2031[(d)]	220,000	161,743
NMI Holdings, Inc., 7.375%, 06/01/2025[(d)]	100,000	97,143
PennyMac Financial Services, Inc.:		
4.250%, 02/15/2029[(d)]	150,000	107,173
5.750%, 09/15/2031[(d)]	150,000	107,501
		727,111
Wireless Telecommunication Services - 0.04%		
United States Cellular Corp., 6.700%, 12/15/2033	130,000	117,229
TOTAL CORPORATE BONDS (Cost $22,057,477)		19,784,067

	Shares	Value
COMMON STOCK - 0.24%		
Health Care Equipment & Supplies - 0.24%		
Carestream Health Holdings Inc[(b)(e)]	35,172	666,158
TOTAL COMMON STOCK (Cost $666,158)		666,158

See Notes to Financial Statements.

	Shares	Value
Health Care Equipment & Supplies (continued)		
SHORT TERM INVESTMENTS – 1.57%		
Fidelity Treasury Portfolio (2.814% 7-Day Yield)	4,364,793	$4,364,793
TOTAL SHORT TERM INVESTMENTS (Cost $4,364,793)		4,364,793
Total Investments- 149.15% (Cost $446,954,692)		414,458,414
Liabilities in Excess of Other Assets - (1.63)%		(4,533,711)
Leverage Facility - (47.52)%		(132,050,000)
Net Assets - 100.00%		$277,874,703

Amounts above are shown as a percentage of net assets as of September 30, 2022.

Investment Abbreviations:
LIBOR - London Interbank Offered Rate
SOFR - Secured Overnight Financing Rate

Reference Rates:
1M US L - 1 Month LIBOR as of September 30, 2022 was 3.14%
3M US L - 3 Month LIBOR as of September 30, 2022 was 3.75%
6M US L - 6 Month LIBOR as of September 30, 2022 was 4.23%
3M US SOFR - 3 Month Secured Overnight Financing Rate as of September 30, 2022 was 2.13%

[(a)] *Floating or variable rate security. The reference rate is described above. The rate in effect as of September 30, 2022 is based on the reference rate plus the displayed spread as of the security's last reset date. Where applicable, the reference rate is subject to a floor rate.*
[(b)] *Level 3 assets valued using significant unobservable inputs as a result of unavailable quoted prices from an active market or the unavailability of other significant observable inputs.*
[(c)] *A portion of this position was not funded as of September 30, 2022. The Portfolio of Investments records only the funded portion of each position. As of September 30, 2022, the Fund has unfunded delayed draw loans in the amount of $785,484. Fair value of these unfunded delayed draws was $730,104.*
[(d)] *Security exempt from registration under Rule 144A of the Securities Act of 1933. Total market value of Rule 144A securities amounts to $33,007,960, which represented approximately 11.57% of net assets as of September 30, 2022. Such securities may normally be sold to qualified institutional buyers in transactions exempt from registration.*
[(e)] *Non-income producing security.*

See Notes to Financial Statements.

September 30, 2022

ASSETS:		
Investments, at fair value (Cost $446,954,692)	$	414,458,414
Cash		2,219,135
Receivable for investment securities sold		26,876,760
Interest receivable		2,248,285
Receivable for shares sold		1,118,928
Total Assets		446,921,522
LIABILITIES:		
Payable for investment securities purchased		32,597,503
Leverage facility		132,050,000
Interest due on leverage facility		803,813
Net unrealized depreciation on unfunded loan commitments		49,726
Distributions payable to common shareholders		1,897,896
Accrued trustees' fees payable		40,091
Accrued distribution fees payable		33,380
Accrued shareholder servicing fees payable		33,357
Accrued transfer agent fees payable		140,715
Other payables and accrued expenses		1,400,338
Total Liabilities		169,046,819
Net Assets Attributable to Common Shareholders	$	277,874,703
COMPOSITION OF NET ASSETS ATTRIBUTABLE TO COMMON SHARES:		
Par value ($0.001 per share, applicable to 13,367,404 shares issued and outstanding)	$	13,367
Paid-in capital in excess of par value		343,141,439
Total distributable earnings		(65,280,103)
Net Assets Attributable to Common Shareholders	$	277,874,703
NET ASSET VALUE		
Class I:		
Net asset value per share	$	20.74
Net assets		145,394,502
Shares of beneficial interest outstanding (unlimited shares authorized, par value $0.001 per share)		7,008,983
Class T:		
Net asset value per share		20.71
Net assets		109,363,021
Shares of beneficial interest outstanding (unlimited shares authorized, par value $0.001 per share)		5,281,949
Class D:		
Net asset value per share		20.77
Net assets		68,674
Shares of beneficial interest outstanding (unlimited shares authorized, par value $0.001 per share)		3,306
Class T-I:		
Net asset value per share		21.22
Net assets		8,135,740
Shares of beneficial interest outstanding (unlimited shares authorized, par value $0.001 per share)		383,449
Class U:		
Net asset value per share		21.62
Net assets		14,912,766
Shares of beneficial interest outstanding (unlimited shares authorized, par value $0.001 per share)		689,715

See Notes to Financial Statements.

Statement of Operations

For the Year Ended September 30, 2022

INVESTMENT INCOME:	
Interest	$ 26,519,089
Other income	110,410
Total Investment Income	26,629,499
EXPENSES:	
Advisory fee	3,184,386
Fund accounting and administration fees	408,144
Distribution fees	384,123
Shareholder servicing fees	384,367
Offering cost	8,507
Insurance expense	98,388
Legal and audit fees	624,836
Custodian fees	128,537
Trustees' fees and expenses	176,331
Printing expense	211,482
Transfer agent fees	369,141
Interest on leverage facility	2,727,820
Other expenses	64,260
Total expenses	8,770,322
Reimbursement from Adviser/Advisory fee waiver	(680,142)
Net Expenses	8,090,180
Net Investment Income	18,539,319
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS:	
Net realized loss on:	
Investment securities and unfunded commitments	(12,145,214)
Net realized loss on investments	(12,145,214)
Net change in unrealized depreciation on:	
Investment securities and unfunded commitments	(35,135,095)
Net change in unrealized depreciation on investments	(35,135,095)
Net Realized and Unrealized Loss on Investments	(47,280,309)
Net Decrease in Net Assets Attributable to Common Shares from Operations	$ (28,740,990)

See Notes to Financial Statements.

	For the Year Ended September 30, 2022	For the Year Ended September 30, 2021
FROM OPERATIONS:		
Net investment income	$ 18,539,319	$ 18,074,464
Net realized gain/(loss) on investments and unfunded commitments	(12,145,214)	785,702
Net change in unrealized appreciation/(depreciation) on investments and unfunded commitments	(35,135,095)	15,388,628
Net Increase/(Decrease) in Net Assets Attributable to Common Shares from Operations	(28,740,990)	34,248,794
DISTRIBUTIONS TO COMMON SHAREHOLDERS:		
Class I	(10,070,890)	(8,378,689)
Class T	(6,956,474)	(7,466,095)
Class D	(5,448)	(6,373)
Class T-I	(467,480)	(349,084)
Class U	(900,652)	(895,406)
Net Decrease in Net Assets from Distributions to Common Shareholders	(18,400,944)	(17,095,647)
SHARES TRANSACTIONS, IN DOLLARS:		
Class I		
Proceeds from shares sold	26,912,411	50,489,483
Distributions reinvested	3,249,622	2,894,699
Cost of shares redeemed	(26,317,391)	(26,831,660)
Redemption fees	5,822	3,486
Class T		
Proceeds from shares sold	6,289,015	7,075,299
Distributions reinvested	3,432,465	3,529,534
Cost of shares redeemed	(19,808,780)	(31,881,509)
Redemption fees	–	773
Class D		
Proceeds from shares sold	10,314	25,000
Distributions reinvested	–	98
Cost of shares redeemed	(53,657)	(49,325)
Redemption fees	–	–
Class T-I		
Proceeds from shares sold	1,358,794	2,228,013
Distributions reinvested	30,714	24,455
Cost of shares redeemed	(74,785)	(184,205)
Redemption fees	–	219
Class U		
Distributions reinvested	726,266	759,634
Cost of shares redeemed	(562,731)	(1,150,962)
Redemption fees	–	2,411
Net Increase/(Decrease) from Capital Share Transactions	(4,801,921)	6,935,443
Net Increase/(Decrease) in Net Assets	(51,943,855)	24,088,590

See Notes to Financial Statements.

	For the Year Ended September 30, 2022	For the Year Ended September 30, 2021
NET ASSETS		
Beginning of period	$ 329,818,558	$ 305,729,968
End of period	$ 277,874,703	$ 329,818,558
SHARE TRANSACTIONS, IN SHARES:		
Class I		
Beginning shares	6,887,241	5,784,140
Shares sold	1,142,846	2,112,003
Reinvestment in shares	143,316	121,245
Shares redeemed	(1,164,420)	(1,130,147)
Net change in shares resulting from shares transactions	121,742	1,103,101
Ending shares	7,008,983	6,887,241
Class T		
Beginning shares	5,723,013	6,622,925
Shares sold	271,715	295,552
Reinvestment in shares	151,749	148,081
Shares redeemed	(864,528)	(1,343,545)
Net change in shares resulting from shares transactions	(441,064)	(899,912)
Ending shares	5,281,949	5,723,013
Class D		
Beginning shares	5,189	6,262
Shares sold	435	1,041
Reinvestment in shares	–	4
Shares redeemed	(2,318)	(2,118)
Net change in shares resulting from shares transactions	(1,883)	(1,073)
Ending shares	3,306	5,189
Class T-I		
Beginning shares	327,887	243,498
Shares sold	57,542	90,948
Reinvestment in shares	1,328	999
Shares redeemed	(3,307)	(7,558)
Net change in shares resulting from shares transactions	55,562	84,389
Ending shares	383,449	327,887
Class U		
Beginning shares	681,694	697,249
Shares sold	–	–
Reinvestment in shares	30,792	30,530
Shares redeemed	(22,771)	(46,085)
Net change in shares resulting from shares transactions	8,021	(15,555)
Ending shares	689,715	681,694

See Notes to Financial Statements.

For the Year Ended September 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:		
Net decrease in net assets attributable to common shares from operations	$	(28,740,990)
Adjustments to reconcile net increase/decrease in net assets attributable to common shares from operations to net cash provided by (used in) operating activities:		
Purchases of investment securities		(371,484,231)
Payment-in-kind interest		(200,112)
Proceeds from disposition of investment securities		377,651,133
Discounts accreted/premiums amortized		(843,642)
Net realized loss on:		
Investment securities		12,145,214
Net change in unrealized depreciation on:		
Investment securities and unfunded commitments		35,135,095
Net sales of short term investments		13,441,976
(Increase)/Decrease in assets:		
Receivable due from Adviser		27,597
Interest receivable		(46,651)
Prepaid offering costs		8,507
Prepaid expenses and other assets		73,127
Increase/(Decrease) in liabilities:		
Interest due on leverage facility		674,909
Net unrealized depreciation on unfunded loan commitments		48,219
Accrued trustees' fees payable		4,577
Accrued distribution fees payable		1,855
Accrued shareholder servicing fees payable		1,836
Accrued transfer agent fees payable		70,055
Other payables and accrued expenses		499,768
Net Cash Provided by (Used in) Operating Activities		38,468,242
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from leverage facility		45,050,000
Payments on leverage facility		(61,700,000)
Cost of shares redeemed - net of redemption fees		(46,811,522)
Proceeds from shares sold		34,435,608
Distributions paid to common shareholders (net of distributions reinvested)		(10,507,190)
Net Cash Provided by (Used in) Financing Activities		(39,533,104)
Net Decrease in Cash		(1,064,862)
Cash, beginning balance	$	3,283,997
Cash, ending balance	$	2,219,135
Supplemental disclosure of cash flow information:		
Interest paid on leverage facility during the year	$	2,052,911
Non cash reinvestment of distributions	$	7,439,067

See Notes to Financial Statements.

For a Share Outstanding Throughout the Periods Indicated

	For the Year Ended September 30, 2022	For the Year Ended September 30, 2021	For the Year Ended September 30, 2020	For the Year Ended September 30, 2019	For the Period January 18, 2018 (Commencement of Operations) to September 30, 2018
PER SHARE OPERATING PERFORMANCE:					
Net asset value - beginning of period	$ 24.16	$ 22.85	$ 24.24	$ 25.00	$ 25.00
INCOME FROM INVESTMENT OPERATIONS:					
Net investment income[(a)]	1.40	1.44	1.46	1.66	0.90
Net realized and unrealized gain/(loss) on investments and unfunded loan commitments	(3.43)	1.23	(1.41)	(0.76)	(0.01)
Total Income/(Loss) from Investment Operations	(2.03)	2.67	0.05	0.90	0.89
DISTRIBUTIONS TO SHAREHOLDERS:					
From net investment income	(1.39)	(1.36)	(1.44)	(1.66)	(0.89)
Total Distributions to Shareholders	(1.39)	(1.36)	(1.44)	(1.66)	(0.89)
REDEMPTION FEES ADDED TO PAID-IN-CAPITAL	0.00[(b)]	0.00[(b)]	0.00[(b)]	0.00[(b)]	–
Net asset value - end of period	$ 20.74	$ 24.16	$ 22.85	$ 24.24	$ 25.00
Total Investment Return - Net Asset Value[(c)]	(8.75%)	11.93%	0.49%	3.82%	3.61%
RATIOS TO AVERAGE NET ASSETS					
Total expenses before reimbursement from Adviser and Advisory fee waiver	2.51%	2.17%	2.63%	3.30%	3.40%[(d)]
Advisory Fee	1.00%	1.00%	1.00%	1.00%	1.00%[(d)]
Expenses before reimbursement from Adviser and Advisory fee waiver	0.65%	0.63%	0.60%	0.73%	1.60%[(d)]
Interest on leverage	0.86%	0.54%	1.03%	1.57%	0.80%[(d)]
Reimbursement from Adviser and Advisory fee waiver	(0.20%)	(0.28%)	(0.27%)	(0.59%)	(2.15%)[(d)]
Total expenses after reimbursement from Adviser and Advisory fee waiver	2.31%	1.89%	2.36%	2.71%	1.25%[(d)]
Excluded expenses[(e)]	(1.86%)	(1.54%)	(2.01%)	(2.36%)	(0.90%)[(d)]
Total expenses, net of excluded expenses, after reimbursement from Adviser and Advisory fee waiver	0.45%	0.35%	0.35%	0.35%	0.35%[(d)]
Net investment income	6.06%	6.04%	6.42%	6.82%	5.17%[(f)]
Net assets, end of period (000s)	$ 145,395	$ 166,404	$ 132,194	$ 215,196	$ 187,942
Portfolio turnover rate	77%	98%	87%	72%	40%[(g)]
LEVERAGE FACILITY:					
Aggregate principal amount, end of period (000s)	$ 132,050	$ 148,700	$ 148,000	$ 188,500	$ 115,000
Average borrowings outstanding during the period (000s)	$ 147,100	$ 146,669	$ 166,950	$ 168,989	$ 61,100[(h)]
Asset coverage, end of period per $1,000[(i)]	$ 3,104	$ 3,218	$ 3,066	$ 3,083	$ 3,658

(a) *Calculated using average common shares outstanding.*
(b) *Less than $0.005 per share.*
(c) *Total investment return is calculated assuming a purchase of common share at the opening on the first day and a sale at closing on the last day of each period reported. Dividends and distributions are assumed for purposes of this calculation to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions, if any, and are not annualized.*
(d) *Financial ratios have been annualized except for non-recurring costs such as audit, offering and organizational costs.*
(e) *Represents expenses excluded from reimbursement by the Adviser, as defined in the Expense Limitation and Reimbursement Agreement. See Note 3.*

See Notes to Financial Statements.

(f) *Annualized.*

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

(h) *Since first borrowing was made on March 6, 2018.*

(i) *Calculated by subtracting the Fund's total liabilities (excluding the principal amount of Tranche A Leverage Facility) from the Fund's total assets and dividing by the principal amount of the Leverage Facility and then multiplying by $1,000.*

See Notes to Financial Statements.

For a Share Outstanding Throughout the Periods Indicated

	For the Year Ended September 30, 2022	For the Year Ended September 30, 2021	For the Year Ended September 30, 2020	For the Year Ended September 30, 2019	For the Period May 7, 2018 (Commencement of Operations) to September 30, 2018
PER SHARE OPERATING PERFORMANCE:					
Net asset value - beginning of period	$ 24.12	$ 22.81	$ 24.19	$ 24.94	$ 25.00
INCOME FROM INVESTMENT OPERATIONS:					
Net investment income[(a)]	1.28	1.32	1.33	1.53	0.58
Net realized and unrealized gain/(loss) on investments and unfunded loan commitments	(3.42)	1.23	(1.39)	(0.75)	(0.09)
Total Income/(Loss) from Investment Operations	(2.14)	2.55	(0.06)	0.78	0.49
DISTRIBUTIONS TO SHAREHOLDERS:					
From net investment income	(1.27)	(1.24)	(1.33)	(1.54)	(0.55)
Total Distributions to Shareholders	(1.27)	(1.24)	(1.33)	(1.54)	(0.55)
REDEMPTION FEES ADDED TO PAID-IN-CAPITAL	–	0.00[(b)]	0.01	0.01	–
Net asset value - end of period	$ 20.71	$ 24.12	$ 22.81	$ 24.19	$ 24.94
Total Investment Return - Net Asset Value[(c)]	(9.19%)	11.39%	0.02%	3.33%	2.00%
RATIOS TO AVERAGE NET ASSETS					
Total expenses before reimbursement from Adviser and Advisory fee waiver	3.00%	2.66%	3.12%	3.86%	3.90%[(d)]
Advisory Fee	1.00%	1.00%	1.00%	1.00%	1.00%[(d)]
Expenses before reimbursement from Adviser and Advisory fee waiver	1.15%	1.12%	1.12%	1.29%	1.83%[(d)]
Interest on leverage	0.85%	0.54%	1.00%	1.57%	1.07%[(d)]
Reimbursement from Adviser and Advisory fee waiver	(0.20%)	(0.27%)	(0.29%)	(0.62%)	(1.85%)[(d)]
Total expenses after reimbursement from Adviser and Advisory fee waiver	2.80%	2.39%	2.83%	3.24%	2.05%[(d)]
Excluded expenses[(e)]	(2.35%)	(2.04%)	(2.48%)	(2.89%)	(1.70%)[(d)]
Total expenses, net of excluded expenses, after reimbursement from Adviser and Advisory fee waiver	0.45%	0.35%	0.35%	0.35%	0.35%[(d)]
Net investment income	5.55%	5.53%	5.88%	6.31%	5.86%[(f)]
Net assets, end of period (000s)	$ 109,363	$ 138,018	$ 151,091	$ 177,032	$ 117,661
Portfolio turnover rate	77%	98%	87%	72%	40%[(g)]
LEVERAGE FACILITY:					
Aggregate principal amount, end of period (000s)	$ 132,050	$ 148,700	$ 148,000	$ 188,500	$ 115,000
Average borrowings outstanding during the period (000s)	$ 147,100	$ 146,669	$ 166,950	$ 168,989	$ 61,100[(h)]
Asset coverage, end of period per $1,000[(i)]	$ 3,104	$ 3,218	$ 3,066	$ 3,083	$ 3,658

(a) *Calculated using average common shares outstanding.*
(b) *Less than $0.005 per share.*
(c) *Total investment return is calculated assuming a purchase of common share at the opening on the first day and a sale at closing on the last day of each period reported. Dividends and distributions are assumed for purposes of this calculation to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions, if any, and are not annualized.*
(d) *Financial ratios have been annualized except for non-recurring costs such as audit, offering and organizational costs.*
(e) *Represents expenses excluded from reimbursement by the Adviser, as defined in the Expense Limitation and Reimbursement Agreement. See Note 3.*

See Notes to Financial Statements.

(f) *Annualized.*
(g) *Percentage represents the results for the period and is not annualized.*
(h) *Since first borrowing was made on March 6, 2018.*
(i) *Calculated by subtracting the Fund's total liabilities (excluding the principal amount of Tranche A Leverage Facility) from the Fund's total assets and dividing by the principal amount of the Leverage Facility and then multiplying by $1,000.*

See Notes to Financial Statements.

For a Share Outstanding Throughout the Periods Indicated

	For the Year Ended September 30, 2022	For the Year Ended September 30, 2021	For the Year Ended September 30, 2020	For the Period October 1, 2018 (Commencement of Operations) to September 30, 2019
PER SHARE OPERATING PERFORMANCE:				
Net asset value - beginning of period	$ 24.19	$ 22.89	$ 24.24	$ 25.00
INCOME FROM INVESTMENT OPERATIONS:				
Net investment income[(a)]	1.32	1.38	1.38	1.59
Net realized and unrealized gain/(loss) on investments and unfunded loan commitments	(3.41)	1.23	(1.38)	(0.74)
Total Income/(Loss) from Investment Operations	(2.09)	2.61	–	0.85
DISTRIBUTIONS TO SHAREHOLDERS:				
From net investment income	(1.33)	(1.31)	(1.39)	(1.61)
Total Distributions to Shareholders	(1.33)	(1.31)	(1.39)	(1.61)
REDEMPTION FEES ADDED TO PAID-IN-CAPITAL	–	–	0.04	–
Net asset value - end of period	$ 20.77	$ 24.19	$ 22.89	$ 24.24
Total Investment Return - Net Asset Value[(b)]	(8.96%)	11.60%	0.41%	3.57%
RATIOS TO AVERAGE NET ASSETS				
Total expenses before reimbursement from Adviser and Advisory fee waiver	29.54%	12.26%	2.89%	3.65%
Advisory Fee	1.00%	1.00%	1.00%	1.00%
Expenses before reimbursement from Adviser and Advisory fee waiver	27.74%	10.72%	0.94%	1.06%
Interest on leverage	0.80%	0.54%	0.95%	1.59%
Reimbursement from Adviser and Advisory fee waiver	(27.05%)	(10.12%)	(0.35%)	(0.67%)
Total expenses after reimbursement from Adviser and Advisory fee waiver	2.49%	2.14%	2.54%	2.98%
Excluded expenses[(c)]	(2.04%)	(1.79%)	(2.19%)	(2.63%)
Total expenses, net of excluded expenses, after reimbursement from Adviser and Advisory fee waiver	0.45%	0.35%	0.35%	0.35%
Net investment income	5.69%	5.78%	6.11%	6.57%
Net assets, end of period (000s)	$ 69	$ 126	$ 143	$ 70
Portfolio turnover rate	77%	98%	87%	72%
LEVERAGE FACILITY:				
Aggregate principal amount, end of period (000s)	$ 132,050	$ 148,700	$ 148,000	$ 188,500
Average borrowings outstanding during the period (000s)	$ 147,100	$ 146,669	$ 166,950	$ 168,989
Asset coverage, end of period per $1,000[(d)]	$ 3,104	$ 3,218	$ 3,066	$ 3,083

(a) *Calculated using average common shares outstanding.*

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

(c) *Represents expenses excluded from reimbursement by the Adviser, as defined in the Expense Limitation and Reimbursement Agreement. See Note 3.*

(d) *Calculated by subtracting the Fund's total liabilities (excluding the principal amount of Tranche A Leverage Facility) from the Fund's total assets and dividing by the principal amount of the Leverage Facility and then multiplying by $1,000.*

See Notes to Financial Statements.

For a Share Outstanding Throughout the Periods Indicated

	For the Year Ended September 30, 2022	For the Year Ended September 30, 2021	For the Year Ended September 30, 2020	For the Period April 22, 2019 (Commencement of Operations) to September 30, 2019
PER SHARE OPERATING PERFORMANCE:				
Net asset value - beginning of period	$ 24.71	$ 23.38	$ 24.71	$ 25.00
INCOME FROM INVESTMENT OPERATIONS:				
Net investment income[(a)]	1.32	1.35	1.28	0.67
Net realized and unrealized gain/(loss) on investments and unfunded loan commitments	(3.51)	1.25	(1.41)	(0.28)
Total Income/(Loss) from Investment Operations	(2.19)	2.60	(0.13)	0.39
DISTRIBUTIONS TO SHAREHOLDERS:				
From net investment income	(1.30)	(1.27)	(1.35)	(0.68)
Total Distributions to Shareholders	(1.30)	(1.27)	(1.35)	(0.68)
REDEMPTION FEES ADDED TO PAID-IN-CAPITAL	–	0.00[(b)]	0.15	–
Net asset value - end of period	$ 21.22	$ 24.71	$ 23.38	$ 24.71
Total Investment Return - Net Asset Value[(c)]	(9.18%)	11.33%	0.35%	1.58%
RATIOS TO AVERAGE NET ASSETS				
Total expenses before reimbursement from Adviser and Advisory fee waiver	3.15%	2.95%	4.97%	27.10%[(d)]
Advisory Fee	1.00%	1.00%	1.00%	1.00%[(d)]
Expenses before reimbursement from Adviser and Advisory fee waiver	1.27%	1.41%	3.23%	24.49%[(d)]
Interest on leverage	0.88%	0.54%	0.74%	1.61%[(d)]
Reimbursement from Adviser and Advisory fee waiver	(0.32%)	(0.56%)	(2.37%)	(23.65%)[(d)]
Total expenses after reimbursement from Adviser and Advisory fee waiver	2.83%	2.39%	2.60%	3.45%[(d)]
Excluded expenses[(e)]	(2.38%)	(2.04%)	(2.25%)	(3.10%)[(d)]
Total expenses, net of excluded expenses, after reimbursement from Adviser and Advisory fee waiver	0.45%	0.35%	0.35%	0.35%[(d)]
Net investment income	5.60%	5.54%	5.74%	6.17%[(f)]
Net assets, end of period (000s)	$ 8,136	$ 8,103	$ 5,693	$ 287
Portfolio turnover rate	77%	98%	87%	72%
LEVERAGE FACILITY:				
Aggregate principal amount, end of period (000s)	$ 132,050	$ 148,700	$ 148,000	$ 188,500
Average borrowings outstanding during the period (000s)	$ 147,100	$ 146,669	$ 166,950	$ 168,989
Asset coverage, end of period per $1,000[(g)]	$ 3,104	$ 3,218	$ 3,066	$ 3,083

(a) *Calculated using average common shares outstanding.*
(b) *Less than $0.005 per share.*
(c) *Total investment return is calculated assuming a purchase of common share at the opening on the first day and a sale at closing on the last day of each period reported. Dividends and distributions are assumed for purposes of this calculation to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions, if any, and are not annualized.*
(d) *Financial ratios have been annualized except for non-recurring costs such as offering costs.*
(e) *Represents expenses excluded from reimbursement by the Adviser, as defined in the Expense Limitation and Reimbursement Agreement. See Note 3.*
(f) *Annualized.*
(g) *Calculated by subtracting the Fund's total liabilities (excluding the principal amount of Tranche A Leverage Facility) from the Fund's total assets and dividing by the principal amount of the Leverage Facility and then multiplying by $1,000.*

See Notes to Financial Statements.

For a Share Outstanding Throughout the Periods Indicated

	For the Year Ended September 30, 2022	For the Year Ended September 30, 2021	For the Period November 29, 2019 (Commencement of Operations) to September 30, 2020
PER SHARE OPERATING PERFORMANCE:			
Net asset value - beginning of period	$ 25.18	$ 23.82	$ 25.00
INCOME FROM INVESTMENT OPERATIONS:			
Net investment income[(a)]	1.34	1.38	1.09
Net realized and unrealized gain/(loss) on investments and unfunded loan commitments	(3.57)	1.28	(1.15)
Total Income/(Loss) from Investment Operations	(2.23)	2.66	(0.06)
DISTRIBUTIONS TO SHAREHOLDERS:			
From net investment income	(1.33)	(1.30)	(1.13)
Total Distributions to Shareholders	(1.33)	(1.30)	(1.13)
REDEMPTION FEES ADDED TO PAID-IN-CAPITAL	–	0.00[(b)]	0.01
Net asset value - end of period	$ 21.62	$ 25.18	$ 23.82
Total Investment Return - Net Asset Value[(c)]	(9.19%)	11.36%	0.01%
RATIOS TO AVERAGE NET ASSETS			
Total expenses before reimbursement from Adviser and Advisory fee waiver	3.02%	2.84%	4.11%[(d)]
Advisory Fee	1.00%	1.00%	1.00%[(d)]
Expenses before reimbursement from Adviser and Advisory fee waiver	1.16%	1.30%	2.42%[(d)]
Interest on leverage	0.86%	0.54%	0.69%[(d)]
Reimbursement from Adviser and Advisory fee waiver	(0.21%)	(0.45%)	(1.58%)[(d)]
Total expenses after reimbursement from Adviser and Advisory fee waiver	2.81%	2.39%	2.53%[(d)]
Excluded expenses[(e)]	(2.36%)	(2.04%)	(2.18%)[(d)]
Total expenses, net of excluded expenses, after reimbursement from Adviser and Advisory fee waiver	0.45%	0.35%	0.35%[(d)]
Net investment income	5.57%	5.53%	5.66%[(f)]
Net assets, end of period (000s)	$ 14,913	$ 17,168	$ 16,609
Portfolio turnover rate	77%	98%	87%[(g)]
LEVERAGE FACILITY:			
Aggregate principal amount, end of period (000s)	$ 132,050	$ 148,700	$ 148,000
Average borrowings outstanding during the period (000s)	$ 147,100	$ 146,669	$ 166,950
Asset coverage, end of period per $1,000[(h)]	$ 3,104	$ 3,218	$ 3,066

(a) *Calculated using average common shares outstanding.*
(b) *Less than $0.005 per share.*
(c) *Total investment return is calculated assuming a purchase of common share at the opening on the first day and a sale at closing on the last day of each period reported. Dividends and distributions are assumed for purposes of this calculation to be reinvested at prices obtained under the Fund's dividend reinvestment plan. Total investment returns do not reflect brokerage commissions, if any, and are not annualized.*
(d) *Financial ratios have been annualized except for non-recurring costs such as offering costs.*
(e) *Represents expenses excluded from reimbursement by the Adviser, as defined in the Expense Limitation and Reimbursement Agreement. See Note 3.*
(f) *Annualized.*
(g) *Percentage represents the results for the period and is not annualized.*
(h) *Calculated by subtracting the Fund's total liabilities (excluding the principal amount of Tranche A Leverage Facility) from the Fund's total assets and dividing by the principal amount of the Leverage Facility and then multiplying by $1,000.*

See Notes to Financial Statements.

NOTE 1. ORGANIZATION

Blackstone Floating Rate Enhanced Income Fund (formerly known as Blackstone / GSO Floating Rate Enhanced Income Fund, the "Fund" , "we", "us", or "our") is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), and operates as a diversified, closed-end management investment company. The Fund engages in continuous offering of shares and operates as an interval fund that offers to make monthly repurchases of shares at the net asset value (the "NAV").

The Fund's investment objective is to provide attractive current income with low sensitivity to rising interest rates.

The Fund was organized as a Delaware statutory trust on June 20, 2017 pursuant to a Declaration of Trust governed by the laws of the State of Delaware. The Fund had no operations from that date to November 10, 2017, other than those related to organizational matters and the registration of its shares under applicable securities laws. Blackstone Liquid Credit Strategies LLC (the "Adviser") purchased 4,000 Institutional Class I Common Shares ("Class I Shares") at a NAV of $25.00 per share on November 10, 2017. The Fund is authorized to issue an unlimited number of Class I Shares, Advisory Class D Common Shares ("Class D Shares"), Brokerage Class T Common Shares ("Class T Shares"), Brokerage Class T-I Common Shares ("Class T-I Shares") and Brokerage Class U Common Shares ("Class U Shares"), and a maximum offering of $3,000,000,000 of common shares. Class I Shares commenced operations on January 18, 2018, Class T Shares commenced operations on May 7, 2018, Class D Shares commenced operations on October 1, 2018, Class T-I Shares commenced operations on April 22, 2019 and Class U Shares commenced operations on November 29, 2019. As of September 30, 2022, Class I Shares (BGFLX), Class T Shares (BGFTX), Class D Shares (BGFDX), Class T-I Shares (BGFPX) and Class U Shares (BGFVX) were outstanding.

The Fund was previously classified as a non-diversified management investment company for purposes of the 1940 Act. As a result of ongoing operations, the Fund is now classified as a diversified management investment company. This means that with respect to 75% of the Fund's total assets, no more than 5% of the Fund's total assets may be invested in any one issuer or own more than 10% of the outstanding voting securities of such issuer (except, in each case, excepting cash and cash items, U.S. government securities, and securities of other investment companies). The Fund may not resume operating in a non-diversified manner without first obtaining shareholder approval in accordance with the 1940 Act.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The Fund's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and are stated in U.S. dollars. The Fund is considered an investment company under reporting requirements of U.S. GAAP and follows the accounting and reporting guidance applicable to investment companies in the Financial Accounting Standards Board Accounting Standards Codification Topic 946.

The preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statement. Actual results could differ from these estimates.

Portfolio Valuation: The Fund's NAV is determined daily on each day that the New York Stock Exchange (the "Exchange") is open for business, as of the close of the regular trading session on the Exchange. The Fund calculates NAV per common share by subtracting liabilities (including accrued expenses or dividends) from the total assets of the Fund (the value of the securities plus cash or other assets, including interest accrued but not yet received) and dividing the result by the total number of outstanding common shares of the Fund.

Loans are primarily valued by using a composite loan price from a nationally recognized loan pricing service. The methodology used by the Fund's nationally recognized loan pricing provider for composite loan prices is to value loans at the mean of the bid and ask prices from one or more brokers or dealers. Collateralized loan obligation securities ("CLOs") are valued at the price provided by a nationally recognized pricing service. The prices provided by the nationally recognized pricing service are typically based on the evaluated mid-price of each of the CLOs. Non-U.S. Instruments are valued by translating available quotes into U.S. dollar equivalents, if the quotes are considered reliable, and are otherwise valued at fair value. Over-the-counter options are priced on the basis of dealer quotes. Other types of derivatives for which quotes may not be available are valued at fair value. Corporate bonds and convertible bonds, other than short-term investments, are valued at the price provided by a nationally recognized pricing service. The prices provided by the nationally recognized pricing service are typically based on the mean of bid and ask prices for each corporate bond security. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrices, market transactions in comparable investments, various relationships observed in the market between investments and calculated yield measures based on valuation technology commonly employed in the market for such investments. Equity securities for which market quotations are available are generally valued at the last sale price or official closing price on the primary market or exchange on which they trade. Futures contracts, if any, are ordinarily valued at the last sales price on the securities or commodities exchange on which they are traded. Written and purchased options, if any, are ordinarily valued at the closing price on the securities or commodities exchange on which they are traded. To the extent current market quotations are not readily available, short-term debt investments, if any, having a remaining maturity of 60 days or less when purchased would be valued at cost adjusted for amortization of premiums and accretion of discounts. Any investments and other assets for which such current market quotations are not readily available are valued at fair value ("Fair Valued Assets") as determined in good faith by a committee of the Adviser (the "Fair Valued Asset Committee") under procedures established by, and under the general supervision and responsibility of, the Fund's Board of Trustees (the "Board"). Such methods may include, but are not limited to, the use of a market comparable and/or income approach methodologies. A Fair Valued Asset Committee meeting may be called at any time by any member of the Fair Valued Asset Committee. The pricing of all Fair Valued Assets and determinations thereof shall be reported by the Fair Valued Asset Committee to the Board at each regularly scheduled quarterly meeting. The Fund has procedures to identify and investigate potentially stale prices for investments which are valued using a nationally recognized pricing service, exchange price or broker-dealer quotations. After performing such procedures, any prices which are deemed to be stale are reviewed by the Fair Valued Asset Committee and an alternative pricing source is determined.

Various inputs are used to determine the value of the Fund's investments. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

Level 1— Unadjusted quoted prices in active markets for identical investments at the date of measurement.
Level 2— Significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.).
Level 3— Significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

The categorization of investments and other financial instruments is based on the pricing transparency of the investment and other financial instrument and does not necessarily correspond to the Fund's perceived risk of investing in those securities. Investments measured and reported at fair value are classified and disclosed in one of the following levels within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement.

The following tables summarize valuation of the Fund's investments under the fair value hierarchy levels as of September 30, 2022:

Blackstone Floating Rate Enhanced Income Fund

Investments in Securities at Value*	Level 1 - Quoted Prices	Level 2 - Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
Floating Rate Loan Interests				
Commercial Services & Supplies	$ –	$ 24,519,771	$ 784,744	$ 25,304,515
Diversified Consumer Services	–	15,790,658	707,840	16,498,498
Electronic Equipment, Instruments & Components	–	4,969,457	1,060,452	6,029,909
Entertainment	–	9,041,686	1,167,901	10,209,587
Food Products	–	2,192,813	1,827,216	4,020,029
Health Care Providers & Services	–	30,504,653	1,313,715	31,818,368
Hotels, Restaurants & Leisure	–	15,521,902	2,689,043	18,210,945
Industrial Conglomerates	–	11,020,836	1,667,976	12,688,812
Pharmaceuticals	–	537,170	516,944	1,054,114
Professional Services	–	11,923,627	1,208,830	13,132,457
Software	–	50,576,409	840,546	51,416,955
Other	–	180,650,572	–	180,650,572
Collateralized Loan Obligation Securities				
Diversified Financial Services	–	–	18,608,635	18,608,635
Corporate Bonds	–	19,784,067	–	19,784,067
Common Stock				
Health Care Equipment & Supplies	–	–	666,158	666,158
Short Term Investments	4,364,793	–	–	4,364,793
Total	$ 4,364,793	$ 377,033,621	$ 33,060,000	$ 414,458,414

Other Financial Instruments				
Liabilities				
Net Unrealized Depreciation on Unfunded Loan Commitments	–	(49,726)	–	(49,726)
Total	–	(49,726)	–	(49,726)

* *Refer to the Fund's Portfolio of Investments for a listing of securities by type.*

The changes of the fair value of investments for which the Fund has used Level 3 inputs to determine the fair value are as follows:

	Floating Rate Loan Interests	Collateralized Loan Obligations Securities	Warrants	Common Stock	Total
Balance as of September 30, 2021	$ 7,420,006	$ 12,198,205	$ 130,429	$ –	$19,748,640
Accrued Discount/premium	12,195	17,212	–	–	29,407
Realized Gain/(Loss)	(195,610)	104,334	–	–	(91,276)
Change in Unrealized Appreciation/(Depreciation)	(673,786)	(2,278,822)	–	–	(3,083,037)
Purchases[1]	8,516,551	12,534,475	–	666,158	21,717,184
Sales Proceeds[2]	(5,422,673)	(7,016,254)	(130,429)	–	(12,438,927)
Transfer Into Level 3	9,030,077	3,718,745	–	–	12,748,822
Transfer Out of Level 3	(4,901,553)	(669,260)	–	–	(5,570,813)
Balance as of September 30, 2022	$ 13,785,207	$ 18,608,635	$ –	$ $666,158	$33,060,000
Net change in unrealized appreciation/(depreciation) included in the Statements of Operations attributable to Level 3 investments held at September 30, 2022	$ (458,078)	$ (2,666,060)	$ –	$ –	$ (3,124,138)

[1] *Purchases include all purchases of securities and securities received in corporate actions.*
[2] *Sales Proceeds include all sales of securities, maturities, paydowns and securities tendered in corporate actions.*

Information about Level 3 fair value measurements as of September 30, 2022:

	Fair Value	Valuation Technique(s)	Unobservable Input(s)	Value/Range (Weighted Average)
Floating Rate Loan Interests	$ 13,785,207	Third-party vendor pricing service	Broker quotes	N/A
Collateralized Loan Obligation Securities	$ 18,608,635	Third-party vendor pricing service	Broker quotes	N/A
Common Stock	$ 666,158	Performance Multiple Methodology	EBITDA Multiple[a]	3.68x

[a] *A change to the unobservable input at the reporting date would result in a significant change to the value of the investment as follows:*

Unobservable Input	Impact to Value if Input Increases	Impact to Value if Input Decreases
EBITDA Multiple	Increase	Decrease

Securities Transactions and Investment Income: Securities transactions are recorded on trade date for financial reporting purposes and amounts payable or receivable for trades not settled at the time of period end are reflected as liabilities and assets, respectively. Interest Income is recognized on an accrual basis from the date of settlement. Accretion of discount and amortization of premium, which are included in interest income, are accreted or amortized daily using the accrual basis interest method. Dividend income is recorded on the ex-dividend date. Realized gains and losses from securities transactions and foreign currency transactions, if any, are recorded on the basis of identified cost and stated separately in the Statement of Operations.

Federal Income Taxes: The Fund intends to continue to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code (the “Code”) and distribute all of its taxable income and net realized gains, if any, to shareholders. Accordingly, no provision for Federal income taxes has been made.

Income distributions and capital gain distributions are determined in accordance with income tax regulations, which may differ from GAAP. These differences are primarily due to differing treatments of income and gains on various investment securities held by the Fund, timing differences and differing characterization of distributions made by the Fund as a whole.

As of and during the year ended September 30, 2022, the Fund did not have a liability for any unrecognized tax benefits. The Fund files U.S. federal, state, and local tax returns as required. The Fund’s tax returns are subject to examination by the relevant tax authorities until expiration of the applicable statute of limitations which is generally three years after the filing of the tax return for federal purposes and four years for most state returns.

Distributions to Shareholders: The Fund distributes substantially all of its net investment income to shareholders in the form of dividends. The Fund declares income dividends daily and distributes them monthly. In addition, the Fund distributes any net capital gains it earns from the sale of portfolio securities to shareholders no less frequently than annually. Net short-term capital gains may be paid more frequently.

Offering Costs: Offering costs incurred by the Fund since inception of $1,622,394 were treated as deferred charges until operations commenced and were amortized over a 12-month period using the straight line method. During the year ended September 30, 2022, $8,507 in offering costs were amortized.

The estimates and assumptions underlying the Fund's financial statements are based on the information available as of September 30, 2022. The estimates and assumptions include judgments about financial market and economic conditions which have changed, and may continue to change, over time.

NOTE 3. FEES AND EXPENSES

Investment Advisory

The Adviser, a wholly-owned subsidiary of Blackstone Alternative Credit Advisors LP (formerly known as GSO Capital Partners LP) (collectively with its affiliates in the credit-focused business of Blackstone Inc., "Blackstone Credit"), is a registered investment adviser and is responsible for the day-to-day management of, and provides administrative and compliance oversight services to, the Fund.

Management Fees

The investment advisory agreement between the Fund and the Adviser provides for the Fund to pay a management fee to the Adviser at an annual rate equal to 1.00% of the average daily value of the Fund's net assets (the "Management Fee").

Expense Limitation and Reimbursement

Pursuant to an Expense Limitation and Reimbursement Agreement, effective February 1, 2022 through January 31, 2023, the Adviser has agreed to waive its compensation (and, to the extent necessary, bear other expenses of or make payments to the Fund) so that certain of the Fund's expenses ("Specified Expenses") will not exceed 0.50% of net assets (annualized). The Fund has agreed to repay waived amounts, when and if requested by the Adviser, but only if and to the extent that Specified Expenses are less than 0.50% of net assets (annualized) (or, if a lower expense limit is then in effect, such lower limit) within the three-year period after the Adviser bears the expense; provided, however, that the Adviser may recapture a Specified Expense in the same year it is incurred. "Specified Expenses" is defined to include all expenses incurred in the business of the Fund, including organizational and certain offering costs, with the exception of (i) the management fee, (ii) the service fee, (iii) the distribution fee, (iv) brokerage costs, (v) dividend/interest payments (including any dividend payments, interest expenses, commitment fees, or other expenses related to any leverage incurred by the Fund), (vi) taxes, and (vii) extraordinary expenses (as determined in the sole discretion of the Adviser). Through January 31, 2022, the Adviser agreed to waive its compensation and, to the extent necessary, bear other expenses of or make payments to the Fund so that Specified Expenses did not exceed 0.35% of net assets (annualized). For the year ended September 30, 2022, the Adviser reimbursed $680,142 in fees and expenses to the Fund which are included under advisory fee waiver on the Statement of Operations.

As of September 30, 2022, the repayments that potentially may be made by the Fund are as follows:

	Expenses reimbursed in year ending September 30, 2020	Expenses reimbursed in year ending September 30, 2021	Expenses reimbursed in year ending September 30, 2022
Class	**Subject to repayment until maximum expiration date of September 30, 2023**	**Subject to repayment until maximum expiration date of September 30, 2024**	**Subject to repayment until maximum expiration date of September 30, 2025**
Class I	$ 443,335	$ 406,008	$ 338,675
Class T	430,571	382,743	253,462
Class D	383	11,798	26,077
Class T-I	68,442	37,424	26,852
Class U	145,174	78,226	35,076
Total	$ 1,087,905	$ 916,199	$ 680,142

Trustee Compensation

Effective January 1, 2022, the Fund, Blackstone Senior Floating Rate Term Fund, Blackstone Long-Short Credit Income Fund, and Blackstone Strategic Credit Fund (collectively, the "Funds") agreed to pay a retainer fee of $155,000 per annum to each Trustee who is not a director, officer, employee, or affiliate of Blackstone Credit or ALPS Fund Services, Inc. ("ALPS"). The Chairman of the Audit Committee and the Chairman of the Nominating and Governance Committee also agreed to receive a retainer fee of $12,000 per annum and the Lead Independent Trustee agreed to receive a retainer fee of $16,000 per annum from the Funds.

The Board implemented a Trustee Emeritus program (the "Program") in November 2021. A Trustee Emeritus appointed under the Program will receive compensation equal to 10% of his or her retainer for serving as a Trustee as of the date on which the Board appoints such person as Trustee Emeritus. The term of service of a Trustee Emeritus expires twelve months from the date of the Trustee's retirement from the Board.

Distribution and Servicing Fees

Blackstone Securities Partners L.P. (formerly known as Blackstone Advisory Partners L.P.) (the "Distributor"), an affiliate of the Fund and of the Adviser, serves as the principal underwriter and distributor in the continuous public offering of the Fund's Class I Shares, Class D Shares, Class T Shares, Class T-I Shares, and Class U Shares pursuant to a distribution agreement ("Distribution Agreement") with the Fund, which is subject to annual approval by the Board. The Fund pays the Distributor a Servicing Fee that is calculated monthly and accrued daily at an annualized rate of 0.25% of the net assets of the Fund attributable to Class T Shares, Class D Shares, Class T-I Shares, and Class U Shares, respectively. The Fund pays the Distributor a Distribution Fee that is calculated monthly and accrued daily at an annualized rate of 0.25% of the net assets of the Fund attributable to Class T Shares, Class T-I Shares, and Class U Shares, respectively. For the year ended September 30, 2022, Class T Shares, Class D Shares, Class T-I Shares, and Class U Shares incurred servicing fees of $321,269, $244, $21,404, and $41,450, respectively, and Class T Shares, Class T-I Shares, and Class U Shares incurred distribution fees of $321,269, $21,404, and $41,450, respectively. Class I Shares do not incur a Servicing Fee or a Distribution Fee. The Distributor may pay all or a portion of these fees to selling agents.

Other Agreements

ALPS serves as administrator to the Fund. Under the administration agreement, ALPS is responsible for calculating the NAV of the common shares and generally managing the administrative affairs of the Fund.

The Bank of New York Mellon serves as the Fund's primary custodian. UMB Bank, N.A. serves as the Fund's custodian for purposes of processing investor subscriptions and repurchases.

DST Systems Inc. serves as transfer, dividend paying and shareholder servicing agent for the Fund (the "Transfer Agent").

ALPS, The Bank of New York Mellon, UMB Bank, N.A. and DST Systems Inc., are not considered affiliates of the Fund as defined under the 1940 Act.

NOTE 4. SECURITIES TRANSACTIONS

Investment transactions for the year ended September 30, 2022, excluding temporary short-term investments, were as follows:

Fund	Cost of Investments Purchased	Proceeds from Investments Sold
Blackstone Floating Rate Enhanced Income Fund	$ 360,883,286	$ 382,766,605

NOTE 5. RELATED PARTY TRANSACTIONS

The Adviser and the Distributor are related parties of the Fund. Fees payable to related parties are disclosed in Note 3 and accrued amounts are disclosed in the Statement of Operations.

Blackstone Holdings Finance Co. L.L.C ("FINCO"), an affiliate of the investment adviser, pays expenses on behalf of the Fund from time to time. The Fund reimburses FINCO for such expenses paid on behalf of the Fund. FINCO does not charge any fees for providing such services. As of September 30, 2022, the reimbursement amount of $166,205 is recorded as other payables and accrued expenses to the Fund's Statement of Assets and Liabilities.

During the year ended September 30, 2022, the Fund did not engage in cross trades with an affiliate pursuant to Rule 17a-7.

NOTE 6. LOANS AND OTHER INVESTMENTS

Under normal market conditions, the Fund will invest at least 80% of its Managed Assets in floating rate loans, notes, or bonds. “Managed Assets” means net assets plus the amount of any borrowings, including loans from certain financial institutions and the issuance of debt securities (collectively, "Borrowings") for investment purposes. Under current market conditions, the Fund anticipates that its portfolio of floating rate instruments will primarily consist of floating rate loans (“Loans”). Loans are made to U.S. and non-U.S. corporations, partnerships and other business entities (“Borrowers”) that operate in various industries and geographical regions. At September 30, 2022, 90.51% of the Fund’s Managed Assets were held in floating rate loan interests.

The Loans that the Fund may invest in include Loans that are first lien, second lien, third lien or that are unsecured. In addition, the Loans the Fund will invest in will usually be rated below investment grade or may also be unrated. The proceeds of Loans primarily are used to refinance existing debt and for acquisitions, dividends, leveraged buyouts, and general corporate purposes.

Loans typically have rates of interest which are determined daily, monthly, quarterly or semi-annually by reference to a base lending rate, plus a premium or credit spread. As a result, as short-term interest rates increase, interest payable to the Fund from its investments in Loans should increase, and as short-term interest rates decrease, interest payable to the Fund from its investments in Loans should decrease. Longer interest rate reset periods generally increase fluctuations in the Fund’s NAV as a result of changes in market interest rates. These base lending rates are primarily LIBOR and SOFR (subject to the LIBOR transition as described in “Principal Risks—LIBOR Risk”) and secondarily the prime rate offered by one or more major U.S. banks and the certificate of deposit rate or other base lending rates used by commercial lenders.

Loans will usually require, in addition to scheduled payments of interest and principal, the prepayment of the Loan from free cash flow, as described above. The degree to which borrowers prepay Loans, whether as a contractual requirement or at their election, may be affected by general business conditions, the financial condition of the borrower and competitive conditions among Loan Investors, among others. As such, prepayments cannot be predicted with accuracy. Market conditions in the past, including falling default rates among others, have led to increased prepayment frequency and loan renegotiations. These renegotiations are often on terms more favorable to borrowers. Upon a prepayment, either in part or in full, the actual outstanding debt on which the Fund derives interest income will be reduced. However, the Fund may receive a prepayment penalty fee assessed against the prepaying borrower.

Loans are subject to the risk of non-payment of scheduled interest or principal. Such non-payment would result in a reduction of income to the Fund, a reduction in the value of the investment and a potential decrease in the NAV of the Fund. To the extent a Loan is secured, there can be no assurance that the liquidation of any collateral securing a Loan would satisfy the Borrower’s obligation in the event of non-payment of scheduled interest or principal payments, or that such collateral could be readily liquidated. In the event of bankruptcy or insolvency of a Borrower, the Fund could experience delays or limitations with respect to its ability to realize the benefits of the collateral of a secured Loan. The collateral of a secured Loan may lose all or substantially all of its value in the event of the bankruptcy or insolvency of a Borrower. Some Loans are subject to the risk that a court, pursuant to fraudulent conveyance or other similar laws, could subordinate such Loans to presently existing or future indebtedness of the Borrower or take other action detrimental to the holders of Loans including, in certain circumstances, invalidating such Loans or causing interest previously paid to be refunded to the Borrower. If interest were required to be refunded, it could negatively affect the Fund’s performance. At September 30, 2022 the Fund had invested $22,582,527 in second lien secured loans.

The Fund anticipates that substantially all of Fund’s assets, including its investments in Loans, may be invested in instruments rated below investment grade, such as those rated Ba1 or lower by Moody’s and BB+ or lower by S&P or Fitch or instruments comparably rated by other rating agencies, or in unrated instruments determined by the Adviser to be of comparable quality. Instruments rated Ba1 or lower by Moody’s are judged to have speculative elements, their future cannot be considered as well assured and often the protection of interest and principal payments may be very moderate. Instruments rated BB+ or lower by S&P or Fitch are regarded as having predominantly speculative characteristics and, while such obligations have less near-term vulnerability to default than other speculative grade debt, they face major ongoing uncertainties or exposure to adverse business, financial or economic conditions which could lead to inadequate capacity to meet timely interest and principal payments.

Lower grade instruments, though higher yielding, are characterized by higher risk. They may be subject to certain risks with respect to the issuing entity and to greater market fluctuations than certain lower yielding, higher rated instruments. The retail secondary market for lower grade instruments may be less liquid than that of higher rated instruments. Adverse conditions could make it difficult at times for the Fund to sell certain instruments or could result in lower prices than those used in calculating the Fund’s NAV.

The prices of credit instruments generally are inversely related to interest rate changes; however, the price volatility caused by fluctuating interest rates of instruments also is inversely related to the coupon of such instruments. Accordingly, lower grade instruments may be relatively less sensitive to interest rate changes than higher quality instruments of comparable maturity, because of their higher coupon. This higher coupon is what the investor receives in return for bearing greater credit risk. The higher credit risk associated with lower grade instruments potentially can have a greater effect on the value of such instruments than may be the case with higher quality issues of comparable maturity, and will be a substantial factor in the Fund's relative share price volatility.

The Adviser has established a counterparty and liquidity sub-committee that regularly reviews each broker-dealer counterparty for, among other things, its quality and the quality of its execution. The established procedures and guidelines require trades to be placed for execution only with broker-dealer counterparties approved by the counterparty and liquidity sub-committee of the Adviser. The factors considered by the sub-committee when selecting and approving brokers and dealers include, but are not limited to: (i) quality, accuracy, and timeliness of execution, (ii) review of the reputation, financial strength and stability of the financial institution, (iii) willingness and ability of the counterparty to commit capital, (iv) ongoing reliability and (v) access to underwritten offerings and secondary markets.

The Fund may acquire Loans through assignments or participations. The Fund will typically acquire Loans through assignment. The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation; however, the purchaser's rights can be more restricted than those of the assigning institution, and the Fund may not be able to unilaterally enforce all rights and remedies under the loan and with regard to any associated collateral.

A participation typically results in a contractual relationship only with the institution selling the participation interest, not with the Borrower. Sellers of participations typically include banks, broker-dealers, other financial institutions and lending institutions. Certain participation agreements also include the option to convert the participation to a full assignment under agreed upon circumstances. The Adviser has adopted best execution procedures and guidelines to mitigate credit and counterparty risk in the atypical situation when the Fund must acquire a Loan through a participation. The Fund invests in CLO securities. A CLO is a financing company (generally called a Special Purpose Vehicle or "SPV"), created to reapportion the risk and return characteristics of a pool of assets. While the assets underlying CLOs are typically Loans, the assets may also include (i) unsecured loans, (ii) debt securities that are rated below investment grade, (iii) debt tranches of other CLOs and (iv) equity securities incidental to investments in Loans. When investing in CLOs, the Fund will not invest in equity tranches, which are the lowest tranche. However, the Fund may invest in lower rated debt tranches of CLOs, which typically experience a lower recovery, greater risk of loss or deferral or non-payment of interest than more senior tranches of the CLO. The underlying Loans purchased by CLOs are generally performing at the time of purchase but may become non-performing, distressed or defaulted. CLOs with underlying assets of non-performing, distressed or defaulted loans are not contemplated to comprise a significant portion of the Fund's investments in CLOs. The key feature of the CLO structure is the prioritization of the cash flows from a pool of debt securities among the several classes of the CLO. The SPV is a company founded solely for the purpose of securitizing payment claims arising out of this diversified asset pool. On this basis, marketable securities are issued by the SPV which, due to the diversification of the underlying risk, generally represent a lower level of risk than the original assets. The redemption of the securities issued by the SPV typically takes place at maturity out of the cash flow generated by the collected claims.

The Fund may invest up to 20% of its Managed Assets in securities of other open- or closed-end investment companies, including exchange-traded funds ("ETFs"), to the extent that such investments are consistent with the Fund's investment objective, strategies and policies and permissible under the 1940 Act, including interpretations or modifications by the U.S. Securities and Exchange Commission (the "SEC"). The Fund may invest in other investment companies to gain broad market or sector exposure, including during periods when it has large amounts of uninvested cash (such as the period shortly after the Fund receives the proceeds of the offering of its Common Shares) or when the Adviser believes share prices of other investment companies offer attractive values. The Fund may invest in investment companies that are advised or sub-advised by the Adviser or its affiliates to the extent permitted by applicable law and/or pursuant to exemptive relief from the SEC. As a shareholder in an investment company, the Fund will bear its ratable share of that investment company's expenses and would remain subject to payment of the Fund's management fees and other expenses with respect to assets so invested. Common shareholders would therefore be subject to duplicative expenses to the extent the Fund invests in other investment companies.

ETFs are pooled investment vehicles that are designed to provide investment results corresponding to an index. These indexes may be either broad-based, sector or international. ETFs usually are units of beneficial interest in an investment trust or represent undivided ownership interests in a portfolio of securities (or commodities), in each case with respect to a portfolio of all or substantially all of the component securities of, and in substantially the same weighting as, the relevant benchmark index. ETFs are designed to provide investment results that generally correspond to the price and yield performance of the component securities (or commodities) of the benchmark index. ETFs are listed on an exchange and trade in the secondary market on a per-share basis. The values of ETFs are subject to change as the values of their respective component securities (or commodities) fluctuate according to market volatility. Investments in ETFs may not exactly match the performance of a direct investment in the respective indices to which they are intended to correspond due to the temporary unavailability of certain index securities in the secondary market or other extraordinary circumstances, such as discrepancies with respect to the weighting of securities. Typically, the ETF bears its own operational expenses, which are deducted from its assets. To the extent that the Fund invests in ETFs, the Fund must bear these expenses in addition to the expenses of its own operation.

NOTE 7. GENERAL COMMITMENTS AND CONTINGENCIES

As of September 30, 2022, the Fund had unfunded loan commitments outstanding, which could be extended at the option of the borrower, as detailed below:

Borrower	Par Value	Fair Value	Unrealized Appreciation/ (Depreciation)
Medical Solutions LLC First Lien Delayed Draw Term Loan	$ 318,231	$ 303,752	$ (14,347)
Trident TPI Holdings, Inc. First Lien Delayed Draw Term Loan	76,751	72,904	(1,870)
VT Topco, Inc., First Lien Delayed Draw Term Loan	34,944	33,371	(1,597)
Arc Falcon I, Inc., First Lien Delayed Draw Term Loan	15,097	13,977	(1,120)
AthenaHealth Group, Inc., First Lien Delayed Draw Term Loan	337,520	303,261	(30,689)
Pediatric Associates Holding Company, LLC First Lien Delayed Draw Term Loan	2,941	2,839	(103)
Total	$ 785,484	$ 730,104	$ (49,726)

Unfunded loan commitments are marked to market on the relevant day of the valuation in accordance with the Fund's valuation policies. Any related unrealized appreciation/(depreciation) on unfunded loan commitments is recorded on the Statement of Assets and Liabilities. For the year ended September 30, 2022, the Fund recorded a net change in unrealized depreciation on unfunded loan commitments totaling $48,219.

NOTE 8. LEVERAGE

The Fund entered into a Credit Agreement (the "Agreement") with The Bank of Nova Scotia, the administrative agent, and a syndicate of lenders party thereto to borrow money pursuant to a one-year revolving line of credit ("Leverage Facility") dated January 18, 2018, as amended on June 22, 2018, and as further amended on August 16, 2018 and as amended and restated on October 23, 2018, and as further amended and restated on December 28, 2018, and as amended on January 17, 2019, as further amended on June 27, 2019, as further amended on September 11, 2019, as further amended on January 16, 2020, as further amended on April 9, 2020, and as further amended on January 14, 2021, as further amended December 31, 2021 and January 27, 2022, to borrow up to an aggregate limit of $228,000,000 under two loan tranches, Tranche A and Tranche B. The Tranche A commitment allows for borrowings up to $200,000,000. The Tranche B commitment allows for borrowings for temporary purposes up to $28,000,000 and includes a swing line component with a commitment equal to $28,000,000. Borrowings under the Agreement are secured by the assets of the Fund. Interest is charged at a rate of 0.85% above LIBOR for each Tranche A loan, with LIBOR measured for the period commencing on the date of the making of such LIBOR loan (or the last date upon which any other Tranche A loan was converted to, or continued as, such LIBOR loan) and ending on the numerically corresponding day in the calendar month that is one (1), three (3), six (6) or nine (9) months thereafter, as the Fund may elect, or such other periods as the lender may agree in its sole and absolute discretion and (b) 0.90% above LIBOR with respect to each Tranche B Loan and each swing line loan with, LIBOR measured for the period commencing on the date of the making of such LIBOR loan (or the last date upon which any other loan was converted to, or continued as, such LIBOR loan) and ending on the numerically corresponding day in the calendar month that is one month thereafter. Under the terms of the Agreement, the Fund must pay a commitment fee on any undrawn amounts. The commitment fee payable is (a) for Tranche A loans, 0.15% on the undrawn amounts when drawn amounts exceed 75% of the relevant borrowing limit and 0.25% on the undrawn amounts in all other events and (b) 0.15% for Tranche B loans. Interest and fees are generally payable quarterly. The Fund may elect to extend the Agreement for a further period with the consent of the lending bank. At September 30, 2022, the Fund had borrowings outstanding under its Leverage Facility of $132,050,000 at an interest rate of 3.68% for Tranche A. Due to the short term nature of the Agreement, face value approximates fair value at September 30, 2022. For the year ended September 30, 2022, the average borrowings under the Fund's Leverage Facility and the weighted average interest rate was $147,100,000 and 1.72%, respectively for Tranche A, and $0 and 0%, respectively for Tranche B. During the year ended September 30, 2022, the Fund incurred $160,616 for commitment fees on undrawn amounts, which is included under Interest on leverage facility on the Statement of Operations.

Under the Agreement, the Fund has agreed to certain covenants and additional investment limitations while the leverage is outstanding. The Fund agreed to maintain asset coverage of three times over Borrowings. Compliance with the investment restrictions and calculations are performed by the Fund's custodian, The Bank of New York Mellon.

The use of Borrowings to leverage the common shares of the Fund can create risks. Changes in the value of the Fund's portfolio, including securities bought with the proceeds of leverage, are borne entirely by the holders of common shares of the Fund. All costs and expenses related to any form of leverage used by the Fund are borne entirely by common shareholders. If there is a net decrease or increase in the value of the Fund's investment portfolio, the leverage may decrease or increase, as the case may be, the NAV per common share to a greater extent than if the Fund did not utilize leverage.

NOTE 9. REPURCHASE OFFERS

The Board has adopted a repurchase offer fundamental policy setting forth that the Fund will conduct monthly repurchase offers. This fundamental policy may be changed only with the approval of a majority of the outstanding voting securities of the Fund. The Fund is required to offer to repurchase at least 5% of its outstanding common shares with each repurchase offer and, under normal market conditions, the Board expects to authorize a 5% offer ("Repurchase Offer") each month. The Fund may not offer to repurchase less than 5% nor more than 25% of its outstanding common shares during any three month period.

The time and dates by which Repurchase Offers must be accepted ("Repurchase Request Deadline") are 4:00 p.m. Eastern time on the eighth business day of each month. The repurchase price will be the Fund's NAV determined on the repurchase pricing date, which will be a date not more than 14 calendar days following the Repurchase Request Deadline ("Repurchase Offer Amount"). Payment for all common shares repurchased pursuant to these offers will be made not later than 7 calendar days after the repurchase pricing date. Under normal circumstances, it is expected that the Repurchase Request Deadline will be the same date as the repurchase pricing date. Payment for common shares tendered will normally be made by the fourth business day (but in any case no later than the seventh calendar day) following the repurchase pricing date and, in every case, at least five business days before sending notification of the next monthly Repurchase Offer. If the tendered shares have been purchased immediately prior to the tender, the Fund will not release repurchase proceeds until payment for the tendered shares has settled.

The Fund may impose redemption fees of up to 2.00% on shares accepted for repurchase that have been held for less than one year. The Fund has elected not to impose the redemption fee on repurchases of common shares acquired through the reinvestment of dividends and distributions or submitted pursuant to an auto-rebalancing mechanism of a shareholder account.

During the year ended September 30, 2022, the Fund completed 12 monthly repurchase offers. In these offers, the Fund offered to repurchase no less than 5% of the number of its outstanding shares as of the Repurchase Pricing Dates. The result of the repurchase offers were as follows:

Repurchase Request Deadline	Percentage of Outstanding Shares the Fund Offered to Repurchase[(a)]	Repurchase Pricing Date	Amount Repurchased	Number of Shares Repurchased (all classes)	Percentage of Outstanding Shares Repurchased
October 12, 2021	5%	October 12, 2021	$ 2,172,790	90,206	0.66%
November 10, 2021	5%	November 10, 2021	2,756,998	114,431	0.82%
December 10, 2021	5%	December 10, 2021	4,949,286	206,340	1.48%
January 12, 2022	5%	January 12, 2022	941,268	39,155	0.28%
February 10, 2022	5%	February 10, 2022	5,671,075	237,182	1.67%
March 10, 2022	5%	March 10, 2022	4,932,789	212,581	1.51%
April 12, 2022	5%	April 12, 2022	2,065,139	88,248	0.63%
May 11, 2022	5%	May 11, 2022	3,685,207	163,288	1.17%
June 10, 2022	5%	June 10, 2022	1,697,126	76,297	0.55%
July 13, 2022	5%	July 13, 2022	7,382,656	350,008	2.51%
August 10, 2022	5%	August 10, 2022	4,372,245	196,211	1.43%
September 13, 2022	5%	September 13, 2022	6,190,765	283,397	2.09%

(a) *If total repurchase request exceeds 5% of the Fund's outstanding shares, the Fund may increase the number of shares that it is offering to repurchase by up to an additional 2% of its total outstanding shares (provided that the Fund may not repurchase more than 2% in additional shares during any three-month period).*

NOTE 10. PRINCIPAL RISKS

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

Investment and Market Risk: An investment in the Fund's common shares is subject to investment risk, including the possible loss of the entire principal amount invested. An investment in the Fund's common shares represents an indirect investment in the portfolio of floating rate instruments, other securities and derivative investments owned by the Fund, and the value of these investments may fluctuate, sometimes rapidly and unpredictably. At any point in time an investment in the Fund's common shares may be worth less than the original amount invested, even after taking into account distributions paid by the Fund and the ability of common shareholders to reinvest dividends. The Fund may also use leverage, which would magnify the Fund's investment, market and certain other risks.

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

If a repurchase offer is oversubscribed, the Fund may determine to increase the amount repurchased by up to 2% of the Fund's outstanding common shares as of the date of the repurchase request deadline, but any such increases in the amounts repurchased may not exceed an aggregate of 2% in any three month period. In the event that the Fund determines not to repurchase more than the repurchase offer amount, or if common shareholders tender more than the repurchase offer amount plus 2% of the Fund's outstanding common shares (less any additional amounts repurchased in prior repurchase offers within a three month period) as of the date of the repurchase request deadline, the Fund will repurchase the common shares tendered on a pro rata basis, and common shareholders will have to wait until the next repurchase offer to make another repurchase request. As a result, common shareholders may be unable to liquidate all or a given percentage of their investment in the Fund during a particular repurchase offer. Some common shareholders, in anticipation of proration, may tender more common shares than they wish to have repurchased in a particular month, thereby increasing the likelihood that proration will occur. A common shareholder may be subject to market and other risks, and the NAV of common shares tendered in a repurchase offer may decline between the repurchase request deadline and the date on which the NAV for tendered common shares is determined. In addition, the repurchase of common shares by the Fund will generally be a taxable event to common shareholders.

Large Shareholder Risk: To the extent a large proportion of common shares are held by a small number of common shareholders (or a single common shareholder), including affiliates of the Adviser, the Fund is subject to the risk that these shareholders will seek to sell common shares in large amounts rapidly in connection with repurchase offers. These transactions could adversely affect the ability of the Fund to conduct its investment program. Furthermore, it is possible that in response to a repurchase offer, the total amount of common shares tendered by a small number of common shareholders (or a single common shareholder) may exceed the number of common shares that the Fund has offered to repurchase. If a repurchase offer is oversubscribed by common shareholders, the Fund will repurchase only a pro rata portion of shares tendered by each common shareholder.

Loans Risk: Under normal market conditions, the Fund will invest primarily in Loans. The Loans that the Fund may invest in include Loans that are first lien, second lien, third lien or that are unsecured. In addition, the Loans the Fund will invest in will usually be rated below investment grade or may also be unrated. Although most of the Fund's investments are first lien loans and secured by first lien security interests in the applicable issuer's assets, if an issuer defaults on its loan there is no guarantee we will be able to recover the principal amount of the loan. Although most of the Fund's investments are first lien loans and secured by first lien security interests in the applicable issuer's assets, if an issuer defaults on its loan there is no guarantee we will be able to recover the principal amount of the loan. Loans are subject to a number of risks, including, but not limited to, credit risk, "covenant-lite" obligations risk, liquidity risk, below investment grade instruments risk and management risk.

Although certain Loans in which the Fund may invest will be secured by collateral, there can be no assurance that such collateral could be readily liquidated or that the liquidation of such collateral would satisfy the Borrower's obligation in the event of non-payment of scheduled interest or principal. In the event of the bankruptcy or insolvency of a Borrower, the Fund could experience delays or limitations with respect to its ability to realize the benefits of the collateral securing a Loan. In the event of a decline in the value of the already pledged collateral, if the terms of a Loan do not require the Borrower to pledge additional collateral, the Fund will be exposed to the risk that the value of the collateral will not at all times equal or exceed the amount of the Borrower's obligations under the Loans. To the extent that a Loan is collateralized by stock in the Borrower or its subsidiaries, such stock may lose some or all of its value in the event of the bankruptcy or insolvency of the Borrower. Those Loans that are under-collateralized involve a greater risk of loss.

In general, the secondary trading market for Loans is not fully-developed. No active trading market may exist for certain Loans, which may make it difficult to value them. Illiquidity and adverse market conditions may mean that the Fund may not be able to sell certain Loans quickly or at a fair price. To the extent that a secondary market does exist for certain Loans, the market for them may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods.

Below Investment Grade, or High Yield, Instruments Risk: The Fund anticipates that it may invest substantially all of its assets in instruments that are rated below investment grade. Below investment grade instruments are commonly referred to as “junk” or "high yield" instruments and are regarded as predominantly speculative with respect to the issuer’s capacity to pay interest and repay principal. Lower grade instruments may be particularly susceptible to economic downturns. It is likely that a prolonged or deepening economic downturn could adversely affect the ability of the issuers of such instruments to repay principal and pay interest thereon, increase the incidence of default for such instruments and severely disrupt the market value of such instruments.

Below investment grade instruments, though generally higher yielding, are characterized by higher risk. They may be subject to certain risks with respect to the issuing entity and to greater market fluctuations than certain lower yielding, higher rated instruments. The retail secondary market for lower grade instruments may be less liquid than that for higher rated instruments. Adverse conditions could make it difficult at times for the Fund to sell certain instruments or could result in lower prices than those used in calculating the Fund’s NAV. Because of the substantial risks associated with investments in lower grade instruments, investors could lose money on their investment in Common Shares of the Fund, both in the short-term and the long-term.

“Covenant-lite” Obligations Risk: The Fund may invest in, or obtain exposure to, obligations that may be “covenant-lite,” which means such obligations lack certain financial maintenance covenants. While these loans may still contain other collateral protections, a covenant-lite loan may carry more risk than a covenant-heavy loan made by the same borrower as it does not require the borrower to provide affirmation that certain specific financial tests have been satisfied on a routine basis as is required under a covenant-heavy loan agreement. Should a loan held by the Fund begin to deteriorate in quality, the Fund’s ability to negotiate with the borrower may be delayed under a covenant-lite loan compared to a loan with full maintenance covenants. This may in turn delay the Fund’s ability to seek to recover its investment.

Valuation Risk: Unlike publicly traded common stock which trades on national exchanges, there is no central place or exchange for most of the Fund’s investments to trade. The Fund’s investments generally trade on an “over-the-counter” market which may be anywhere in the world where the buyer and seller can settle on a price. Due to the lack of centralized information and trading, the valuation of loans or fixed-income instruments may carry more risk than that of common stock. Uncertainties in the conditions of the financial market, unreliable reference data, 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 instrument carried on the Fund’s books.

Liquidity Risk: To the extent consistent with the applicable liquidity requirements for interval funds under Rule 23c-3 of the 1940 Act, the Fund may invest up to 20% of its Managed Assets in securities that, at the time of investment, are illiquid (determined using the SEC’s standard applicable to registered investment companies, *i.e.*, securities that the Fund reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the securities. However, securities that cannot be disposed of within seven days due solely to the Adviser’s compliance policies and procedures will not be subject to the limitations set forth above. The Fund may also invest in restricted securities. Investments in restricted securities could have the effect of increasing the amount of the Fund’s assets invested in illiquid securities if qualified institutional buyers are unwilling to purchase these securities.

Credit Risk: Credit risk is the risk that one or more Loans or other instruments in the Fund’s portfolio will decline in price or fail to pay interest or principal when due because the issuer of the instrument experiences a decline in its financial status. While a senior position in the capital structure of a Borrower or issuer may provide some protection with respect to the Fund’s investments in certain Loans, losses may still occur because the market value of Loans is affected by the creditworthiness of Borrowers or issuers and by general economic and specific industry conditions and the Fund’s other investments will often be subordinate to other debt in the issuer’s capital structure. To the extent the Fund invests in below investment grade instruments, it will be exposed to a greater amount of credit risk than a fund that invests in investment grade securities. The prices of lower grade instruments are more sensitive to negative developments, such as a decline in the issuer’s revenues or a general economic downturn, than are the prices of higher grade instruments. Instruments of below investment grade quality are predominantly speculative with respect to the issuer’s capacity to pay interest and repay principal when due and therefore involve a greater risk of default. In addition, the Fund may enter into credit derivatives which may expose it to additional risk in the event that the instruments underlying the derivatives default.

Interest Rate Risk: The fixed-income instruments that the Fund may invest in are subject to the risk that market values of such securities will decline as interest rates increase. These changes in interest rates have a more pronounced effect on securities with longer durations. Typically, the impact of changes in interest rates on the market value of an instrument will be more pronounced for fixed-rate instruments, such as most corporate bonds, than it will for Loans or other floating rate instruments. Fluctuations in the value of portfolio securities will not affect interest income on existing portfolio securities but will be reflected in the Fund’s NAV.

In March 2022, the Federal Reserve raised interest rates by 0.25%, the first increase since December 2018. Subsequently, the Federal Reserve raised interest rates by 0.50% in May 2022, by 0.75% in June 2022 and by 0.75% in September 2022. Additionally, the Federal Reserve indicated that it would raise rates at each of the remaining meetings in 2022.

Systematic Strategies Related to Bond Investments Risk: With respect to the bond portion of the Fund's portfolio, to the extent to which the proprietary model used by the Adviser (the "Model") or comparable methods or strategies are employed, certain of the Adviser's securities analysis methods will rely on the assumption that the companies whose securities are purchased or sold, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While the Adviser is alert to indications that data may be incorrect, there is always a risk that the Adviser's analysis may be compromised by inaccurate or misleading information.

The Model the Adviser intends to utilize to manage the Fund's bond investments could lead to unsatisfactory investments. The Adviser might not be able to effectively implement the Model, and there can be no guarantee that the Fund will achieve the desired results.

LIBOR Risk: The United Kingdom's Financial Conduct Authority announced a phase out of the LIBOR. Although many LIBOR rates ceased to be published or no longer are representative of the underlying market they seek to measure after December 31, 2021, a selection of widely used USD LIBOR rates will continue to be published through June 2023 in order to assist with the transition. On July 29, 2021, the U.S. Federal Reserve System ("FRS"), in conjunction with the Alternative Reference Rates Committee ("ARRC"), a steering committee comprised of large U.S. financial institutions, formally recommended replacing U.S.-dollar LIBOR with the Secured Overnight Financing Rate ("SOFR"), a new index calculated by short-term repurchase agreements, backed by Treasury securities. Given the inherent differences between LIBOR and SOFR, or any other alternative benchmark rate that may be established, there remains uncertainty regarding the future utilization of LIBOR and the nature of any replacement rate. In many cases, the nominated replacements, as well as other potential replacements, are not complete or ready to implement and require margin adjustments. There is currently no final consensus as to which benchmark rate(s) (along with any adjustment and/or permutation thereof) will replace all or any LIBOR tenors after the discontinuation thereof and there can be no assurance that any such replacement benchmark rate(s) will attain market acceptance. Before LIBOR ceases to exist, we and our portfolio companies may need to amend or restructure our existing LIBOR-based debt instruments and any related hedging arrangements that extend beyond June 30, 2023, depending on the applicable LIBOR tenor. Such amendments and restructurings may be difficult, costly and time consuming. In addition, from time to time we invest in floating rate loans and investment securities whose interest rates are indexed to LIBOR. Uncertainty as to the nature of alternative reference rates and as to potential changes or other reforms to LIBOR, or any changes announced with respect to such reforms, may result in a sudden or prolonged increase or decrease in the reported LIBOR rates and the value of LIBOR-based loans and securities, including those of other issuers we or our funds currently own or may in the future own. It remains uncertain how such changes would be implemented and the effects such changes would have on us, issuers of instruments in which we invest and financial markets generally.

The expected discontinuation of LIBOR could have a significant impact on our business. There could be significant operational challenges for the transition away from LIBOR including, but not limited to, amending loan agreements with borrowers on investments that may have not been modified with fallback language and adding effective fallback language to new agreements in the event that LIBOR is discontinued before maturity. Beyond these challenges, we anticipate there may be additional risks to our current processes and information systems that will need to be identified and evaluated by us. Due to the uncertainty of the replacement for LIBOR, the potential effect of any such event on our cost of capital and net investment income cannot yet be determined.

There is no guarantee that a transition from LIBOR to an alternative will not result in financial market disruptions, significant increases in benchmark rates, or borrowing costs to borrowers, any of which could have a material adverse effect on our business, result of operations, financial condition, and unit price. In addition, the transition to a successor rate could potentially cause (i) increased volatility or illiquidity in markets for instruments that currently rely on LIBOR, (ii) a reduction in the value of certain instruments held by the Fund, or (iii) reduced effectiveness of related Fund transactions, such as hedging. It remains uncertain how such changes would be implemented and the effects such changes would have on the Fund, issuers of instruments in which the Fund invests and financial markets generally.

COVID-19 Risk: The global impact of the COVID-19 outbreak is still evolving, with new variants of COVID-19 continuing to be identified in around the world, causing many countries to institute quarantines, restrictions on travel, closing financial markets and/or restricting trading, and limiting hours of operations of non-essential businesses. Such actions are creating disruption in global supply chains, and adversely impacting a number of industries, including industries in which our portfolio companies operate. The outbreak of COVID-19 could have a continued adverse impact on economic and market conditions and, at times, has triggered a period of global economic slowdown.

The outbreak of COVID-19 and related effects, which continue to be unpredictable, could have a material adverse impact on our NAV, financial condition, liquidity, results of operations, and the businesses of our portfolio companies, among other factors. Negative impacts to our business as a result of the pandemic:

- weakening financial conditions of or the bankruptcy or insolvency of portfolio companies, which may result in the inability of such portfolio companies to meet debt obligations, delays in collecting accounts receivable, defaults, or forgiveness or deferral of interest payments from such portfolio companies;
- significant volatility in the markets for syndicated loans, which could cause rapid and large fluctuations in the values of such investments and adverse effects on the liquidity of any such investments;
- deterioration in credit and financing market conditions, which may adversely impact our ability to access financing for our investments on favorable terms or at all;
- operational impacts on our Adviser, Administrator and our other third-party advisors, service providers, vendors and counterparties, including independent valuation firms, our sub-administrator, our lenders and other providers of financing, brokers and other counterparties that we purchase and sell assets to and from, derivative counterparties, and legal and diligence professionals that we rely on for acquiring our investments;
- limitations on our ability to ensure business continuity in the event our, or our third-party advisors' and service providers' continuity of operations plan is not effective or improperly implemented or deployed during a disruption;
- the availability of key personnel of the Adviser, Administrator and our other service providers as they face changed circumstances and potential illness during the pandemic;
- difficulty in valuing our assets in light of significant changes in the financial markets, including difficulty in forecasting discount rates and making market comparisons, and circumstances affecting the Adviser's, Administrator's and our service providers' personnel during the pandemic;
- limitations on our ability to raise capital in this offering;
- significant changes to the valuations of pending investments; and
- limitations on our ability to make distributions to our shareholders due to material adverse impacts on our cash flows from operations or liquidity.

The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of COVID-19 on economic and market conditions, and, as a result, present material uncertainty and risk with respect to us and the performance of our investments. The full extent of the impact and effects of COVID-19 will depend on future developments, including, among other factors, the duration and spread of the outbreak, along with related travel advisories, quarantines and restrictions, the recovery time of the disrupted supply chains and industries, the impact of labor market interruptions, the impact of government interventions, the availability and use of effective vaccines, mutations and variants of COVID-19 and uncertainty with respect to the duration of the global economic slowdown. COVID-19 and the current financial, economic and capital markets environment, and future developments in these and other areas present uncertainty and risk with respect to our performance, financial condition, results of operations and ability to pay distributions.

Force Majeure Risk: The Fund may be affected by force majeure events (*e.g.*, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, nationalization of industry and labor strikes). Force majeure events could adversely affect the ability of the Fund or a counterparty to perform its obligations. The liability and cost arising out of a failure to perform obligations as a result of a force majeure event could be considerable and could be borne by the Fund. Certain force majeure events, such as war or an outbreak of an infectious disease, could have a broader negative impact on the global or local economy, thereby affecting the Fund. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control, could result in a loss to the Fund if an investment is affected, and any compensation provided by the relevant government may not be adequate.

Epidemic and Pandemic Risk: The world has been susceptible to epidemics/pandemics, most recently the novel coronavirus and related respiratory disease ("COVID-19"), which has been designated as a pandemic by the World Health Organization. Any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemics/pandemics, or the threat thereof, together with any resulting restrictions on travel or quarantines imposed, has had, and will continue to have, an adverse impact on the economy and business activity globally (including in the countries in which the Fund invests), and thereby is expected to adversely affect the performance of the Fund's investments and the Fund's ability to fulfill its investment objectives. Furthermore, the rapid development of epidemics/pandemics could preclude prediction as to their ultimate adverse impact on economic and market conditions, and, as a result, presents material uncertainty and risk with respect to the Fund and the performance of its investments.

Market Disruption and Geopolitical Risk: The Fund may be adversely affected by uncertainties such as terrorism, international political developments, and changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of the countries in which it is invested. Likewise, natural and environmental disasters, epidemics or pandemics, and systemic market dislocations may be highly disruptive to economies and markets. Uncertainties and events around the world may (i) result in market volatility, (ii) have long-term effects on the U.S. and worldwide financial markets and (iii) cause further economic uncertainties in the United States and worldwide. The Fund cannot predict the effects of geopolitical events in the future on the U.S. economy and securities markets.

Certain of our investments may operate in, or have dealings with, countries subject to sanctions or embargos imposed by the U.S. government, foreign governments, or the United Nations or other international organizations. In particular, on February 24, 2022, Russian troops began a full-scale invasion of Ukraine and, as of the date hereof, the countries remain in active armed conflict. Around the same time, the U.S., the U.K., the E.U., and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russian-backed separatist regions in Ukraine, and certain banks, companies, government officials, and other individuals in Russia and Belarus, as well as a number of Russian Oligarchs. The U.S. or other countries could also institute broader sanctions on Russia and others supporting Russia's economy or military efforts. The ongoing conflict and the rapidly evolving measures in response could be expected to have a negative impact on the economy and business activity globally (including in the countries in which the Fund invests), and therefore are expected to result in adverse consequences to the Russian economy and could have a material adverse effect on our portfolio companies and our business, financial condition, cash flows and results of operations. The severity and duration of the conflict and its impact on global economic and market conditions are impossible to predict, and as a result, present material uncertainty and risk with respect to the Fund and its portfolio companies and operations, and the ability of the Fund to achieve its investment objectives. Similar risks will exist to the extent that any portfolio companies, service providers, vendors or certain other parties have material operations or assets in Russia, Ukraine, Belarus, or the immediate surrounding areas. Sanctions could also result in Russia taking counter measures or retaliatory actions which could adversely impact our business or the business of our investments, including, but not limited to, cyberattacks targeting private companies, individuals or other infrastructure upon which our business and the business of our portfolio companies rely.

Structured Products Risk: The Fund may invest up to 20% of its Managed Assets in structured products, including the rated debt tranches of CLOs, floating rate mortgage-backed securities and credit linked notes. Holders of structured products bear risks of the underlying investments, index or reference obligation and are subject to counterparty risk.

CLO Risk: In addition to the general risks associated with debt securities and structured products discussed herein, CLOs carry additional risks, including, but not limited to (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or default; (iii) the possibility that the investments in CLOs are subordinate to other classes or tranches thereof; (iv) the potential of spread compression in the underlying loans of the CLO securities, which could reduce credit enhancement in the CLOs; and (v) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the issuer or unexpected investment results.

Leverage Risk: Under current market conditions, the Fund generally utilizes leverage principally through Borrowings in an amount up to 33 1/3% of the Fund's total assets, less all liabilities and indebtedness not represented by senior securities, immediately after such Borrowings. In the future, the Fund may elect to utilize leverage in an amount up to 50% of the Fund's total assets through the issuance of Preferred Shares. Leverage may result in greater volatility of the NAV and distributions on the Common Shares because changes in the value of the Fund's portfolio investments, including investments purchased with the proceeds from Borrowings or the issuance of Preferred Shares, if any, are borne entirely by Common Shareholders. Common Share income may fall if the interest rate on Borrowings or the dividend rate on Preferred Shares rises, and may fluctuate as the interest rate on Borrowings or the dividend rate on Preferred Shares varies. In addition, the Fund's use of leverage will result in increased operating costs. Thus, to the extent that the then-current cost of any leverage, together with other related expenses, approaches the net return on the Fund's investment portfolio, the benefit of leverage to Common Shareholders will be reduced, and if the then-current cost of any leverage together with related expenses were to exceed the net return on the Fund's portfolio, the Fund's leveraged capital structure would result in a lower rate of return to Common Shareholders than if the Fund were not so leveraged. In addition, the costs associated with the Fund's incurrence and maintenance of leverage could increase over time. There can be no assurance that the Fund's leveraging strategy will be successful.

Cyber-Security Risk and Identity Theft Risks: The Fund's operations are highly dependent on the Adviser's information systems and technology and the Fund relies heavily on the Adviser's financial, accounting, communications and other data processing systems. The Adviser's systems may fail to operate properly or become disabled as a result of tampering or a breach of its network security systems or otherwise. In addition, the Adviser's systems face ongoing cybersecurity threats and attacks. Attacks on the Adviser's systems could involve, and in some instances have in the past involved, attempts intended to obtain unauthorized access to its proprietary information, destroy data or disable, degrade or sabotage its systems, or divert or otherwise steal funds, including through the introduction of computer viruses, "phishing" attempts and other forms of social engineering. Cyberattacks and other security threats could originate from a wide variety of external sources, including cyber criminals, nation state hackers, hacktivists and other outside parties. Cyberattacks and other security threats could also originate from the malicious or accidental acts of insiders, such as employees of the Adviser.

There has been an increase in the frequency and sophistication of the cyber and security threats the Adviser faces, with attacks ranging from those common to businesses to those that are more advanced and persistent, which may target the Adviser because, as an alternative asset management firm, the Adviser holds a significant amount of confidential and sensitive information about its investors, its portfolio companies or obligors (as applicable) and potential investments. As a result, the Adviser may face a heightened risk of a security breach or disruption with respect to this information. There can be no assurance that measures the Adviser takes to ensure the integrity of its systems will provide protection, especially because cyberattack techniques used change frequently or are not recognized until successful. If the Adviser's systems are compromised, do not operate properly or are disabled, or it fails to provide the appropriate regulatory or other notifications in a timely manner, the Adviser could suffer financial loss, a disruption of its businesses, liability to its investment funds and fund investors, including the Fund and common shareholders, regulatory intervention or reputational damage. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means.

In addition, the Fund could also suffer losses in connection with updates to, or the failure to timely update, the Adviser's information systems and technology. In addition, the Adviser has become increasingly reliant on third party service providers for certain aspects of its business, including for the administration of certain funds, as well as for certain information systems and technology, including cloud-based services. These third party service providers could also face ongoing cyber security threats and compromises of their systems and as a result, unauthorized individuals could gain, and in some past instances have gained, access to certain confidential data.

Cybersecurity has become a top priority for regulators around the world. Many jurisdictions in which the Adviser operates have laws and regulations relating to data privacy, cybersecurity and protection of personal information, including, as examples, the General Data Protection Regulation in the EU and that went into effect in May 2018 and the California Consumer Privacy Act that went into effect in January 2020. Some jurisdictions have also enacted laws requiring companies to notify individuals and government agencies of data security breaches involving certain types of personal data.

Breaches in security, whether malicious in nature or through inadvertent transmittal or other loss of data, could potentially jeopardize the Adviser, its employees' or the Fund's investors' or counterparties' confidential, proprietary and other information processed and stored in, and transmitted through, the Adviser's computer systems and networks, or otherwise cause interruptions or malfunctions in its, its employees', the Fund's investors', the Fund's counterparties' or third parties' business and operations, which could result in significant financial losses, increased costs, liability to the Fund's investors and other counterparties, regulatory intervention and reputational damage. Furthermore, if the Adviser fails to comply with the relevant laws and regulations or fail to provide the appropriate regulatory or other notifications of breach in a timely matter, it could result in regulatory investigations and penalties, which could lead to negative publicity and reputational harm, and may cause the Fund's investors and clients to lose confidence in the effectiveness of the Adviser's security measures.

Obligors of the Fund also rely on data processing systems and the secure processing, storage and transmission of information, including payment and health information. A disruption or compromise of these systems could have a material adverse effect on the value of these businesses. The Fund may invest in strategic assets having a national or regional profile or in infrastructure, the nature of which could expose it to a greater risk of being subject to a terrorist attack or security breach than other assets or businesses. Such an event may have material adverse consequences on the Fund's investment or assets of the same type or may require obligors of the Fund to increase preventative security measures or expand insurance coverage.

Finally, the Adviser's and the Fund's technology, data and intellectual property and the technology, data and intellectual property of their portfolio companies or obligors (as applicable) are also subject to a heightened risk of theft or compromise to the extent the Adviser and the Fund's portfolio companies or obligors (as applicable) engage in operations outside the United States, in particular in those jurisdictions that do not have comparable levels of protection of proprietary information and assets such as intellectual property, trademarks, trade secrets, know-how and customer information and records. In addition, the Adviser and the Fund and their portfolio companies or obligors (as applicable) may be required to compromise protections or forego rights to technology, data and intellectual property in order to operate in or access markets in a foreign jurisdiction. Any such direct or indirect compromise of these assets could have a material adverse impact on the Adviser and the Fund and their portfolio companies or obligors (as applicable).

Inflation and Supply Chain Risk: Economic activity has continued to accelerate across sectors and regions. Nevertheless, due to global supply chain issues, a rise in energy prices and strong consumer demand as economies continue to reopen, inflation has increased in the U.S. and globally. Inflation is likely to continue in the near to medium-term, particularly in the U.S. with the possibility that monetary policy may continue to tighten in response. There can be no assurance that inflation will not become a serious problem in the future and have an adverse impact on the Fund's returns.

NOTE 11. INCOME TAX

Financial reporting records are adjusted for permanent book/tax differences in order to reflect tax character.

Fund	Paid-in capital	Total Distributable Earnings
Blackstone Floating Rate Enhanced Income Fund	$ (983)	$ 983

Under the Regulated Investment Company Modernization Act of 2010, a fund is permitted to carry forward any new capital losses for an unlimited period. Additionally, such capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term, as was the case under previous law. As of September 30, 2022, the Fund had the following post-effective capital losses with no expiration:

Fund	Short Term	Long Term
Blackstone Floating Rate Enhanced Income Fund	$ 11,011,320	$ 22,073,566

Distributions are determined in accordance with federal income tax regulations, which differ from GAAP, and therefore may differ significantly in amount and/or character from net investment income and realized gains or losses for financial reporting purposes. The tax character of distributions paid by the Fund during the years ended September 30, 2022 and September 30, 2021, respectively, are as follows:

2022	Blackstone Floating Rate Enhanced Income Fund
Distributions Paid From:	
Ordinary Income	$ 18,400,944
Total	$ 18,400,944

2021	Blackstone Floating Rate Enhanced Income Fund
Distributions Paid From:	
Ordinary Income	$ 17,095,647
Total	$ 17,095,647

At September 30, 2022, the components of distributable earnings, as calculated on a tax basis were as follows:

	Blackstone Floating Rate Enhanced Income Fund
Undistributed ordinary income	$ 2,318,088
Accumulated capital losses	(33,084,886)
Unrealized depreciation	(32,611,352)
Other cumulative effect of timing differences	(1,901,953)
Total	$ (65,280,103)

The amount of net tax unrealized appreciation/(depreciation) and the tax cost of investments at September 30, 2022, are as follows:

	Blackstone Floating Rate Enhanced Income Fund
Cost of investments for income tax purposes	$ 447,069,386
Gross appreciation (excess of value over tax cost)	$ 492,283
Gross depreciation (excess of tax cost over value)	(33,103,635)
Net unrealized depreciation	$ (32,611,352)

NOTE 12. RECENT ACCOUNTING PRONOUNCEMENT

In March 2020, the FASB issued ASU No. 2020-04, “Reference Rate Reform (Topic 848),” which provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments apply only to contracts, hedging relationships, and other transactions that reference London Interbank Offered Rate (“LIBOR”) or another reference rate expected to be discontinued because of reference rate reform. In January 2021, the FASB issued ASU No. 2021-01, Reference Rate Reform (Topic 848), which expanded the scope of Topic 848 to include derivative instruments impacted by discounting transition. ASU 2020-04 and ASU 2021-01 are effective for all entities through December 31, 2022. The expedients and exceptions provided by the amendments do not apply to contract modifications and hedging relationships entered into or evaluated after December 31, 2022, except for hedging transactions as of December 31, 2022, that an entity has elected certain optional expedients for and that are retained through the end of the hedging relationship. Management is currently evaluating the impact of the adoption of ASU 2020-04 and 2021-01.

In June 2022, FASB issued Accounting Standards Update No. 2022-03, "Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions" ("ASU 2022-03"). ASU 2022-03 clarifies the guidance in ASC 820, related to the measurement of the fair value of an equity security subject to contractual sale restrictions, where it eliminates the ability to apply a discount to the fair value of these securities, and introduces disclosure requirements related to such equity securities. The guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2023, and allows for early adoption. Management is currently evaluating the impact of applying this update.

NOTE 13. SUBSEQUENT EVENTS

In preparing these financial statements, the Fund’s management has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were issued.

The Fund completed a monthly repurchase offer on October 12, 2022, and 173,539 shares were repurchased for $3,609,619.

The Fund completed a monthly repurchase offer on November 10, 2022, and 745,928 shares were repurchased for $15,627,965.

To the shareholders and the Board of Trustees of Blackstone Floating Rate Enhanced Income Fund

Opinion on the Financial Statements and Financial Highlights

We have audited the accompanying statements of assets and liabilities of Blackstone Floating Rate Enhanced Income Fund (the "Fund"), including the portfolio of investments, as of September 30, 2022, the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the four years in the period then ended and the period from January 18, 2018 (commencement of operations) through September 30, 2018, and the related notes. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of September 30, 2022, and the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the four years in the period then ended and the period from January 18, 2018 (commencement of operations) through September 30, 2018 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of securities owned as of September 30, 2022, by correspondence with the custodian, agent banks, and brokers; when replies were not received from agent banks or brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

DELOITTE & TOUCHE LLP

Denver, Colorado
November 29, 2022

We have served as the auditor of one or more investment companies in the Blackstone Credit Funds Complex since 2010.

Portfolio Information.
The Fund files its complete schedules of portfolio holdings with the SEC for the first and third quarters of each fiscal year as an exhibit on Form N-PORT within 60 days after the end of the Fund's fiscal quarter. The Fund's portfolio holdings information for the third month of each fiscal quarter on Form N-PORT is available (1) on the Fund's website located at http://www.bgflx.com or (2) on the SEC's website at http://www.sec.gov. Holdings and allocations shown on any Form N-PORT are as of the date indicated in the filing and may not be representative of future investments. Holdings and allocations should not be considered research or investment advice and should not be relied upon in making investment decisions.

Proxy Information. The policies and procedures used to determine how to vote proxies relating to securities held by the Fund are available (1) without charge, upon request, by calling 1-877-876-1121, (2) on the Fund's website located at http://www.bgflx.com, and (3) on the SEC's website at http://www.sec.gov. Information regarding how the Fund voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30 is available on Form N-PX by August 31 of each year (1) without charge, upon request, by calling 1-877-876-1121, (2) on the Fund's website located at http://www.bgflx.com, and (3) on the SEC's website at http://www.sec.gov.

The following information in this annual report is a summary of certain information about the Fund and changes since the Fund's most recent annual prospectus dated January 27, 2021 (the "prior disclosure date"). This information may not reflect all of the changes that have occurred since you purchased shares of the Fund.

Investment Objectives

The Fund's investment objective is to provide attractive current income with low sensitivity to rising interest rates. There can be no assurance that the Fund will achieve its investment objective.

There have been no changes in the Fund's investment objectives since the prior disclosure date.

Investment Strategies

There have been no changes in the Fund's Investment Strategies since the prior disclosure date.

Under normal market conditions, the Fund will invest at least 80% of its Managed Assets in floating rate loans, notes, or bonds. "Managed Assets" means net assets plus the amount of any borrowings and the liquidation preference of any preferred shares that may be outstanding. In addition, the Fund may invest up to 20% of its Managed Assets in each of (i) structured products (including, without limitation, the rated debt tranches of CLOs, floating rate mortgage-backed securities and credit linked notes), (ii) derivatives, including credit derivatives, (iii) warrants and equity securities that are incidental to the Fund's purchase of floating rate instruments or acquired in connection with a reorganization of a Borrower or issuer, (iv) fixed rate instruments (including, without limitation, high yield corporate debt securities, or bonds, or U.S. government debt securities) and (v) equity investments in other investment companies, including ETFs. To the extent that a structured product or a security underlying a derivative is, or is composed of, a floating rate instrument, the Fund will not include it for purposes of the Fund's 80% policy. The Fund may invest in securities of any credit quality, maturity and duration. The Fund may invest in U.S. dollar and non-U.S. dollar denominated securities of issuers located anywhere in the world, and of issuers that operate in any industry. In pursuing the Fund's investment objective, the Adviser will seek to enhance the Fund's return by the use of leverage.

Under current market conditions, the Fund anticipates that its portfolio of floating rate instruments will primarily consist of Loans. Loans are made to Borrowers that operate in various industries and geographical regions. Loans pay interest at rates that are determined periodically on the basis of a floating base lending rate, primarily LIBOR, plus a premium. Substantially all of the Fund's assets may be invested in instruments, including Loans that are below investment grade quality. Below investment grade quality instruments are those that, at the time of investment, are rated Ba1 or lower by Moody's and BB+ or lower by S&P) or Fitch, or if unrated are determined by the Adviser to be of comparable quality. Instruments of below investment grade quality, commonly referred to as "junk" or "high yield" securities, are regarded as having predominantly speculative characteristics with respect to an issuer's capacity to pay interest and repay principal.

The Fund may invest up to 20% of its Managed Assets in securities or other instruments that, at the time of investment, are illiquid (determined using the SEC's standard applicable to registered investment companies, i.e., securities that cannot be disposed of within seven days in the ordinary course of business at approximately the value at which the Fund has valued the securities). To the extent permitted by Rule 23c-3(b)(10), the Fund may also invest, without limit, in securities that are unregistered or are held by control persons of the issuer and securities that are subject to contractual restrictions on their resale ("restricted securities") if the Adviser determines that such securities are liquid. However, securities that cannot be disposed of within seven days due solely to the Adviser's compliance policies and procedures will not be subject to the limitations set forth above.

Under normal market conditions, the use of derivatives by the Fund, other than for hedging purposes, will not exceed 20% of the Fund's Managed Assets on a mark-to-market basis. The Fund's principal investments in derivative instruments may include investments in credit default swaps, total return swaps, credit-linked notes, other credit derivatives, futures transactions, options and options on futures as well as certain currency and interest rate instruments such as foreign currency forward contracts, currency exchange transactions on a spot (i.e., cash) basis, put and call options on foreign currencies and interest rate swaps.

The Fund currently anticipates that it will invest in primarily U.S. dollar denominated instruments. However, the Fund may invest in instruments that are denominated in non-U.S. currencies. In order to minimize the impact of currency fluctuations, the Adviser may at times hedge certain or all of the Fund's investments denominated in foreign currencies into U.S. dollars. Foreign currency transactions in which the Fund is likely to invest include, foreign currency forward contracts, currency exchange transactions on a spot (i.e., cash) basis, and put and call options on foreign currencies. These transactions may be used to hedge against the risk of loss due to changing currency exchange rates.

In pursuing the Fund's investment objective, the Adviser will seek to enhance the Fund's return by the use of leverage. The Fund uses Borrowings, in an aggregate amount of up to 33 1/3% of the Fund's total assets, less all liabilities and indebtedness not represented by senior securities, immediately after such Borrowings. Furthermore, the Fund may add leverage to its portfolio through the issuance of Preferred Shares in an aggregate amount of up to 50% of the Fund's total assets immediately after such issuance. The use of leverage involves increased risk, including increased variability of the

Fund's net income, distributions and NAV in relation to market changes. The Fund's leverage strategy may not work as planned or achieve its goal. Currently, the Fund has no intention to issue Preferred Shares.

Leverage creates risk for the Fund's common shareholders, including the likelihood of greater volatility of NAV, and the risk that fluctuations in interest rates on borrowings or in the dividend rates on any Preferred Shares may affect the return to the common shareholders or may result in fluctuations in the dividends paid on the Common Shares. There can be no assurance that any leveraging strategy the Fund employs will be successful during any period in which it is employed.

During temporary defensive periods or in order to keep the Fund's cash fully invested, including during the period when the net proceeds of the offering of Common Shares are being invested, the Fund may deviate from its investment objective and policies. During such periods, the Fund may invest all or a portion of assets in U.S. government securities, including bills, notes and bonds differing as to maturity and rates of interest that are either issued or guaranteed by the Treasury or by U.S. government agencies or instrumentalities; non-U.S. government securities that have received the highest investment grade credit rating, certificates of deposit issued against funds deposited in a bank or a savings and loan association; commercial paper; bankers' acceptances; bank time deposits; shares of money market funds; credit linked notes; repurchase agreements with respect to any of the foregoing; or any other fixed income securities that the Adviser considers consistent with this strategy. It is impossible to predict when, or for how long, the Fund will use these alternative strategies. There can be no assurance that such strategies will be successful.

Risks

The Fund is a non-diversified, closed-end management investment company designed primarily as a long-term investment and not as a trading vehicle. The Fund is not intended to be a complete investment program and, due to the uncertainty inherent in all investments, there can be no assurance that the Fund will achieve its investment objective. At any point in time an investment in the Fund's Common Shares may be worth less than the original amount invested, even after taking into account the distributions paid by and the ability of common shareholders to reinvest dividends.

Investment and Market Risk

An investment in the Fund's Common Shares is subject to investment risk, including the possible loss of the entire principal amount invested. An investment in the Fund's Common Shares represents an indirect investment in the portfolio of floating rate instruments, other securities and derivative investments owned by the Fund, and the value of these investments may fluctuate, sometimes rapidly and unpredictably. At any point in time an investment in the Fund's Common Shares may be worth less than the original amount invested, even after taking into account distributions paid by the Fund and the ability of common shareholders to reinvest dividends. The Fund may also use leverage, which would magnify the Fund's investment, market and certain other risks.

Repurchase Offers Risk

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

If a repurchase offer is oversubscribed, the Fund may determine to increase the amount repurchased by up to 2% of the Fund's outstanding Common Shares as of the date of the Repurchase Request Deadline, but any such increases in the amounts repurchased may not exceed an aggregate of 2% in any three month period. In the event that the Fund determines not to repurchase more than the repurchase offer amount, or if common shareholders tender more than the repurchase offer amount plus 2% of the Fund's outstanding Common Shares (less any additional amounts repurchased in prior repurchase offers within a three month period) as of the date of the Repurchase Request Deadline, the Fund will repurchase the Common Shares tendered on a pro rata basis, and common shareholders will have to wait until the next repurchase offer to make another repurchase request. As a result, common shareholders may be unable to liquidate all or a given percentage of their investment in the Fund during a particular repurchase offer. Some common shareholders, in anticipation of proration, may tender more Common Shares than they wish to have repurchased in a particular month, thereby increasing the likelihood that proration will occur. A common shareholder may be subject to market and other risks, and the NAV of Common Shares tendered in a repurchase offer may decline between the Repurchase Request Deadline and the date on which the NAV for tendered Common Shares is determined. In addition, the repurchase of Common Shares by the Fund will generally be a taxable event to common shareholders.

Large Shareholder Risk

To the extent a large proportion of Common Shares are held by a small number of common shareholders (or a single common shareholder), including affiliates of the Adviser, the Fund is subject to the risk that these shareholders will seek to sell Common Shares in large amounts rapidly in connection with repurchase offers. These transactions could adversely affect the ability of the Fund to conduct its investment program. Furthermore, it is possible that in response to a repurchase offer, the total amount of Common Shares tendered by a small number of common shareholders (or a single common shareholder) may exceed the number of Common Shares that the Fund has offered to repurchase. If a repurchase offer is oversubscribed by common shareholders, the Fund will repurchase only a pro rata portion of shares tendered by each common shareholder.

Loans Risk

Under normal market conditions, the Fund will invest primarily in Loans. The Loans that the Fund may invest in include Loans that are first lien, second lien, third lien or that are unsecured. In addition, the Loans the Fund will invest in will usually be rated below investment grade or may also be unrated. Loans are subject to a number of risks described elsewhere in this prospectus, including credit risk, liquidity risk, below investment grade instruments risk and management risk.

Although certain Loans in which the Fund may invest will be secured by collateral, there can be no assurance that such collateral could be readily liquidated or that the liquidation of such collateral would satisfy the Borrower’s obligation in the event of non-payment of scheduled interest or principal. In the event of the bankruptcy or insolvency of a Borrower, the Fund could experience delays or limitations with respect to its ability to realize the benefits of the collateral securing a Loan. In the event of a decline in the value of the already pledged collateral, if the terms of a Loan do not require the Borrower to pledge additional collateral, the Fund will be exposed to the risk that the value of the collateral will not at all times equal or exceed the amount of the Borrower’s obligations under the Loans. To the extent that a Loan is collateralized by stock in the Borrower or its subsidiaries, such stock may lose some or all of its value in the event of the bankruptcy or insolvency of the Borrower. Those Loans that are under-collateralized involve a greater risk of loss.

Loans are not registered with the SEC, or any state securities commission, and are not listed on any national securities exchange. There is less readily available or reliable information about most Loans than is the case for many other types of securities, including securities issued in transactions registered under the Securities Act or registered under the Exchange Act. No active trading market may exist for some Loans, and some loans may be subject to restrictions on resale. A secondary market may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods, which may impair the ability to realize full value and thus cause a material decline in the Fund’s NAV. In addition, the Fund may not be able to readily dispose of its Loans at prices that approximate those at which the Fund could sell such loans if they were more widely-traded and, as a result of such illiquidity, the Fund may have to sell other investments or engage in borrowing transactions if necessary to raise cash to meet its obligations. During periods of limited supply and liquidity of Loans, the Fund’s yield may be lower.

Some Loans are subject to the risk that a court, pursuant to fraudulent conveyance or other similar laws, could subordinate the Loans to presently existing or future indebtedness of the Borrower or take other action detrimental to lenders, including the Fund. Such court action could under certain circumstances include invalidation of Loans.

If legislation of state or federal regulations impose additional requirements or restrictions on the ability of financial institutions to make loans, the availability of Loans for investment by the Fund may be adversely affected. In addition, such requirements or restrictions could reduce or eliminate sources of financing for certain Borrowers. This would increase the risk of default.

If legislation or federal or state regulations require financial institutions to increase their capital requirements this may cause financial institutions to dispose of Loans that are considered highly levered transactions. Such sales could result in prices that, in the opinion of the Adviser, do not represent fair value. If the Fund attempts to sell a Loan at a time when a financial institution is engaging in such a sale, the price the Fund could get for the Loan may be adversely affected.

The Fund may acquire Loans through assignments or participations. The Fund will typically acquire Loans through assignment. The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation; however, the purchaser’s rights can be more restricted than those of the assigning institution, and the Fund may not be able to unilaterally enforce all rights and remedies under the loan and with regard to any associated collateral.

A participation typically results in a contractual relationship only with the institution selling the participation interest, not with the Borrower.

Sellers of participations typically include banks, broker-dealers, other financial institutions and lending institutions. Certain participation agreements also include the option to convert the participation to a full assignment under agreed upon circumstances. The Adviser has adopted best execution procedures and guidelines to mitigate credit and counterparty risk in the atypical situation when the Fund must acquire a Loan through a participation.

In purchasing participations, the Fund generally will have no right to enforce compliance by the Borrower with the terms of the loan agreement against the Borrower, and the Fund may not directly benefit from the collateral supporting the debt obligation in which it has purchased the participation. As a result, the Fund will be exposed to the credit risk of both the Borrower and the institution selling the participation. Further, in purchasing participations in lending syndicates, the Fund will not be able to conduct the due diligence on the Borrower or the quality of the Loan with respect to which it is buying a participation that the Fund would otherwise conduct if it were investing directly in the Loan, which may result in the Fund being exposed to greater credit or fraud risk with respect to the Borrower or the Loan than the Fund expected when initially purchasing the participation.

The Fund also may originate Loans or acquire Loans by participating in the initial issuance of the Loan as part of a syndicate of banks and financial institutions, or receive its interest in a Loan directly from the Borrower.

The Adviser has established a counterparty and liquidity sub-committee that regularly reviews each broker-dealer counterparty for, among other things, its quality and the quality of its execution. The established procedures and guidelines require trades to be placed for execution only with broker-dealer counterparties approved by the counterparty and liquidity sub-committee of the Adviser. The factors considered by the sub-committee when selecting and approving brokers and dealers include, but are not limited to: (i) quality, accuracy, and timeliness of execution, (ii) review of the reputation, financial strength and stability of the financial institution, (iii) willingness and ability of the counterparty to commit capital, (iv) ongoing reliability and (v) access to underwritten offerings and secondary markets.

Below Investment Grade, or High Yield, Instruments Risk

The Fund anticipates that it may invest substantially all of its assets in instruments that are rated below investment grade. Below investment grade instruments are commonly referred to as "junk" or "high yield" instruments and are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. Lower grade instruments may be particularly susceptible to economic downturns. It is likely that a prolonged or deepening economic downturn could adversely affect the ability of the issuers of such instruments to repay principal and pay interest thereon, increase the incidence of default for such instruments and severely disrupt the market value of such instruments.

Below investment grade instruments, though generally higher yielding, are characterized by higher risk. They may be subject to certain risks with respect to the issuing entity and to greater market fluctuations than certain lower yielding, higher rated instruments. The retail secondary market for lower grade instruments may be less liquid than that for higher rated instruments. Adverse conditions could make it difficult at times for the Fund to sell certain instruments or could result in lower prices than those used in calculating the Fund's NAV. Because of the substantial risks associated with investments in lower grade instruments, investors could lose money on their investment in Common Shares of the Fund, both in the short-term and the long-term."

"Covenant-lite" Obligations Risk

The Fund may invest in, or obtain exposure to, obligations that may be "covenant-lite," which means such obligations lack certain financial maintenance covenants. While these loans may still contain other collateral protections, a covenant-lite loan may carry more risk than a covenant-heavy loan made by the same borrower as it does not require the borrower to provide affirmation that certain specific financial tests have been satisfied on a routine basis as is required under a covenant-heavy loan agreement. Should a loan held by the Fund begin to deteriorate in quality, the Fund's ability to negotiate with the borrower may be delayed under a covenant-lite loan compared to a loan with full maintenance covenants. This may in turn delay the Fund's ability to seek to recover its investment.

Valuation Risk

Unlike publicly traded common stock which trades on national exchanges, there is no central place or exchange for most of the Fund's investments to trade. The Fund's investments generally trade on an "over-the-counter" market which may be anywhere in the world where the buyer and seller can settle on a price. Due to the lack of centralized information and trading, the valuation of loans or fixed-income instruments may carry more risk than that of common stock. Uncertainties in the conditions of the financial market, unreliable reference data, 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 instrument carried on the Fund's books.

Liquidity Risk

To the extent consistent with the applicable liquidity requirements for interval funds under Rule 23c-3 of the 1940 Act, the Fund may invest up to 20% of its Managed Assets in securities that, at the time of investment, are illiquid (determined using the SEC's standard applicable to registered investment companies, i.e., securities that the Fund reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the securities). However, securities that cannot be disposed of within seven days due solely to the Adviser's compliance policies and procedures will not be subject to the limitations set forth above. The Fund may also invest in restricted securities. Investments in restricted securities could have the effect of increasing the amount of the Fund's assets invested in illiquid securities if qualified institutional buyers are unwilling to purchase these securities.

Illiquid and restricted securities may be difficult to dispose of at a fair price at the times when the Fund believes it is desirable to do so. The market price of illiquid and restricted securities generally is more volatile than that of more liquid securities, which may adversely affect the price that the Fund pays for or recovers upon the sale of such securities. Illiquid and restricted securities are also more difficult to value, especially in challenging markets. The Adviser's judgment may play a greater role in the valuation process. Investment of the Fund's assets in illiquid and restricted securities may restrict the Fund's ability to take advantage of market opportunities. In order to dispose of an unregistered security, the Fund, where it has contractual rights to do so, may have to cause such security to be registered. A considerable period may elapse between the time the decision is made to sell the security and the time the security is registered, thereby enabling the Fund to sell it. Contractual restrictions on the resale of securities vary in length and scope and are generally the result of a negotiation between the issuer and acquirer of the securities. In either case, the Fund would bear market risks during that period.

Some Loans and other instruments are not readily marketable and may be subject to restrictions on resale. Loans and other instruments may not be listed on any national securities exchange and no active trading market may exist for certain of the loans and other instruments in which the Fund will invest. Where a secondary market exists, the market for some loans and other instruments may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods.

Credit Risk

Credit risk is the risk that one or more Loans or other instruments in the Fund's portfolio will decline in price or fail to pay interest or principal when due because the issuer of the instrument experiences a decline in its financial status. While a senior position in the capital structure of a Borrower or issuer may provide some protection with respect to the Fund's investments in certain Loans, losses may still occur because the market value of Loans is affected by the creditworthiness of Borrowers or issuers and by general economic and specific industry conditions and the Fund's other investments will often be subordinate to other debt in the issuer's capital structure. To the extent the Fund invests in below investment grade instruments, it will be exposed to a greater amount of credit risk than a fund which invests in investment grade securities. The prices of lower grade instruments are more sensitive to negative developments, such as a decline in the issuer's revenues or a general economic downturn, than are the prices of higher grade instruments. Instruments of below investment grade quality are predominantly speculative with respect to the issuer's capacity to pay interest and repay principal when due and therefore involve a greater risk of default. In addition, the Fund may enter into credit derivatives which may expose it to additional risk in the event that the instruments underlying the derivatives default.

Interest Rate Risk

The fixed-income instruments that the Fund may invest in are subject to the risk that market values of such securities will decline as interest rates increase. These changes in interest rates have a more pronounced effect on securities with longer durations. Typically, the impact of changes in interest rates on the market value of an instrument will be more pronounced for fixed-rate instruments, such as most corporate bonds, than it will for Loans or other floating rate instruments. Fluctuations in the value of portfolio securities will not affect interest income on existing portfolio securities but will be reflected in the Fund's NAV.

Structured Products Risk

The Fund may invest up to 20% of its Managed Assets in structured products, including the rated debt tranches of CLOs, floating rate mortgage-backed securities and credit linked notes. Holders of structured products bear risks of the underlying investments, index or reference obligation and are subject to counterparty risk.

The Fund may have the right to receive payments only from the structured product, and generally does not have direct rights against the issuer or the entity that sold the assets to be securitized. While certain structured products enable the investor to acquire interests in a pool of securities without the brokerage and other expenses associated with directly holding the same securities, investors in structured products generally pay their share of the structured product's administrative and other expenses. Although it is difficult to predict whether the prices of indices and securities underlying structured products will rise or fall, these prices (and, therefore, the prices of structured products) will be influenced by the same types of political and economic events that affect issuers of securities and capital markets generally. If the issuer of a structured product uses shorter term financing to purchase longer term securities, the issuer may be forced to sell its securities at below market prices if it experiences difficulty in obtaining short-term financing, which may adversely affect the value of the structured products owned by the Fund.

Investments in structured notes involve risks, including credit risk and market risk. Where the Fund's investments in structured notes are based upon the movement of one or more factors, including currency exchange rates, interest rates, referenced bonds and stock indices, depending on the factor used and the use of multipliers or deflators, changes in interest rates and movement of the factor may cause significant price fluctuations. Additionally, changes in the reference instrument or security may cause the interest rate on the structured note to be reduced to zero, and any further changes in the reference instrument may then reduce the principal amount payable on maturity. Structured notes may be less liquid than other types of securities and more volatile than the reference instrument or security underlying the note.

CLO Risk

In addition to the general risks associated with debt securities and structured products discussed herein, CLOs carry additional risks, including, but not limited to (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or default; (iii) the possibility that the investments in CLOs are subordinate to other classes or tranches thereof, (iv) the potential of spread compression in the underlying loans of the CLO, which could reduce credit enhancement in the CLOs and (v) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the issuer or unexpected investment results.

CLO junior debt securities that the Fund may acquire are subordinated to more senior tranches of CLO debt. CLO junior debt securities are subject to increased risks of default relative to the holders of superior priority interests in the same securities. In addition, at the time of issuance, CLO equity securities are under-collateralized in that the liabilities of a CLO at inception exceed its total assets. Though not exclusively, the Fund will typically be in a first loss or subordinated position with respect to realized losses on the assets of the CLOs in which it is invested. The Fund may recognize phantom taxable income from its investments in the subordinated tranches of CLOs.

Between the closing date and the effective date of a CLO, the CLO collateral manager will generally expect to purchase additional collateral obligations for the CLO. During this period, the price and availability of these collateral obligations may be adversely affected by a number of market factors, including price volatility and availability of investments suitable for the CLO, which could hamper the ability of the collateral manager to acquire a portfolio of collateral obligations that will satisfy specified concentration limitations and allow the CLO to reach the initial par amount of collateral prior to the effective date. An inability or delay in reaching the target initial par amount of collateral may adversely affect the timing and amount of interest or principal payments received by the holders of the CLO debt securities and distributions of the CLO on equity securities and could result in early redemptions which may cause CLO debt and equity investors to receive less than the face value of their investment.

The failure by a CLO in which the Fund invests to satisfy financial covenants, including with respect to adequate collateralization and/or interest coverage tests, could lead to a reduction in the CLO's payments to the Fund. In the event that a CLO fails certain tests, holders of CLO senior debt may be entitled to additional payments that would, in turn, reduce the payments the Fund would otherwise be entitled to receive. Separately, the Fund may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms, which may include the waiver of certain financial covenants, with a defaulting CLO or any other investment the Fund may make. If any of these occur, it could adversely affect the Fund's operating results and cash flows.

The Fund's CLO investments are exposed to leveraged credit risk. If certain minimum collateral value ratios and/or interest coverage ratios are not met by a CLO, primarily due to senior secured loan defaults, then cash flow that otherwise would have been available to pay distributions to the Fund on its CLO investments may instead be used to redeem any senior notes or to purchase additional senior secured loans, until the ratios again exceed the minimum required levels or any senior notes are repaid in full.

Systematic Strategies Related to Bond Investments Risk

With respect to the bond portion of the Fund's portfolio, to the extent to which the Model or comparable methods or strategies are employed, certain of the Adviser's securities analysis methods will rely on the assumption that the companies whose securities are purchased or sold, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While the Adviser is alert to indications that data may be incorrect, there is always a risk that the Adviser's analysis may be compromised by inaccurate or misleading information.

The Model the Adviser intends to utilize to manage the Fund's bond investments could lead to unsatisfactory investments. The Adviser might not be able to effectively implement the Model, and there can be no guarantee that the Fund will achieve the desired results.

Certain aspects of the Adviser's investment process with respect to the Model are dependent on complex proprietary software, which requires constant development and refinement. The Adviser has implemented procedures designed to appropriately control the development and implementation of the Model. However, analytical, coding and implementation errors present substantial risks to complex models and quantitative investment management strategies. The Adviser cannot guarantee that its internal controls will be effective in all circumstances.

The Fund could be negatively affected by undetected software defects or fundamental issues with the Adviser's method of interpreting and acting upon the Model's output. The Adviser's implementation of its investment strategy with respect to the Fund's bond portfolio utilizing the Model will rely on the analytical and mathematical foundation of the Model and the incorporation of the Model's outputs into a complex computational environment. Any such strategy is also dependent on the quality of the market data utilized by the Model, changes in credit market conditions, creation and maintenance of the Model's software and the successful incorporation of the Model's output into the construction of the Fund's bond portfolio. There is always a possibility of human error in the creation, maintenance and use of the Model.

Moreover, the Adviser's portfolio managers exercise discretion in the utilization of the Model, and the investment results of the relevant portion(s) of the Fund's investments are dependent on the ability of portfolio managers to correctly understand and implement or disregard the Model's signals. There can be no assurance that utilizing the Model will yield better results than any other investment method.

LIBOR Risk

The United Kingdom's Financial Conduct Authority announced a phase out of the LIBOR. Although many LIBOR rates ceased to be published or no longer are representative of the underlying market they seek to measure after December 31, 2021, a selection of widely used USD LIBOR rates will continue to be published through June 2023 in order to assist with the transition. On July 29, 2021, the U.S. Federal Reserve System ("FRS"), in conjunction with the Alternative Reference Rates Committee ("ARRC"), a steering committee comprised of large U.S. financial institutions, formally recommended replacing U.S.-dollar LIBOR with the Secured Overnight Financing Rate ("SOFR"), a new index calculated by short-term repurchase agreements, backed by Treasury securities. Given the inherent differences between LIBOR and SOFR, or any other alternative benchmark rate that may be established, there remains uncertainty regarding the future utilization of LIBOR and the nature of any replacement rate. In many cases, the nominated replacements, as well as other potential replacements, are not complete or ready to implement and require margin adjustments. There is currently no final consensus as to which benchmark rate(s) (along with any adjustment and/or permutation thereof) will replace all or any LIBOR tenors after the discontinuation thereof and there can be no assurance that any such replacement benchmark rate(s) will attain market acceptance. Before LIBOR ceases to exist, we and our portfolio companies may need to amend or restructure our existing LIBOR-based debt instruments and any related hedging arrangements that extend beyond June 30, 2023, depending on the applicable LIBOR tenor. Such amendments and restructurings may be difficult, costly and time consuming. In addition, from time to time we invest in floating rate loans and investment securities whose interest rates are indexed to LIBOR. Uncertainty as to the nature of alternative reference rates and as to potential changes or other reforms to LIBOR, or any changes announced with respect to such reforms, may result in a sudden or prolonged increase or decrease in the reported LIBOR rates and the value of LIBOR-based loans and securities, including those of other issuers we or our funds currently own or may in the future own. It remains uncertain how such changes would be implemented and the effects such changes would have on us, issuers of instruments in which we invest and financial markets generally.

The expected discontinuation of LIBOR could have a significant impact on our business. There could be significant operational challenges for the transition away from LIBOR including, but not limited to, amending loan agreements with borrowers on investments that may have not been modified with fallback language and adding effective fallback language to new agreements in the event that LIBOR is discontinued before maturity. Beyond these challenges, we anticipate there may be additional risks to our current processes and information systems that will need to be identified and evaluated by us. Due to the uncertainty of the replacement for LIBOR, the potential effect of any such event on our cost of capital and net investment income cannot yet be determined. In addition, the cessation of LIBOR could:

- Adversely impact the pricing, liquidity, value of, return on and trading for a broad array of financial products, including any LIBOR-linked securities, loans and derivatives that may be included in our assets and liabilities;
- Require extensive changes to documentation that governs or references LIBOR or LIBOR-based products, including, for example, pursuant to time-consuming renegotiations of documentation to modify the terms of investments;
- Result in inquiries or other actions from regulators in respect of our preparation and readiness for the replacement of LIBOR with one or more alternative reference rates;
- Result in disputes, litigation or other actions with portfolio companies, or other counterparties, regarding the interpretation and enforceability of provisions in our LIBOR-based investments, such as fallback language or other related provisions, including, in the case of fallbacks to the alternative reference rates, any economic, legal, operational or other impact resulting from the fundamental differences between LIBOR and the various alternative reference rates;
- Require the transition and/or development of appropriate systems and analytics to effectively transition our risk management processes from LIBOR-based products to those based on one or more alternative reference rates, which may prove challenging given the limited history of the proposed alternative reference rates; and
- Cause us to incur additional costs in relation to any of the above factors.

There is no guarantee that a transition from LIBOR to an alternative will not result in financial market disruptions, significant increases in benchmark rates, or borrowing costs to borrowers, any of which could have a material adverse effect on our business, result of operations, financial condition, and unit price. In addition, the transition to a successor rate could potentially cause (i) increased volatility or illiquidity in markets for instruments that currently rely on LIBOR, (ii) a reduction in the value of certain instruments held by the Fund, or (iii) reduced effectiveness of related Fund transactions, such as hedging. It remains uncertain how such changes would be implemented and the effects such changes would have on the Fund, issuers of instruments in which the Fund invests and financial markets generally.

Force Majeure Risk

The Fund may be affected by force majeure events (e.g., acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, nationalization of industry and labor strikes). Force majeure events could adversely affect the ability of the Fund or a counterparty to perform its obligations. The liability and cost arising out of a failure to perform obligations as a result of a force majeure event could be considerable and could be borne by the Fund. Certain force majeure events, such as war or an outbreak of an infectious disease, could have a broader negative impact on the global or local economy, thereby affecting the Fund. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control, could result in a loss to the Fund if an investment is affected, and any compensation provided by the relevant government may not be adequate.

Epidemic and Pandemic Risk

The world has been susceptible to epidemics/pandemics, most recently COVID-19, which has been designated as a pandemic by the World Health Organization. Any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemics/pandemics, or the threat thereof, together with any resulting restrictions on travel or quarantines imposed, has had, and will continue to have, an adverse impact on the economy and business activity globally (including in the countries in which the Fund invests), and thereby is expected to adversely affect the performance of the Fund's investments and the Fund's ability to fulfill its investment objectives. Furthermore, the rapid development of epidemics/pandemics could preclude prediction as to their ultimate adverse impact on economic and market conditions, and, as a result, presents material uncertainty and risk with respect to the Fund and the performance of its investments.

COVID-19 Risk

The global impact of the COVID-19 outbreak is still evolving, with new variants of COVID-19 continuing to be identified in around the world, causing many countries to institute quarantines, restrictions on travel, closing financial markets and/or restricting trading, and limiting hours of operations of non-essential businesses. Such actions are creating disruption in global supply chains, and adversely impacting a number of industries, including industries in which our portfolio companies operate. The outbreak of COVID-19 could have a continued adverse impact on economic and market conditions and, at times, has triggered a period of global economic slowdown.

The outbreak of COVID-19 and related effects, which continue to be unpredictable, could have a material adverse impact on our NAV, financial condition, liquidity, results of operations, and the businesses of our portfolio companies, among other factors. Negative impacts to our business as a result of the pandemic

- weakening financial conditions of or the bankruptcy or insolvency of portfolio companies, which may result in the inability of such portfolio companies to meet debt obligations, delays in collecting accounts receivable, defaults, or forgiveness or deferral of interest payments from such portfolio companies;
- significant volatility in the markets for syndicated loans, which could cause rapid and large fluctuations in the values of such investments and adverse effects on the liquidity of any such investments;
- deterioration in credit and financing market conditions, which may adversely impact our ability to access financing for our investments on favorable terms or at all;
- operational impacts on our Adviser, Administrator and our other third-party advisors, service providers, vendors and counterparties, including independent valuation firms, our sub-administrator, our lenders and other providers of financing, brokers and other counterparties that we purchase and sell assets to and from, derivative counterparties, and legal and diligence professionals that we rely on for acquiring our investments;
- limitations on our ability to ensure business continuity in the event our, or our third-party advisors' and service providers' continuity of operations plan is not effective or improperly implemented or deployed during a disruption;
- the availability of key personnel of the Adviser, Administrator and our other service providers as they face changed circumstances and potential illness during the pandemic;
- difficulty in valuing our assets in light of significant changes in the financial markets, including difficulty in forecasting discount rates and making market comparisons, and circumstances affecting the Adviser's, Administrator's and our service providers' personnel during the pandemic;
- limitations on our ability to raise capital in this offering;
- significant changes to the valuations of pending investments; and
- limitations on our ability to make distributions to our shareholders due to material adverse impacts on our cash flows from operations or liquidity.

The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of COVID-19 on economic and market conditions, and, as a result, present material uncertainty and risk with respect to us and the performance of our investments. The full extent of the impact and effects of COVID-19 will depend on future developments, including, among other factors, the duration and spread of the outbreak, along with related travel advisories, quarantines and restrictions, the recovery time of the disrupted supply chains and industries, the impact of labor market interruptions, the impact of government interventions, the availability and use of effective vaccines, mutations and variants of COVID-19 and uncertainty with respect to the duration of the global economic slowdown. COVID-19 and the current financial, economic and capital markets environment, and future developments in these and other areas present uncertainty and risk with respect to our performance, financial condition, results of operations and ability to pay distributions.

Market Disruption and Geopolitical Risk

The Fund may be adversely affected by uncertainties such as terrorism, international political developments, and changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of the countries in which it is invested. Likewise, natural and environmental disasters, epidemics or pandemics, and systemic market dislocations may be highly disruptive to economies and markets. See "—Epidemic and Pandemic Risk" above. Uncertainties and events around the world may (i) result in market volatility, (ii) have long-term effects on the U.S. and worldwide financial markets and (iii) cause further economic uncertainties in the United States and worldwide. The Fund cannot predict the effects of geopolitical events in the future on the U.S. economy and securities markets.

Additionally, certain of our investments may operate in, or have dealings with, countries subject to sanctions or embargos imposed by the U.S. government, foreign governments, or the United Nations or other international organizations. In particular, on February 24, 2022, Russian troops began a full-scale invasion of Ukraine and, as of the date hereof, the countries remain in active armed conflict. Around the same time, the U.S., the U.K., the E.U., and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russian-backed separatist regions in Ukraine, and certain banks, companies, government officials, and other individuals in Russia and Belarus, as well as a number of Russian Oligarchs. The U.S. or other countries could also institute broader sanctions on Russia and others supporting Russia's economy or military efforts. The ongoing conflict and the rapidly evolving measures in response could be expected to have a negative impact on the economy and business activity globally (including in the countries in which the Fund invests), and therefore are expected to result in adverse consequences to the Russian economy and could have a material adverse effect on our portfolio companies and our business, financial condition, cash flows and results of operations. The severity and duration of the conflict and its impact on global economic and market conditions are impossible to predict, and as a result, present material uncertainty and risk with respect to the Fund and its portfolio companies and operations, and the ability of the Fund to achieve its investment objectives. Similar risks will exist to the extent that any portfolio companies, service providers, vendors or certain other parties have material operations or assets in Russia, Ukraine, Belarus, or the immediate surrounding areas. Sanctions could also result in Russia taking counter measures or retaliatory actions which could adversely impact our business or the business of our investments, including, but not limited to, cyberattacks targeting private companies, individuals or other infrastructure upon which our business and the business of our portfolio companies rely.

Lender Liability Risk

A number of U.S. judicial decisions have upheld judgments obtained by Borrowers against lending institutions on the basis of various evolving legal theories, collectively termed "lender liability." Generally, lender liability is founded on the premise that a lender has violated a duty (whether implied or contractual) of good faith, commercial reasonableness and fair dealing, or a similar duty owed to the Borrower or has assumed an excessive degree of control over the Borrower resulting in the creation of a fiduciary duty owed to the Borrower or its other creditors or shareholders. Because of the nature of its investments, the Fund may be subject to allegations of lender liability.

In addition, under common law principles that in some cases form the basis for lender liability claims, if a lender or bondholder (a) intentionally takes an action that results in the undercapitalization of a Borrower to the detriment of other creditors of such Borrower, (b) engages in other inequitable conduct to the detriment of such other creditors, (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (d) uses its influence as a stockholder to dominate or control a Borrower to the detriment of other creditors of such Borrower, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors, a remedy called "equitable subordination."

Because affiliates of, or persons related to, the Adviser may hold equity or other interests in obligors of the Fund, the Fund could be exposed to claims for equitable subordination or lender liability or both based on such equity or other holdings.

Leverage Risk

Under current market conditions, the Fund generally utilizes leverage principally through Borrowings in an amount up to 33 1/3% of the Fund's total assets, less all liabilities and indebtedness not represented by senior securities, immediately after such Borrowings. As of September 30, 2022, the Fund's use of leverage was 32.21% of its total assets, less all liabilities and indebtedness not represented by senior securities. The Fund currently utilizes leverage in the form of a credit facility. In the future, the Fund may elect to utilize leverage in an amount up to 50% of the Fund's total assets through the issuance of Preferred Shares. Leverage may result in greater volatility of the NAV and distributions on the Common Shares because changes in the value of the Fund's portfolio investments, including investments purchased with the proceeds from Borrowings or the issuance of Preferred Shares, if any, are borne entirely by common shareholders. Common Share income may fall if the interest rate on Borrowings or the dividend rate on Preferred Shares rises, and may fluctuate as the interest rate on Borrowings or the dividend rate on Preferred Shares varies. In addition, the Fund's use of leverage will result in increased operating costs. Thus, to the extent that the then-current cost of any leverage, together with other related expenses, approaches the net return on the Fund's investment portfolio, the benefit of leverage to common shareholders will be reduced, and if the then-current cost of any leverage together with related expenses were to exceed the net return on the Fund's portfolio, the Fund's leveraged capital structure would result in a lower rate of return to common shareholders than if the Fund were not so leveraged. In addition, the costs associated with the Fund's incurrence and maintenance of leverage could increase over time. There can be no assurance that the Fund's leveraging strategy will be successful.

Any decline in the NAV of the Fund will be borne entirely by common shareholders. Therefore, if the market value of the Fund's portfolio declines, the Fund's use of leverage will result in a greater decrease in NAV to common shareholders than if the Fund were not leveraged.

Certain types of Borrowings may result in the Fund being subject to covenants in credit agreements relating to asset coverage or portfolio composition or otherwise. In addition, the terms of the credit agreements may also require that the Fund pledge some or all of its assets as collateral.

Derivatives Risk

Under normal market conditions, the use of derivatives by the Fund, other than for hedging purposes, will not exceed 20% of the Fund's Managed Assets on a mark-to-market basis. The Fund's use of derivative instruments may be particularly speculative and involves investment risks and transaction costs to which the Fund would not be subject absent the use of these instruments, and the use of derivatives generally involves leverage in the sense that the investment exposure created by the derivatives may be significantly greater than the Fund's initial investment in the derivatives. Thus, the use of derivatives may result in losses in excess of principal or greater than if they had not been used. The ability to successfully use derivative instruments depends on the ability of the Adviser. The skills needed to employ derivatives strategies are different from those needed to select a portfolio security and, in connection with such strategies, the Adviser must make predictions with respect to market conditions, liquidity, currency movements, market values, interest rates and other applicable factors, which may be inaccurate. The use of derivative instruments may require the Fund to sell or purchase portfolio securities at inopportune times or for prices below or above the current market values, may limit the amount of appreciation the Fund can realize on an investment or may cause the Fund to hold a security that it might otherwise want to sell. The Fund may also have to defer closing out certain derivative positions to avoid adverse tax consequences and there may be situations in which derivative instruments are not elected that result in losses greater than if such instruments had been used. Amounts paid by the Fund as premiums and cash or other assets held in margin accounts with respect to the Fund's derivative instruments would not be available to the Fund for other investment purposes, which may result in lost opportunities for gain. Changes to the derivatives markets as a result of the Dodd-Frank Act and other government regulation may also have an adverse effect on the Fund's ability to make use of derivative transactions. In October 2020, the SEC adopted a new rule that changes the regulatory framework around the use of derivatives by registered investment companies, such as the Fund. The new rule, which went into effect on February 19, 2021 and had a compliance date 18 months thereafter, on August 19, 2022, requires registered investment companies to adopt a written policies and procedures reasonably designed to manage the Fund's derivatives risks. In the event that the Fund's derivatives exposure exceeds 10% of its net assets, the Fund will be required to adopt a written derivatives risk management program and comply with a value-at-risk based limit on leverage risk. The Board of Trustees has an oversight role in ensuring these new requirements are being taken into account and, if required, will appoint a derivatives risk manager to handle the day-to-day responsibilities of the derivatives risk management program.

Segregation and Coverage Risk

Certain portfolio management techniques, such as, among other things, entering into swap agreements, using reverse repurchase agreements, futures contracts or other derivative transactions, may be considered senior securities under the 1940 Act unless steps are taken to segregate the Fund's assets or otherwise cover its obligations. To avoid having these instruments considered senior securities, in some cases the Fund segregates liquid assets with a value equal (on a daily mark-to-market basis) to its obligations under these types of transactions, enters into offsetting transactions or otherwise covers such transactions. In cases where the Fund does not cover such transactions, such instruments may be considered senior securities and the Fund's use of such transactions will be required to comply with the restrictions on senior securities under the 1940 Act. The Fund may be unable to use segregated assets for certain other purposes, which could result in the Fund earning a lower return on its portfolio than it might otherwise earn if it did not have to segregate those assets in respect of or otherwise cover such portfolio positions. To the extent the Fund's assets are segregated or committed as cover, it could limit the Fund's investment flexibility. Segregating assets and covering positions will not limit or offset losses on related positions.

Counterparty Risk

The Fund is subject to credit risk with respect to the counterparties to its derivatives contracts (whether a clearing corporation in the case of exchange-traded instruments or our hedge counterparty in the case of OTC instruments) purchased by the Fund. Counterparty risk is the risk that the other party in a derivative transaction will not fulfill its contractual obligation. Changes in the credit quality of the companies that serve as the Fund's counterparties with respect to their derivative transactions will affect the value of those instruments. By entering into derivatives, the Fund assumes the risks that theses counterparties could experience financial or other hardships that could call into question their continued ability to perform their obligations. In the case of a default by the counterparty, the Fund could become subject to adverse market movements while replacement transactions are executed. The ability of the Fund to transact business with any one or number of counterparties, the possible lack of a meaningful and 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. Furthermore, concentration of derivatives in any particular counterparty would subject the Fund to an additional degree of risk with respect to defaults by such counterparty.

The Adviser evaluates and monitors the creditworthiness of counterparties in order to ensure that such counterparties can perform their obligations under the relevant agreements. If a counterparty becomes bankrupt or otherwise fails to perform its obligations under a derivative contract due to financial or other difficulties, the Fund may experience significant delays in obtaining any recovery under the derivative contract in a dissolution, assignment for the benefit of creditors, liquidation, winding-up, bankruptcy or other analogous proceedings. In addition, in the event of the insolvency of a counterparty to a derivative transaction, the derivative contract would typically be terminated at its fair market value. If the Fund is owed this fair market value upon the termination of the derivative contract and its claim is unsecured, the Fund will be treated as a general creditor of such counterparty, and will not have any claim with respect to the underlying assets. The Fund may obtain only a limited recovery or may obtain no recovery at all in such circumstances. In addition, regulations that were adopted by prudential regulators in 2019 require certain bank-regulated counterparties and certain of their affiliates to include in certain financial contracts, including many derivatives contracts, terms that delay or restrict the rights of counterparties, such as the Fund, to terminate such contracts, foreclose upon collateral, exercise other default rights or restrict transfers of credit support in the event that such counterparty and/or its affiliates are subject to certain types of resolution or insolvency proceedings.

Certain categories of interest rate and credit default swaps are subject to mandatory clearing, and more categories may be subject to mandatory clearing in the future. The counterparty risk for cleared derivatives is generally lower than for uncleared OTC derivative transactions because generally a clearing organization becomes substituted for each counterparty to a cleared derivative contract and, in effect, guarantees the parties' performance under the contract as each party to a trade looks only to the clearing house for performance of financial obligations. However, there can be no assurance that a clearing house, or its members, will satisfy the clearing house's obligations (including, but not limited to, financial obligations and legal obligations to segregate margins collected by the clearing house) to the Fund. Counterparty risk with respect to certain exchange-traded and over-the-counter derivatives may be further complicated by recently enacted U.S. financial reform legislation.

Potential Conflicts of Interest Risk

The Adviser will be subject to certain conflicts of interest in its management of the Fund. These conflicts will arise primarily from the involvement of the Adviser, Blackstone Credit, Blackstone and their affiliates in other activities that may conflict with those of the Fund. The Adviser, Blackstone Credit, Blackstone and their affiliates engage in a broad spectrum of activities. In the ordinary course of their business activities, the Adviser, Blackstone Credit, Blackstone and their affiliates may engage in activities where the interests of certain divisions of the Adviser, Blackstone Credit, Blackstone and their affiliates or the interests of their clients may conflict with the interests of the Fund or the common shareholders. Other present and future activities of the Adviser, Blackstone Credit, Blackstone and their affiliates may give rise to additional conflicts of interest, which may have a negative impact on the Fund.

In addressing these conflicts and regulatory, legal and contractual requirements across its various businesses, Blackstone has implemented certain policies and procedures (e.g., information walls) that may reduce the positive firm-wide synergies that the Adviser may have potentially utilized for purposes of finding attractive investments. Additionally, Blackstone may limit a client and/or its portfolio companies from engaging in agreements with or related to companies in which any fund of Blackstone has or has considered making an investment or which is otherwise an advisory client of Blackstone and/or from time to time restrict or otherwise limit the ability of the Fund to make investments in or otherwise engage in businesses or activities competitive with companies or other clients of Blackstone, either as result of contractual restrictions or otherwise. Finally, Blackstone has in the past entered, and is likely in the future to enter, into one or more strategic relationships in certain regions or with respect to certain types of investments that, although possibly intended to provide greater opportunities for the Fund, may require the Fund to share such opportunities or otherwise limit the amount of an opportunity the Fund can otherwise take.

As part of its regular business, Blackstone provides a broad range of services other than those provided by the Adviser, including investment banking, underwriting, capital markets syndication and advisory (including underwriting), placement, financial advisory, restructuring and advisory, consulting, asset/property management, mortgage servicing, insurance (including title insurance), monitoring, commitment, syndication, origination, servicing, management consulting and other similar operational and finance matters, healthcare consulting/brokerage, group purchasing, organizational, operational, loan servicing, financing, divestment and other services. In addition, Blackstone may provide services in the future beyond those currently provided. The Fund will not receive a benefit from the fees or profits derived from such services. In such a case, a client of Blackstone would typically require Blackstone to act exclusively on its behalf. This request may preclude all of Blackstone clients (including the Fund) from participating in related transactions that would otherwise be suitable. Blackstone will be under no obligation to decline any such engagements in order to make an investment opportunity available to the Fund. In connection with its other businesses, Blackstone will likely come into possession of information that limits its ability to engage in potential transactions. The Fund's activities are expected to be constrained as a result of the inability of the personnel of Blackstone to use such information. For example, employees of Blackstone from time to time are prohibited by law or contract from sharing information with members of the Adviser's investment team that would be relevant to monitoring the Fund's portfolio and other investment decisions. Additionally, there are expected to be circumstances in which one or more of certain individuals associated with Blackstone will be precluded from providing services related to the Fund's activities because of certain confidential information available to those individuals or to other parts of Blackstone (e.g., trading may be restricted). Blackstone has long term relationships with a significant number of corporations and their senior management. In determining whether to invest in a particular transaction on behalf of the Fund, the Adviser will consider those relationships, and may decline to participate in a transaction as a result of such relationships. To the extent permitted by the 1940 Act, the Fund may also co-invest with clients of Blackstone in particular investment opportunities, and the relationship with such clients could influence the decisions made by the Adviser with respect to such investments. The Fund may be forced to sell or hold existing investments (possibly at disadvantageous times or under disadvantageous conditions) as a result of various relationships that Blackstone may have or transactions or investments Blackstone and its affiliates may make or have made. The inability to transact in any security, derivative or loan held by the Fund could result in significant losses or lost opportunity costs to the Fund.

Limitations on Transactions with Affiliates Risk

The 1940 Act limits our ability to enter into certain transactions with certain of our affiliates. As a result of these restrictions, we may be prohibited from buying or selling any security directly from or to any portfolio company of or private equity fund managed by Blackstone, Blackstone Credit or any of their respective affiliates. However, the Fund may under certain circumstances purchase any such portfolio company's loans or securities in the secondary market, which could create a conflict for the Adviser between the interests of the Fund and the portfolio company, in that the ability of the Adviser to recommend actions in the best interest of the Fund might be impaired. The 1940 Act also prohibits certain "joint" transactions with certain of our affiliates, which could include investments in the same portfolio company (whether at the same or different times). These limitations may limit the scope of investment opportunities that would otherwise be available to us. Although the Fund has received an exemptive order from the SEC that permits it, among other things, to co-invest with certain affiliates of the Adviser and certain funds managed and controlled by the Adviser and its affiliates, it may only do so in accordance with certain terms and conditions that limit the types of transactions the Fund may engage in.

Dependence on Key Personnel Risk

The Adviser is dependent upon the experience and expertise of certain key personnel in providing services with respect to the Fund's investments. If the Adviser were to lose the services of these individuals, its ability to service the Fund could be adversely affected. As with any managed fund, the Adviser may not be successful in selecting the best-performing securities or investment techniques for the Fund's portfolio and the Fund's performance may lag behind that of similar funds. The Adviser has informed the Fund that the investment professionals associated with the Adviser are actively involved in other investment activities not concerning the Fund and will not be able to devote all of their time to the Fund's business and affairs. In addition, individuals not currently associated with the Adviser may become associated with the Fund and the performance of the Fund may also depend on the experience and expertise of such individuals.

Prepayment Risk

During periods of declining interest rates, Borrowers or issuers may exercise their option to prepay principal earlier than scheduled. For fixed rate securities, such payments often occur during periods of declining interest rates, forcing the Fund to reinvest in lower yielding securities, resulting in a possible decline in the Fund's income and distributions to common shareholders. This is known as prepayment or "call" risk. Below investment grade instruments frequently have call features that allow the issuer to redeem the security at dates prior to its stated maturity at a specified price (typically greater than par) only if certain prescribed conditions are met ("call protection"). An issuer may redeem a below investment grade instrument if, for example, the issuer can refinance the debt at a lower cost due to declining interest rates or an improvement in the credit standing of the issuer. Loans and the loans underlying CLOs in which the Fund invests typically do not have call protection after a certain period from initial issuance. For premium bonds (bonds acquired at prices that exceed their par or principal value) purchased by the Fund, prepayment risk may be enhanced.

Non-Diversification Risk

The Fund is classified as "non-diversified" under the 1940 Act. As a result, it can invest a greater portion of its assets in obligations of a single issuer than a "diversified" fund. The Fund may therefore be more susceptible than a diversified fund to being adversely affected by any single corporate, economic, political or regulatory occurrence. The Fund intends to qualify for the special tax treatment available to "regulated investment companies" under Subchapter M of the Code, and thus intends to satisfy the diversification requirements of Subchapter M, including its less stringent diversification requirements that apply to the percentage of the Fund's total assets that are represented by cash and cash items (including receivables), U.S. government securities, the securities of other regulated investment companies and certain other securities.

Inflation and Supply Chain Risk

Economic activity has continued to accelerate across sectors and regions. Nevertheless, due to global supply chain issues, a rise in energy prices and strong consumer demand as economies continue to reopen, inflation is showing signs of acceleration in the U.S. and globally. Inflation is likely to continue in the near to medium-term, particularly in the U.S., with the possibility that monetary policy may continue to tighten in response. Persistent inflationary pressures could affect our portfolio companies profit margins.

Portfolio Manager Information

There have been no changes in the portfolio management team responsible for day-to-day management of the Fund's portfolio since the prior disclosure date.

Fund Organizational Structure

Since the prior disclosure date, there have been no changes in the Fund's charter or by-laws that would delay or prevent a change of control of the Fund.

This privacy policy sets forth the Adviser's policies with respect to nonpublic personal information of individual investors, shareholders, prospective investors and former investors of investment funds managed by the Adviser. These policies apply to individuals only and are subject to change.

Rev April 2021

FACTS	WHAT DO BLACKSTONE REGISTERED FUNDS DO WITH YOUR PERSONAL INFORMATION?
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: • Social Security number and income • Assets and investment experience • Risk tolerance and transaction history
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Blackstone Registered Funds (as defined below) choose to share; and whether you can limit this sharing.

Reasons we can share your personal information	Do Blackstone Registered Funds share?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes – to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes – information about your transactions and experiences	No	We don't share
For our affiliates' everyday business purposes – information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For nonaffiliates to market to you	No	We don't share

Questions?	Email us at GLB.privacy@blackstone.com
Who We Are	
Who is providing this notice?	Blackstone Registered Funds include Blackstone Alternative Investment Funds, on behalf of its series Blackstone Alternative Multi-Strategy Fund, Blackstone Diversified Multi-Strategy Fund, a sub-fund of Blackstone Alternative Investment Funds plc, Blackstone Floating Rate Enhanced Income Fund, Blackstone Senior Floating Rate Term Fund, Blackstone Long-Short Credit Income Fund, Blackstone Strategic Credit Fund, and Blackstone Secured Lending Fund.
What We Do	
How do Blackstone Registered Funds protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How do Blackstone Registered Funds collect my personal information?	We collect your personal information, for example, when you: • open an account or give us your income information • provide employment information or give us your contact information • tell us about your investment or retirement portfolio We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only: • sharing for affiliates' everyday business purposes—information about your creditworthiness • affiliates from using your information to market to you sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.
What happens when I limit sharing for an account I hold jointly with someone else?	Your choices will apply to everyone on your account — unless you tell us otherwise.
Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. • Our affiliates include companies with a Blackstone name and financial companies such as Blackstone Credit and Strategic Partners Fund Solutions.
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. • Blackstone Registered Funds do not share with nonaffiliates so they can market to you.
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. • Our joint marketing partners include financial services companies.

Other Important Information

California Residents — In accordance with California law, we will not share information we collect about California residents with nonaffiliates except as permitted by law, such as with the consent of the customer or to service the customer's accounts. We will also limit the sharing of information about you with our affiliates to the extent required by applicable California law.

Vermont Residents — In accordance with Vermont law, we will not share information we collect about Vermont residents with nonaffiliates except as permitted by law, such as with the consent of the customer or to service the customer's accounts. We will not share creditworthiness information about Vermont residents among Blackstone Registered Funds' affiliates except with the authorization or consent of the Vermont resident.

Contact Us

If you have any questions or comments about this Privacy Notice, or if you would like us to update information we have about you or your preferences, please email us at PrivacyQueries@Blackstone.com or access our web form www.blackstone.com/privacy.

You also may write to:

Blackstone Inc.
Attn: Legal & Compliance
345 Park Avenue
New York, NY 10154

INVESTOR DATA PRIVACY NOTICE

Why are you seeing this notice?

- You may need to provide Personal Data to us as part of your investment into a fund or other investment vehicle (as applicable, the **Fund**) managed or advised by investment advisers or management companies that are subsidiaries of Blackstone Inc. or its affiliates (and, where applicable, the general partner of the relevant Fund) (collectively, **Blackstone**).
- We want you to understand how and why we use, store and otherwise process your Personal Data when you deal with us or our relevant affiliates (including under applicable data protection laws). If this notice (the **Data Privacy Notice**) has been made available to you, you may have certain rights with respect to your Personal Data under applicable data protection laws (including as described in this Data Privacy Notice).
- "**Personal Data**" has the meaning given to it under data protection laws that apply to our processing of your personal information, and includes any information that relates to, describes, identifies or can be used, directly or indirectly, to identify an individual (such as name, address, date of birth, personal identification numbers, sensitive personal information, and economic information).
- We ask that investors promptly provide the information contained in this Data Privacy Notice to any individuals whose Personal Data they provide to the Fund or its affiliates in connection with 'know your client'/anti-money laundering requests or otherwise.

Please read the information below carefully. It explains how and why Personal Data is processed by us.

Who is providing this notice?

Blackstone is committed to protecting and respecting your privacy. Blackstone is a global financial services firm with offices, branches, operations and entities globally, including as described at this link: https://www.blackstone.com/privacy#appendixA

- For transparency, the Blackstone entities on whose behalf this privacy statement is made are: (i) the Fund; and (ii) where applicable, the Blackstone general partner, manager and/or investment adviser of the relevant Fund, in each case, with which you contract, transact or otherwise share Personal Data (together, the **Fund Parties**).
- Where we use the terms "**we**", "**us**" and "**our**" in this Data Privacy Notice, we are referring to the Fund and the Fund Parties.
- Please consult your subscription documents, private placement memorandum or other offering documentation provided to you by or on behalf of the Fund Parties which will further specify the entities and contact details of the Fund Parties relevant to our relationship with you.
- We welcome investors and their representatives to contact us if they have any queries with respect to the Fund Parties (in particular, which Fund Parties are relevant to their relationship with Blackstone). If you have any queries, please see the 'Contact Us' section.

When you provide us with your Personal Data, each Fund Party that decides how and why Personal Data is processed acts as a "**data controller**". In simple terms, this means that the Fund Party makes certain decisions on how to use and protect your Personal Data – but only to the extent that we have informed you about the use or are otherwise permitted by law.

Where your Personal Data is processed by an entity controlled by, or under common control with, the Blackstone entity/ies managing a Fund for its own purposes, this entity will also be a data controller.

What Personal Data do we collect about you?

The types of Personal Data that we collect and share depends on the product or service you have with us and the nature of your investment.

The Personal Data collected about you will help us to provide you with a better service and facilitate our business relationship.

We may combine Personal Data that you provide to us with Personal Data that we collect from you, or about you from other sources, in some circumstances. This will include Personal Data collected in an online or offline context.

As a result of our relationship with you as an investor, in the past 12 months we may have collected Personal Data concerning you in the following categories:

- Identifiers (e.g., real name, alias, postal address, email address, social security or driver's licence number, government ID, signature, telephone number, education, employment, employment history, financial information, including tax-related information/codes and bank account details, information used for monitoring and background checks to comply with laws and regulations, including 'know your client', anti-money laundering, and sanctions checks, online registration details, and other contact information);

- Sensitive/protected characteristic information (e.g., age/date of birth, nationality, citizenship, country of residence, gender, and other information used to comply with laws and regulations);
- Commercial information (e.g., assets, income, transaction and investment history, accounts at other institutions, financial positions/returns, information concerning source of funds and any applicable restrictions on your investment such as political exposure or sanctions);
- Internet or other network activity (e.g., browsing or search history, information regarding interaction with an internet website, application, or advertisement, online identifiers such as cookies);
- Sensory and surveillance data (e.g., recordings of telephone calls where permitted or required by law, video (surveillance) recordings, closed-circuit television (CCTV) images and recordings, and other records of your interactions with us or our service providers, including electronic communications);
- Professional or employment-related information (e.g., current or past job history); and
- Inferences drawn from other personal information (e.g., profiles reflecting preferences and trends, based on information such as assets, investment experience, risk tolerance, investment activity, and transaction history).

Where do we obtain your Personal Data?

We collect, and have collected, Personal Data about you from a number of sources, including from you directly:

WHAT	HOW
Personal Data that you give us	• From the forms and any associated documentation that you complete when subscribing for an investment, shares, interests, and/or opening an account with us. This can include information about your name, address, date of birth, passport details or other national identifier, driving license, your national insurance or social security number and income, employment information and details about your investment or retirement portfolio(s), and financial-related data (such as returns and financial positions) • When you provide it to us in correspondence and conversations, including electronic communications such as email and telephone calls • When you make transactions with respect to the Fund • When you interact with our online platforms and websites (such as bxaccess.com) • When you purchase securities from us and/or tell us where to send money • From cookies, web beacons, and similar interactions when you or your devices access our sites • When we need to identify you and/or complete necessary security checks, where you visit one of our buildings or attend meetings. This can include form of ID, and your image for CCTV purposes.
Personal Data we obtain from others	We obtain Personal Data from: • Publicly available and accessible directories and sources • Bankruptcy registers • Tax authorities, including those that are based outside the territory in which you are located or domiciled, including the Cayman Islands, the United Kingdom (UK) and the European Economic Area (EEA), if you are subject to tax in another jurisdiction • Governmental and competent regulatory authorities to whom we have regulatory obligations • Credit agencies • Fraud prevention and detection agencies / organizations • Transaction counterparties

Why do we process your Personal Data?

We may process or disclose your Personal Data for the following reasons:

WHY	HOW
Contract	It is **necessary to perform our contract** with you to: • Administer, manage and set up your investor account(s) to allow you to purchase your holding (of shares or interests) in our Funds • Meet the resulting contractual obligations we have to you • Facilitate the continuation or termination of the contractual relationship between you and the Fund • Facilitate the transfer of funds, and administering and facilitating any other transaction, between you and the Fund
Compliance with law	It is **necessary for compliance with an applicable legal or regulatory obligation** to which we are subject, in order to: • Undertake our client and investor due diligence, and on-boarding checks • Carry out verification, 'know your client', terrorist financing, sanctions, and anti-money laundering checks • Verify the identity and addresses of our investors (and, if applicable, their beneficial owners) • Comply with requests from regulatory, governmental, tax and law enforcement authorities • Carry out surveillance and investigations • Carry out audit checks • Maintain statutory registers • Prevent and detect fraud • Comply with sanctions requirements

Legitimate Interests	For our **legitimate interests** or those of a third party (such as a transaction counterparty or lender) to: • Manage and administer your holding in any Funds in which you are invested, and any related accounts on an ongoing basis • Assess and process any applications or requests made by you • Open, maintain or close accounts in connection with your investment in, or withdrawal from, the Fund scheme • Send updates, information and notices or otherwise correspond with you in connection with your investment in the Fund scheme • Address or investigate any complaints, claims, proceedings or disputes • Provide you with, and inform you about, our investment products and services • Monitor and improve our relationships with investors • Comply with applicable prudential and regulatory obligations, including anti-money laundering, sanctions and ‘know your client’ checks • Assist our transaction counterparties to comply with their regulatory and legal obligations (including anti-money laundering, ‘know your client’, terrorist financing, and sanctions checks) • Manage our risk and operations • Comply with our accounting and tax-reporting requirements • Comply with our audit requirements • Assist with internal compliance with our policies and processes • Ensure appropriate group management and governance • Keep our internal records • Prepare reports on incidents/accidents • Protect our business against fraud, breach of confidence, theft of proprietary materials, and other financial or business crimes (to the extent that this is not required of us by law) • Analyze and manage commercial risks • Seek professional advice, including legal advice • Enable any actual or proposed assignee or transferee, participant or sub-participant of the partnership’s or Fund vehicles’ rights or obligations to evaluate proposed transactions • Facilitate business asset transactions involving the Fund partnership or Fund-related vehicles • Monitor communications to/from us using our systems • Protect the security and integrity of our information technology systems • Protect the security and safety of our buildings and locations where we operate • Operate, run and schedule online meetings, webinars and conferences (for example, using Zoom and other online meeting platforms) • Manage our financing arrangements with our financiers and financing transaction counterparties, including payment providers, intermediaries, and correspondent/agent banks • Monitor the operation of Fund distribution platforms, where these are operated by third parties or service providers We only rely on these interests where we have considered that, on balance, the legitimate interests are not overridden by your interests, fundamental rights or freedoms.

Monitoring as described in ‘Legitimate Interests’ above

We monitor communications where the law requires us to do so. We will also monitor where we are required to do so to comply with regulatory rules and practices and, where we are permitted to do so, to protect our business and the security of our systems.

Who we share your Personal Data With

Your Personal Data will be shared with:

Who	Why
Fund Associates	We share your Personal Data with our associates, related parties and members of our group. This is: • To manage our relationship with you • For the legitimate interests of a third party in carrying out anti-money laundering, 'know your client', and other compliance checks required of them under applicable laws and regulations • For the purposes set out in this Data Privacy Notice
Fund Managers, Depositories, Administrators, Custodians, Distributors, Investment Advisers	• Delivering the services you require • Managing your investment • Supporting and administering investment-related activities • Complying with applicable investment, anti-money laundering and other laws and regulations
Tax Authorities	• To comply with applicable laws and regulations • Where required or requested by tax authorities in the territory in which you are located or domiciled (in particular, Cayman Island or UK/EEA tax authorities) who, in turn, may share your Personal Data with foreign tax authorities • Where required or requested by foreign tax authorities, including outside of the territory in which you are located or domiciled (including outside the Cayman Islands or UK/EEA)
Service Providers	• Delivering and facilitating the services needed to support our business relationship with you (including cloud services) • Supporting and administering investment-related activities • Where disclosure to the service provider is considered necessary to support Blackstone with the purposes described in section 5 of this Data Privacy Notice
Financing Counterparties, Lenders, Correspondent and Agent Banks	• Assisting these transaction counterparties with regulatory checks, such as 'know your client', and anti-money laundering procedures • Sourcing credit for Fund-related entities in the course of our transactions and fund life cycles
Our Lawyers, Auditors and other Professional Advisers	• Providing you with investment-related services • To comply with applicable legal and regulatory requirements • Supporting Blackstone with the purposes described in section 5 of this Data Privacy Notice

In exceptional circumstances, we will share your Personal Data with:

- Competent regulatory, prosecuting and other governmental agencies or litigation counterparties, in any country or territory; and
- Other organizations and agencies – where we are required to do so by law.

For California residents, in the preceding 12 months, we may have disclosed Personal Data listed in any of the categories in "What Personal Data do we collect about you?" above for a business purpose (in particular, as described in this section).

We have not sold Personal Data in the 12 months preceding the date of this Data Privacy Notice.

Do you have to provide us with this Personal Data?

Where we collect Personal Data from you, we will indicate if:

- Provision of the Personal Data is necessary for our compliance with a legal obligation; or
- It is purely voluntary and there are no implications for you if you do not wish to provide us with it.

Unless otherwise indicated, you should assume that we require the Personal Data for business and/or compliance purposes.

Some of the Personal Data that we request is necessary for us to perform our contract with you and if you do not wish to provide us with this Personal Data, it will affect our ability to provide our services to you and manage your investment.

Sending your Personal Data Internationally

We may transfer your Personal Data between different countries to recipients in countries other than the country in which the information was originally collected (including to our affiliates and group members, members of the Fund's partnership, transaction counterparties, and third-party service providers). Where you are based in the UK, the EU, or another country which imposes data transfer restrictions outside of its territory, this includes transfers outside of the UK and the European Economic Area ("**EEA**") or that geographical area, to those countries in which our affiliates, group members, service providers and business partners operate. Those countries may not have the same data protection laws as the country in which you initially provided the information.

Where we transfer Personal Data outside of the UK, the EEA, or other territories subject to data transfer restrictions to other members of our group, our service providers or another third party recipient, we will ensure that our arrangements with them are governed by data transfer agreements or appropriate safeguards, designed to ensure that your Personal Data is protected as required under applicable data protection law (including, where appropriate, under an agreement on terms approved for this purpose by the European Commission or by obtaining your consent).

Please contact us if you would like to know more about these agreements or receive a copy of them. Please see the 'Contact Us' section for details.

Consent – and Your Right to Withdraw It

Except as may otherwise be required by local law, we do not generally rely on obtaining your consent to process your Personal Data. In particular, we do not generally rely on obtaining your consent where our processing of your Personal Data is subject only to the data protection laws of the UK/EEA (in these circumstances we will usually rely on another legal basis more appropriate in the circumstances, including those set out in "Why do we process your Personal Data?" above). If we do rely on consent for processing of your Personal Data, you have the right to withdraw this consent at any time. Please contact us or send us an email at PrivacyQueries@Blackstone.com at any time if you wish to do so.

Where required by applicable law, we will obtain your consent for the processing of your Personal Data for direct marketing purposes. If you do receive direct marketing communications from us (for example, by post, email, fax or telephone), you may opt-out by clicking the link in the relevant communication, completing the forms provided to you (where relevant), or by contacting us (see the 'Contact Us' section for details.

Retention and Deletion of your Personal Data

We keep your Personal Data for as long as it is required by us for our legitimate business purposes, to perform our contractual obligations or, where longer, such longer period as is required or permitted by law or regulatory obligations which apply to us. We will generally:

- Retain Personal Data about you throughout the life cycle of any investment you are involved in; and
- Retain some Personal Data after your relationship with us ends.

As a general principle, we do not retain your Personal Data for longer than we need it.

We will usually delete your Personal Data (at the latest) after you cease to be an investor in any fund and there is no longer any legal / regulatory requirement, or business purpose, for retaining your Personal Data.

Your Rights

You may, subject to certain limitations, have data protection rights depending on the data protection laws that apply to our processing of your Personal Data, including the right to:

- Access your Personal Data, and some related information, including the purpose for processing the Personal Data, the categories of recipients of that Personal Data to the extent that it has been transferred internationally, and, where the Personal Data has not been collected directly from you, the source (the **category information**)
- Restrict the use of your Personal Data in certain circumstances
- Have incomplete or inaccurate Personal Data corrected
- Ask us to stop processing your Personal Data
- Require us to delete your Personal Data in some limited circumstances

You also have the right in some circumstances to request us to "port" your Personal Data in a portable, re-usable format to other organizations (where this is possible).

California residents may also request certain information about our disclosure of Personal Data during the prior year, including category information (as defined above).

We review and verify requests to protect your Personal Data, and will action data protection requests fairly and in accordance with applicable data protection laws and principles.

If you wish to exercise any of these rights, please see the 'Contact Us' section for details.

Concerns or Queries

We take your concerns very seriously. We encourage you to bring to our attention any concerns you have about our processing of your Personal Data. This Data Privacy Notice was drafted with simplicity and clarity in mind. We are, of course, happy to provide any further information or explanation needed. Please see the 'Contact Us' section for details.

Please also contact us via any of the contact methods listed below if you have a disability and require an alternative format of this Data Privacy Notice.

If you want to make a complaint, you can also contact the body regulating data protection in your country, where you live or work, or the location where the data protection issue arose. In particular:

Country	Supervisory Authority
Cayman Islands	Cayman Islands Ombudsman (available at: https://ombudsman.ky)
European Union	A list of the EU data protection authorities and contact details is available by clicking this link: http://ec.europa.eu/newsroom/article29/item-detail.cfm?item_id=612080
United Kingdom	Information Commissioner's Office (available at: https://ico.org.uk/global/contact-us/)

Contact Us

Please contact us if you have any questions about this Data Privacy Notice or the Personal Data we hold about you.

Contact us by **email** or access our web form by emailing PrivacyQueries@Blackstone.com.

Contact us in **writing** using this address:

Address	**For EU/UK related queries:** 40 Berkeley Square, London, W1J 5AL, United Kingdom **All other queries:** 345 Park Avenue, New York, NY 10154

A list of country-specific addresses and contacts for locations where we operate is available at https://www.blackstone.com/privacy#appendixA.

Changes to this Data Privacy Notice

We keep this Data Privacy Notice under regular review. Please check regularly for any updates at our investor portal (www.bxaccess.com).

The Investment Company Act of 1940, as amended (the "1940 Act"), requires that the Board of Trustees (the "Board") of the Blackstone Floating Rate Enhanced Income Fund ("the "Fund"), including a majority of its members who are not considered to be "interested persons" under the 1940 Act (the "Independent Trustees") voting separately, approve on an annual basis the continuation of the Fund's investment advisory agreement (the "Agreement") with its investment adviser, Blackstone Liquid Credit Strategies LLC (the "Adviser"). At a meeting (the "Contract Renewal Meeting") held in person on May 25, 2022, the Board, including the Independent Trustees, considered, and unanimously approved, the continuation of the Agreement for an additional one-year term. To assist in its consideration, prior to the Contract Renewal Meeting, the Independent Trustees, through their Independent Legal Counsel ("Independent Counsel") had requested, received and considered a variety of information, including information provided in response to supplemental requests (together with the information provided at the Contract Renewal Meeting, the "Contract Renewal Information") about the Adviser, as well as the advisory arrangements for the Fund and other registered investment companies (the "Other Blackstone Funds") in the same complex under the Board's supervision. Each of the Other Blackstone Funds is a closed-end fund, rather than an interval fund such as the Fund. A presentation made by the Adviser to the Board at the Contract Renewal Meeting encompassed the Fund and the Other Blackstone Funds, certain portions of which are discussed below. In preparation for the Contract Renewal Meeting, the Independent Trustees met in person in a private session (the "Review Session") prior to the Contract Renewal Meeting with Independent Counsel to review the Contract Renewal Information. No representatives of the Fund, the Adviser, or Fund management were present at the Review Session. In addition to the Contract Renewal Information, the Board received performance and other information since the Fund's inception related to the services rendered by the Adviser to the Fund. The Board's evaluation took into account the information received since the Fund's inception and also reflected the knowledge and familiarity gained as members of the Board with respect to the investment advisory and other services provided to the Fund under the Fund's Agreement.

Board Approval of the Continuation of the Agreement

In its deliberations regarding renewal of the Agreement, the Board, including the Independent Trustees, considered various factors, including those set forth below.

Nature, Extent and Quality of the Services Provided to the Fund under the Agreement

The Board received and considered Contract Renewal Information regarding the nature, extent and quality of services provided by the Adviser to the Fund under the Agreement. Specifically, the Board took into account the fact that the Adviser has a large and knowledgeable investment team, with one of the largest credit teams in the United States and globally, and has expanded its team and resources. The Adviser also explained to the Board its investment process, as well as its infrastructure and the operational teams serving the Fund.

The Board also reviewed Contract Renewal Information regarding the Adviser's compliance policies and procedures established pursuant to the 1940 Act and considered the compliance record for the Adviser and the Fund during the previous year and since its inception.

The Board reviewed the qualifications, backgrounds and responsibilities of the Fund's senior personnel and the portfolio management team primarily responsible for the day-to-day portfolio management of the Fund. The Board also considered, based on its knowledge of the Adviser and its affiliates, the Contract Renewal Information and the Board's discussions with the Adviser at the Contract Renewal Meeting, the general reputation and investment performance record of the Adviser and certain of its affiliates and the financial resources of the corporate parent of the Adviser, Blackstone Inc., available to support the Adviser's activities in respect of the Fund.

The Board considered the responsibilities of the Adviser under the Agreement, including the Adviser's coordination and oversight of the services provided to the Fund by other unaffiliated parties.

In reaching its determinations regarding the continuation of the Agreement, the Board took into account that the Fund's shareholders, in pursuing their investment goals and objectives, likely considered the reputation and the investment style, philosophy and strategy of the Adviser, as well as the resources available to the Adviser, in purchasing their shares.

Fund Performance

Among other things, the Board received and considered information and analyses (the "Broadridge Performance Information") comparing the performance of the Fund with a group of funds (the "Peer Group") selected by Broadridge Financial Solutions ("Broadridge"), an independent provider of investment company data, primarily from the Morningstar CEF Classification of US Senior Loan Funds Leveraged classification (the "Morningstar Senior Loan Leveraged Classification"), which consisted of 26 closed-end funds. The Board was provided with a description of the methodology Broadridge used to select the Peer Group. For the Fund, a custom classification group (the "Custom Classification") limited to interval funds only was created by Broadridge to provide comparisons relative to fixed-income interval funds within the bank loan, corporate bond and multi-sector classifications. On May 19, 2022, each of the members of the Board participated in a video conference call with Broadridge regarding the Broadridge Performance Information, including its peer grouping methodology and reporting format. Representatives of the Adviser also participated on that call.

The Peer Group for the Fund consisted of eleven funds for the 1- and 3-year periods ended March 31, 2022 (such periods being hereinafter called the "1-year period" and the "3-year period", respectively) with an emphasis on strategies that have high net historical portfolio allocations to bank loans. Unlike the Other Blackstone Funds, and all but two of the other Peer Group funds, the Fund is an interval fund. Broadridge noted the relatively limited number of interval funds compared to the closed-end fund or open-end fund universe for purposes of creating the Fund's peer grouping. Only two interval funds (the "Comparable Interval Funds") aligned with the Fund on a strategy and an asset size basis and, in order to have an adequately sized Peer Group for the Fund, Broadridge used the peer group for one of the Other Blackstone Funds, comprised solely of closed-end funds, and added the two Comparable Interval Funds. The Custom Classification for the Fund's performance consisted of 17 interval funds with a total of 55 share classes employing various fixed income strategies, including 48 share classes for the 1-year period and 30 share classes for the 3-year period. The Board noted that it had received and discussed with the Adviser information at periodic intervals since the Fund's inception comparing its performance against its benchmarks and its Peer Group funds. The Board also noted that it had received the return volatility and Sharpe ratio (a measure of risk-weighted return) of the Fund relative to its Peer Group and Custom Classification funds. In addition to the Fund's performance relative to its Peer Group and Custom Classification, the Board received information on the Fund's performance on an absolute basis and relative to its benchmark.

The Broadridge Performance Information comparing the Fund's performance to that of its Peer Group based on NAV per share showed, among other things, the Fund's return measured on a gross basis ranked ninth among its Peer Group funds for the 1-year period; and ranked third among its Peer Group funds for the 3-year period.[1] The Fund's net return was lower than the Peer Group median performance for the 1-year period, but the Fund's net return was better than the Peer Group median performance for the 3-year period. The Fund's Sharpe ratio ranked ninth and fourth, respectively, among the funds in its Peer Group for the 1- and 3-year periods. The Broadridge Performance Information comparing the Fund's performance to that of the Custom Classification showed, among other things, that the Fund's return, measured on a gross basis, ranked 30th and 15th, respectively, among the Custom Classification funds for the 1- and 3-year periods and was worse than the Custom Classification median performance for the 1-year period but was better than the Custom Classification median performance for the 3-year period. The Fund's performance also was worse than the performance of all two of the Comparable Interval Funds for the 1-year period, but better than the performance of all two of the Comparable Interval Funds for the 3- year period. The Fund out-performed its benchmark for the 3-year period.

The Board also noted the credit review and other processes employed by the Adviser in managing the Fund's investment portfolio, including that the Adviser had advised the Board that it continues to utilize a disciplined investment approach with respect to the Fund, as well as a systematic approach for the high yield portions of the Fund's portfolio.

The Board also noted that the particular limitations of its Peer Group, which included the Fund and the two Comparable Interval Funds, but otherwise was comprised completely of closed-end funds, and the Custom Classification, which included the Fund and other funds of varying sizes, and fixed income strategies, made meaningful performance comparisons difficult. Based on its review and considering other relevant factors, including those noted above, the Board concluded that the Fund's performance was acceptable.

Management Fees and Expenses

The Board reviewed and considered the investment advisory fee (the "Advisory Fee") payable by the Fund to the Adviser under the Agreement in light of the nature, extent and overall quality of the investment advisory and other services provided by the Adviser to the Fund. The Advisory Fee is payable monthly in an amount equal to 1.00% of the average daily value of the Fund's net assets.

Additionally, the Board received and considered information and analyses (the "Broadridge Expense Information") that Broadridge prepared, comparing, among other things, the Advisory Fee for the Fund and the Fund's overall expenses with corresponding information contained in the Fund's Peer Group and the Custom Classification. The comparisons were based upon the constituent funds' latest fiscal years. The Board also noted that the allocation of non-compensation expenses to the Fund increased year-over-year as the Adviser's employees returned from the COVID-19 pandemic.

In its evaluation of the Advisory Fee and the Broadridge Expense Information for the Fund, the Board took into account the complexity of the Fund's investment program, as well as the credit review and other processes the Adviser employs in managing the Fund's investment portfolios, including the Adviser's standing and reputation in the leveraged finance market and the strength of its trading and middle office and risk management support teams. The Board further noted that the relatively limited number of closed-end funds compared to the open-end fund universe and the even smaller number of interval funds aligned with the Fund in asset size and strategy posed particular challenges for concise peer grouping. The Board considered the Adviser's belief that in making such peer comparisons, smaller funds, such as the Fund at the current time, may be disadvantaged versus larger funds that have greater opportunities for economies of scale. The Adviser provided, and the Board considered, expense information contained in the Broadridge Expense Information in support of this belief.

[1] *First in these performance rankings represents the fund with the best returns in the Peer Group, and last in these performance rankings represents the fund with the worst returns in the Peer Group, whether measured on a gross or net return basis.*

The eleven funds in the Fund's Peer Group (which included both closed-end and interval funds) had average common share net assets ranging from $158.76 million to $753.09 million. Three of the other funds were larger than the Fund and seven were smaller. One Comparable Interval Funds was larger than the Fund and the other one was smaller. The Broadridge Expense Information comparing the Fund's total expenses to the Fund's Peer Group showed, among other things, that the Fund's actual Advisory Fee (i.e., giving effect to any voluntary fee waivers implemented by the Adviser with respect to the Fund and by the managers of the other Peer Group funds) ranked third among the Peer Group funds and was better than the Peer Group median for that expense component. The Fund's expenses were ranked fifth among the Peer Group funds on a gross basis and ranked sixth among the Peer Group funds on a net basis. The Fund's gross total expenses were better than the Peer Group median for that expense component and the Fund's net total expenses were equal to the Peer Group median for that expense component.

The funds within the Custom Classification consisted of 17 interval funds with a total of 55 share classes employing various fixed income strategies, including 48 share classes for the 1-year period and 30 share classes for the 3-year period. The Broadridge Expense Information showed that the Fund's actual Advisory Fee ranked seventh among the funds in the Custom Classification and was better than the Custom Classification median for that expense component. The Fund's expenses were ranked eighth among the Custom Classification on a gross and net basis. In each case, the Fund's gross and net total expenses were better than the Custom Classification median for that expense component. In addition, the aforementioned expense components were better in the case of each Comparable Interval Fund than the Fund's. The Board considered the limitations of the Fund's Peer Group and Custom Classification comparisons.

The Board also considered Contract Renewal Information regarding fees (including sub-advisory fees) charged by the Adviser to other U.S. clients investing primarily in an asset class similar to that of the Fund, including, where applicable, institutional commingled funds and exchange-traded funds. The Board was advised that the base fees paid by such institutional and other clients generally are lower, and may be significantly lower, than the Advisory Fee. The Contract Renewal Information discussed the significant differences in scope of services provided to the Fund and to these other clients, noting that the Fund is subject to heightened regulatory requirements relative to certain institutional clients; that the Fund requires additional resources for administration; and that the Adviser manages the leverage arrangements of the Fund and coordinates and oversees the provision of services to the Fund by other fund service providers. The Board considered the fee comparisons in light of the different services provided in managing these other types of clients and funds.

Taking all of the above into consideration, the Board determined that the Advisory Fee for the Fund was reasonable in light of the nature, extent and overall quality of the investment advisory and other services provided to such Fund under its Agreement.

Profitability

The Board, as part of the Contract Renewal Information, received an analysis of the profitability to the Adviser and its affiliates in providing services to the Fund for each of the past two fiscal years. In addition, the Board received Contract Renewal Information with respect to the Adviser's revenue and cost allocation methodologies it used in preparing such profitability data. The Board determined that the Adviser's profitability in providing investment advisory and other services to the Fund during the past year was at a level which was not considered excessive in light of the nature, extent and overall quality of such services.

Economies of Scale

The Board received Contract Renewal Information concerning whether the Adviser would realize economies of scale if assets grow. The Board noted that having the Fund enter into additional distribution channels should help with growth. The Board determined that to the extent economies of scale may be realized by the Adviser, the benefits of such economies of scale would be shared with the Fund and its shareholders as the Fund grows.

Other Benefits to the Adviser

The Board considered other benefits the Adviser and its affiliates receive as a result of the Adviser's relationship with the Fund and did not regard such benefits as excessive.

* * * * *

In light of all of the foregoing and other relevant factors, the Board determined that, under the circumstances, continuation of the Agreement would be in the interests of the Fund and its shareholders and unanimously voted to continue the Agreement for a period of one additional year.

The Board did not identify any single factor it reviewed as being the principal factor in determining whether to approve continuation of the Agreement for the next year, and each Board member attributed different weights to the various factors. The Independent Trustees were advised by their Independent Counsel throughout the process. Prior to the Review Session and the Contract Renewal Meeting, the Independent Trustees received a memorandum as to their responsibilities from their Independent Counsel. Prior to voting, the Independent Trustees discussed the proposed continuation of the Agreement in a private session with their Independent Counsel at which no representatives of the Adviser or Fund management were present.

Below is a list of the Trustees and officers of the Fund and their present positions and principal occupations during the past five years. The business address of the Fund, the Trustees, the Fund's officers, and the Adviser is 345 Park Avenue, 31st Floor, New York, NY 10154, unless specified otherwise below.

NON-INTERESTED TRUSTEES:

Name, Address and Year of Birth[(1)]	Position(s) Held with the Fund	Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen by Trustee[(2)]	Other Directorships Held by the Trustee During the Past Five Years
Edward H. D'Alelio Birth Year: 1952	Lead Independent Trustee and member of Audit and Nominating and Governance Committees	Since September 2017	Mr. D'Alelio was formerly a Managing Director and CIO for Fixed Income at Putnam Investments, Boston where he retired in 2002. He currently is an Executive in Residence with the School of Management, Univ. of Mass Boston.	4	Owl Rock Capital Corp. business development companies ("BDCs") (5 portfolios overseen in Fund Complex)
Thomas W. Jasper Birth Year: 1948	Trustee, Chairman of Audit Committee and member of Nominating and Governance Committee	Since September 2017	Mr. Jasper is the Managing Partner of Manursing Partners LLC, a consulting firm.	4	Sisecam Resources LP. (master limited partnership)
Gary S. Schpero Birth Year: 1953	Trustee, Chairman of Nominating and Governance Committee and member of Audit Committee	Since September 2017	Mr. Schpero is retired. Prior to January 2000, he was a partner at the law firm of Simpson Thacher & Bartlett LLP where he served as managing partner of the Investment Management and Investment Company Practice Group.	4	EQ Premier VIP Trust; EQ Advisors Trust; 1290 Funds
Jane M. Siebels Birth Year: 1960	Trustee, Member of Audit and Nominating and Governance Committees	Since November 2021	Ms. Siebels is CEO and Chair of Homer Technology. Previously, she was a Consultant at Per4M and advised a small global equity hedge fund. Prior to 2019, she was CEO and CIO of Amber Asset Management, f/k/a Green Cay Asset Management.	4	Scotia Bank (Bahamas); Scotia Trust (Bahamas); First Trust Bank (Bahamas); Global Innovation Fund; JackPotJoy (Bahamas) (until 2022); Amber Asset Management (until 2019); Green Cay Asset Management (until 2017)

INTERESTED TRUSTEE [(3)]:

Name, Address and Year of Birth[(1)]	Position(s) Held with the Fund	Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen by Trustee[(2)]	Other Directorships Held by the Trustee During the Past Five Years
Daniel H. Smith, Jr. Birth Year: 1963	Trustee, Chairman of the Board, President, Chief Executive Officer	Since Inception	Mr. Smith is a Senior Managing Director of Blackstone Credit and is Head of Blackstone Liquid Credit Strategies LLC. Mr. Smith joined Blackstone Credit in 2005 from the Royal Bank of Canada where he was a Managing Partner and Co-head of RBC Capital Market's Alternative Investments Unit.	4	None

TRUSTEE EMERITUS

Name, Address and Year of Birth[(1)]	Position(s) Held with the Fund	Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen by Trustee[(2)]	Other Directorships Held by the Trustee During the Past Five Years
Michael F. Holland[(4)] Birth Year: 1944	Trustee Emeritus	Trustee from September 2017 – May 2022 Trustee Emeritus since May 2022 Trustee Emeritus term expires May 2023	Mr. Holland is the Chairman of Holland & Company, a private investment firm he founded in 1995. He is also President and Founder of the Holland Balanced Fund.	N/A	State Street Master Funds; Reaves Utility Income Fund; The China Fund, Inc. (until 2019); The Taiwan Fund (until 2017)

OFFICERS:

Name, Address and Year of Birth	Position(s) Held with the Funds	Term of Office and Length of Time Served	Principal Occupation During the Past Five Years
Daniel H. Smith, Jr. Birth Year: 1963	Trustee, Chairman of the Board, President, Chief Executive Officer	Since Inception	Mr. Smith is a Senior Managing Director of Blackstone Credit and is Head of Blackstone Liquid Credit Strategies LLC. Mr. Smith joined Blackstone Credit in 2005 from the Royal Bank of Canada where he was a Managing Partner and Co-head of RBC Capital Market's Alternative Investments Unit.
Gregory Roppa Birth Year: 1976	Chief Financial Officer and Treasurer	Since March 2022	Mr. Roppa is a Managing Director in the Global Fund Finance group of Blackstone, where he focuses on the accounting and financial reporting for certain entities within Blackstone Credit, Real Estate, and Insurance businesses. Before joining Blackstone in 2019, Mr. Roppa was the Director of Operations and Fund Accounting for Clinton Group Inc., an alternative asset management firm. Prior to that Mr. Roppa began his career in the financial services audit practice at Arthur Andersen LLP. Mr. Roppa received a B.S. in Accounting from Binghamton University, where he graduated cum laude. He is a Certified Public Accountant.
Robert Zable Birth Year: 1972	Executive Vice President and Assistant Secretary	Since Inception	Mr. Zable is a Senior Managing Director of Blackstone Credit and Senior Portfolio Manager of the U.S. CLOs and closed-end funds within Blackstone Credit's Liquid Credit Strategies business. Before joining Blackstone Credit in 2007, Mr. Zable was a Vice President at FriedbergMilstein LLC, where he was responsible for credit opportunity investments and junior capital origination and execution. Prior to that, Mr. Zable was a Principal with Abacus Advisors Group, a restructuring and distressed investment firm. Mr. Zable began his career at JP Morgan Securities Inc., where he focused on leveraged finance in New York and London.
Marisa Beeney Birth Year: 1970	Chief Legal Officer and Secretary	Since Inception	Ms. Beeney is a Senior Managing Director of Blackstone Credit and General Counsel of Blackstone Credit. Before joining Blackstone Credit in 2007, she was with the finance group of DLA Piper. Ms. Beeney began her career at Latham & Watkins LLP working primarily on project finance and development transactions, as well as other structured credit products.

OFFICERS (continued):

Name, Address and Year of Birth	Position(s) Held with the Funds	Term of Office and Length of Time Served	Principal Occupation During the Past Five Years
William Renahan Birth Year: 1969	Chief Compliance Officer	Since September 2022	Mr. Renahan is a Managing Director in the Legal and Compliance group of Blackstone. Before joining Blackstone in 2022, he was a Senior Managing Director and Chief Compliance Officer at Duff & Phelps Investment Management. Mr. Renahan previously served for approximately 13 years at Legg Mason and predecessor firms as a Managing Director and Senior Counsel. He was also previously an associate in the New York office of the law firm Battle Fowler LLP (which subsequently merged into Paul Hastings LLP). Mr. Renahan has been an active member of the Investment Company Institute and served as Chairman of the ICI's Closed-End Fund Committee from 2014-2018.
Valerie Naratil Birth Year: 1988	Public Relations Officer	Since February 2021	Ms. Naratil is a Principal of Blackstone Credit and part of the Investor Relations and Client Service team for Blackstone Credit's Liquid Credit Strategies business. Before joining Blackstone Credit in 2014, Ms. Naratil worked at UBS Investment Bank, advising corporate clients across the Healthcare industry.

(1) *The address of each Trustee/Nominee, Trustee Emeritus and Officer, unless otherwise noted, is Blackstone Alternative Credit Advisors LP, 345 Park Avenue, 31st Floor, New York, NY 10154.*

(2) *The "Fund Complex" consists of the Blackstone Credit Closed-End Funds, Blackstone Secured Lending Fund, Blackstone Private Credit Fund, and Blackstone Alternative Multi-Strategy Fund.*

(3) *"Interested person" of the Fund as defined in Section 2(a)(19) of the 1940 Act. Mr. Smith is an interested person due to his employment with the Adviser.*

(4) *Mr. Holland became a Trustee Emeritus of the Fund effective May 25, 2022.*

Blackstone

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Blackstone Liquid Credit Strategies LLC
345 Park Avenue, 31st Floor
New York, New York 10154

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ALPS Fund Services, Inc.
1290 Broadway, Suite 1000
Denver, Colorado 80203

Custodian
The Bank of New York Mellon
225 Liberty Street
New York, New York 10286

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

Transfer Agent
DST Systems, Inc.
333 W. 11th Street, 5th Floor
Kansas City, Missouri 64105

Fund Officers
Daniel H. Smith, Jr.
President and Chief Executive Officer
Gregory Roppa
Chief Financial Officer and Treasurer
Robert Zable
Executive Vice President
and Assistant Secretary
Marisa Beeney
Chief Legal Officer and Secretary
William Renahan
Chief Compliance Officer
Valerie Naratil
Public Relations Officer

Independent Registered Public Accounting Firm
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Legal Counsel
Simpson Thacher & Bartlett LLP
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New York, New York 10017

This report, including the financial information herein, is transmitted to the shareholders of Blackstone Floating Rate Enhanced Income Fund for their information. It is not a prospectus, circular or representation intended for use in the purchase of shares of the Fund or any securities mentioned in this report (however, all or a portion of this report may be incorporated by reference into a prospectus).

Information on the Fund is available at www.bgflx.com.

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