

# Blackstone Floating Rate Enhanced Income Fund (BGFLX)

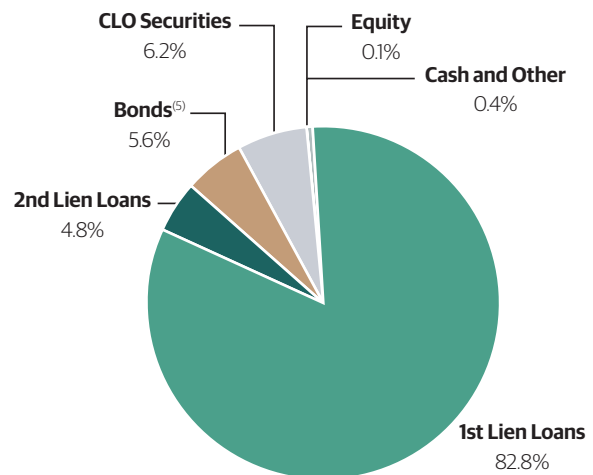
An investor should consider the investment objective, risks, and charges and expenses of BGFLX (also, the "Fund") carefully before investing. The prospectus contains this and other information about the Fund and may be obtained at [www.bgflx.com](http://www.bgflx.com). The prospectus should be read carefully before investing.

## Portfolio Highlights

**9.94%** annualized distribution rate (I Share)<sup>(1)</sup>  
**\$372M** managed assets  
**0.36yr** average duration<sup>(2)(3)</sup>

## Asset Allocation<sup>\*(4)</sup>

94% of investments are floating rate debt



## Portfolio Snapshot

Net Asset Value	\$256M
Managed Assets	\$372M
Leverage <sup>†</sup>	31.16%
Average Asset Price <sup>(3)</sup>	\$92.23
Average Duration <sup>(2)(3)</sup>	0.36 yr
Average Maturity <sup>(3)</sup>	5.2 yr
Average All-In Rate <sup>(3)</sup>	7.91%
Average Position Size <sup>†</sup>	0.23%
Inception Date	1/18/2018

## Performance

	1-Month Return	3-Month Return	1-Year Return	3-Year Return	ITD Return*	NAV / Share	Distribution Rate <sup>(1)</sup>
I Share (BGFLX) - Net	0.03%	2.31%	-7.24%	0.81%	2.49%	20.71	9.94%
D Share (BGFDX) - Net	-0.04%	2.20%	-7.50%	0.60%	1.82%	20.73	9.69%
T Share (BGFTX) - Net	-0.02%	2.18%	-7.73%	0.31%	1.85%	20.67	9.44%
w/ 2.5% Sales Load <sup>(6)</sup>	-2.50%	-0.37%	-10.02%	-0.54%	1.30%		
T-I Share (BGFPX) - Net	-0.04%	2.14%	-7.73%	0.40%	1.40%	21.18	9.44%
w/ 3.5% Sales Load <sup>(6)</sup>	-3.52%	-1.44%	-10.95%	-0.78%	0.42%		
U Share (BGFVX) - Net	-0.07%	2.14%	-7.75%	0.29%	1.06%	21.58	9.44%
Morningstar LSTA US Lev. Loan Index - Gross <sup>^</sup>	0.44%	2.74%	-0.60%	2.54%	3.23%		

Data is as of 12/31/22 unless otherwise indicated. Financial data is estimated and unaudited. Returns for periods greater than one year are annualized. **Past performance is historical and not a guarantee of future results.** There can be no assurances that Blackstone Credit or the Fund will achieve its objective or avoid significant losses. Performance of an index is not illustrative of any particular investment. It is not possible to directly invest in an index.

\*As a percentage of Managed Assets. "Managed Assets" means net assets plus the amount of any Borrowings and the liquidation preference of any Preferred Shares that may be outstanding.

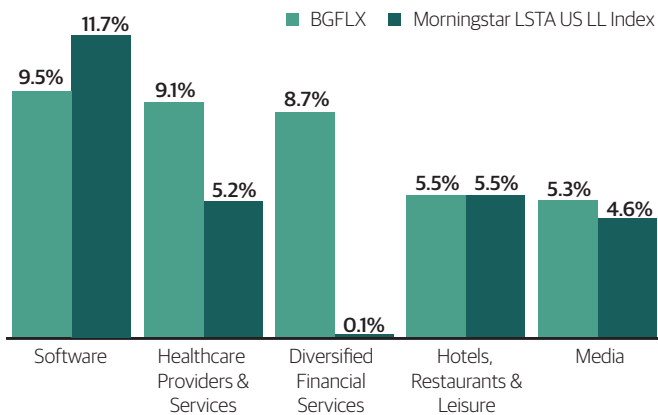
†Inception date for I Share is 1/18/18, D Share is 9/28/18, T Share is 5/7/18, T-I Share is 4/18/19, U Share is 11/27/19.

^ ITD return for the Morningstar LSTA US Leveraged Loan Index is based on the I Share inception date of 1/18/18.

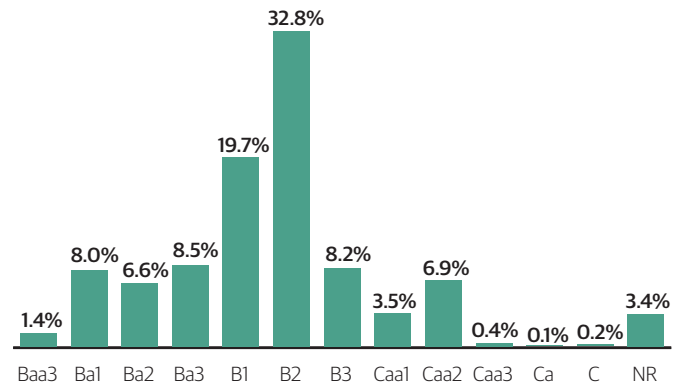
The volatility and risk profile of the indices presented is likely to be materially different from that of a Fund. In addition, the indices employ different investment guidelines and criteria than a Fund and do not employ leverage; as a result, the holdings in a Fund and the liquidity of such holdings may differ significantly from the securities that comprise the indices.

**Note:** Distribution rates are not performance; details regarding distribution rate calculations can be found in the Endnotes section of this document. Performance shown reflects total return based on changes in net asset value (NAV) per Common Share and assumes reinvested distributions. The NAV of the Fund per Common Share is determined by dividing the total assets of the Fund (the value of the Fund's portfolio investments and other assets, less any liabilities), by the total number of Common Shares of each share class outstanding, rounded to two decimal places. The Fund's distribution rate may be affected by numerous factors, including, but not limited to, changes in realized and estimated market returns, Fund performance, and other factors. There can be no assurance that a change in market conditions or other factors will not result in a change in the Fund distribution rate at a future time. Distribution rates may be composed of ordinary income, net capital gains, and/or a return of capital (ROC) of your investment in the fund. Because the distribution rate may include a ROC, it should not be confused with yield or income. In accordance with generally accepted accounting principles ("GAAP"), the Fund estimates that 100% of the distribution referenced herein is attributable to current fiscal year net investment income and the remaining portion (0%) is paid from return of paid-in capital surplus. Final determination of a distribution rate's tax character will be made on Form 1099 DIV sent to shareholders each January.

## Top 5 Industry Allocations\*



## Moody's Rating Distribution<sup>\*(7)</sup>



## Top 10 Issuers\*

Issuer	Sector	Weight
WP CityMD Bidco LLC	Healthcare Providers & Services	1.2%
Level 3 Financing Inc	Diversified Telecommunication Services	1.1%
Park River Holdings, Inc.	Trading Companies & Distributors	1.0%
Curia Global, Inc.	Life Sciences Tools & Services	1.0%
Virgin Media Bristol Llc	Media	1.0%
Weld North Education Llc	Diversified Consumer Services	1.0%
Ziggo Financing Partners	Media	1.0%
Telenet Financing Usd Llc	Diversified Telecommunication Services	0.9%
Froneri International, Ltd.	Food Products	0.9%
Chariot Buyer Llc	Hotels, Restaurants & Leisure	0.9%
<b>Top 10 Total</b>		<b>10.0%</b>

## Portfolio Management

- Management of the Fund's portfolio reflects consensus views derived from a team of 118 professionals dedicated to liquid credit strategies
- The team has four seasoned U.S. loan portfolio managers with registered investment company experience



**Robert Zable**

Sr. Managing Director  
25 Years Experience



**Daniel McMullen**

Sr. Managing Director  
29 Years Experience



**Gordon McKemie**

Managing Director  
17 Years Experience



**Robert Post**

Managing Director  
11 Years Experience

## Fund Objectives

- The Fund's investment objective is to provide attractive current income with low sensitivity to interest rates.
- Under normal market conditions, the Fund will invest at least 80% of Managed Assets in floating rate loans, notes, or bonds.

## Blackstone Credit: A Premier Corporate Credit Investment Platform

Focus on non-investment grade corporate credit

**\$280B**  
In AUM<sup>†</sup>

**518**  
employees globally

Data is as of 12/31/22 unless otherwise stated. AUM and employee data are as of 12/31/22. AUM is estimated and unaudited.

\*As a percentage of Managed Assets. "Managed Assets" means net assets plus the amount of any Borrowings and the liquidation preference of any Preferred Shares that may be outstanding.

Diversification does not assure a profit or product against loss in a declining market. Past performance is historical and not a guarantee of future results.

†The AUM for The AUM for Blackstone, Blackstone Credit & Insurance or any specific fund, account or investment strategy presented in this Presentation may differ from any comparable AUM disclosure in other non-public or public sources (including public regulatory filings) due to, among other factors, methods of net asset value and capital commitment reporting, differences in categorizing certain funds and accounts within specific investment strategies and exclusion of certain funds and accounts, or any part of net asset value or capital commitment thereof, from the related AUM calculations. Certain of these differences are in some cases required by applicable regulation. All figures are subject to change. **Past performance is not necessarily indicative of future results.**

## Annual Returns<sup>+</sup>

	2018	2019	2020	2021	2022
I Share (BGFLX) – Net	-0.96%	11.33%	3.32%	6.90%	-7.24%
D Share (BGFDX) – Net	-4.50%	11.05%	3.23%	6.63%	-7.50%
T Share (BGFTX) – Net	-2.65%	10.83%	2.80%	6.41%	-7.73%
w/ 2.5% Sales Load <sup>(6)</sup>	-5.08%	8.06%	0.21%	3.74%	-10.02%
T-I Share (BGFPX) – Net	N/A	4.02%	3.11%	6.38%	-7.73%
w/ 3.5% Sales Load <sup>(6)</sup>	N/A	0.36%	-0.49%	2.66%	-10.95%
U Share (BGFVX) – Net	N/A	2.40%	2.77%	6.41%	-7.75%
Morningstar LSTA US Lev. Loan Index – Gross <sup>^</sup>	-0.08%	8.64%	3.12%	5.20%	-0.60%

<sup>+</sup>2018 does not represent a full year of performance for I Share, D Share, T Share, or Index. 2019 does not represent a full year of performance for T-I Share or U Share. 2018 performance for the Morningstar LSTA US Lev. Loan Index based on year-to-date returns since the inception date for the I Share.

**Past performance is no guarantee of future results.** Actual results may vary. Diversification does not assure a profit or protect against loss in a declining market. There can be no assurances that Blackstone Credit or the Fund will achieve its objective or avoid significant losses. Performance of an index is not illustrative of any particular investment. It is not possible to directly invest in an index. The volatility and risk profile of the indices presented is likely to be materially different from that of a Fund. In addition, the indices employ different investment guidelines and criteria than a Fund and do not employ leverage; as a result, the holdings in a Fund and the liquidity of such holdings may differ significantly from the securities that comprise the indices.

## Key Terms

<b>Minimum Initial Investment<sup>(8)</sup></b>	D/T/T-I/U Shares: \$10,000; I Share: \$1,000,000
<b>Pricing</b>	Daily NAV
<b>Subscriptions</b>	Daily at NAV
<b>Liquidity<sup>(9)</sup></b>	75% of shares outstanding monthly; 2% repurchase fee on shares repurchased within 12 months
<b>Distributions</b>	Monthly distributions of net investment income; automatic enrollment into DRIP
<b>Management Fee<sup>(10)</sup></b>	1.0% on NAV
<b>Leverage<sup>(11)</sup></b>	The Fund anticipates using borrowings in an amount not to exceed 33 1/3% of total assets
<b>Tax Reporting</b>	1099-DIV

Share Class-Specific Fees	Class I	Class D	Class T	Class T-1	Class U
<b>Sales Load<sup>(12)</sup></b>	None	None	Up to 2.5%	Up to 3.5%	None
<b>Expense Ratio (gross / net / adjusted)<sup>(10)</sup></b>	2.1% / 2.0% / 1.5%	2.4% / 2.3% / 1.8%	2.6% / 2.5% / 2.0%	2.6% / 2.5% / 2.0%	2.6% / 2.5% / 2.0%
<b>Service Fees</b>	None	0.25%	0.25%	0.25%	0.25%
<b>Distribution Fees</b>	None	None	0.25%	0.25%	0.25%

## Upcoming Share Repurchase Dates

	Repurchase Period Opens	Repurchase Request Deadline	Payment By <sup>(13)</sup>
February 2023	2/1/2023	2/10/2023	2/15/2023
March 2023	3/1/2023	3/10/2023	3/15/2023

For more information please visit: [www.bgflx.com](http://www.bgflx.com)

## Endnotes

- (1) Reflects the current month's 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 NAV per share, for each respective class, for each day in the month for which a daily dividend is declared. The distribution rate for the last twelve months is as follows for each class: I Share: 7.19%, D Share: 6.94%, T Share: 6.69%, T-I Share: 6.69%, U Share: 6.69%. 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) Loan durations are based on the actual remaining until respective reference rates are reset for each individual loan.
- (3) Figures exclude any equity investments in the Fund.
- (4) As a percentage of Managed Assets, the Fund's Floating Rate Debt is 94%. The Fund's Cash & Other represents net cash (potentially including cash equivalents such as Treasury Bills) 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.
- (5) "Bonds" may include exposure to floating rate notes and does not as of 12/31/22.
- (6) Assumes payment of the full front-end sales load of 2.5% for the T Share or 3.5% for the T-I Share at initial subscription.
- (7) Source: Moody's Rating System: <https://www.moodys.com/sites/products/ProductAttachments/Moodys%20Rating%20System.pdf>. Rating distributions are subject to change and are not recommendations to buy or sell any security.
- (8) Select broker-dealers may have different appropriateness standards, may not offer all share classes, and/or may offer the Fund at a higher or lower minimum initial investment.
- (9) Since there is no public trading market for our Common Shares, repurchase of shares by the Fund will likely be the only way to dispose of your shares. The Fund is an "interval fund", a type of fund which, in order to provide liquidity to shareholders conducts periodic repurchase offers. The Fund has been granted exemptive relief from the SEC that permits the Fund to make monthly repurchase offers of 7.5% of the Fund's outstanding Common Shares at net asset value. The Fund has adopted a fundamental investment policy to make monthly offers to repurchase no less than 7.5% of its outstanding Common Shares at net asset value, reduced by any applicable repurchase fee. 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 (provided that the Fund may not repurchase more than 2% per three-month period). In the event that the Fund determines not to repurchase more than the repurchase offer amount, or if shareholders tender more than the repurchase offer amount plus 2% of the Fund's outstanding Common Shares (less any other excess amounts repurchased during such 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 shareholders will have to wait until the next repurchase offer to make another repurchase request. As a result, shareholders may be unable to liquidate all or a given percentage of their investment in the Fund during a particular repurchase offer. Some 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 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.
- (10) The Fund has agreed to pay the Adviser a management fee at an annual rate equal to 1.00% of the average daily value of the Fund's net assets. The Adviser voluntarily waived its Management Fee until 6/30/18. Between 7/1/18 and 3/31/19, the Adviser voluntarily waived a portion of its Management Fee and incrementally stepped up the Management Fee towards the full annual rate. Starting 4/1/19, the Adviser has received a Management Fee at an annual rate of 1.00% of the average daily value of the Fund's net assets. The net expense ratio represents the expense ratio applicable to investors. The gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). The net expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. Blackstone Liquid Credit Strategies, LLC has agreed to waive its fees and/or reimburse certain expenses of the Fund to the extent that certain of the Fund's specified expenses would exceed the total expense cap of 0.50% of the Fund's net assets through 1/31/24 (annualized). See the prospectus for estimated interest expenses and additional information regarding fees and estimated operating expenses. The Adjusted Expense Ratio is the same as the Net Expense Ratio but also excludes the estimated interest expense from borrowings incurred directly by the Fund, as outlined in the Prospectus.
- (11) 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. Currently, the Fund has no intention to issue Preferred Shares.
- (12) While neither the Fund nor the Distributor impose an initial sales charge on Class I Shares, Class D Shares, or Class U Shares, if you buy Class I Shares, Class D Shares, or Class U Shares through certain Selling Agents, they may directly charge you transaction or other fees in such amount as they may determine. Please consult your Selling Agent for additional information.
- (13) Payment will be made no later than the seventh calendar day following the Repurchase Request Deadline.

## Important Disclosure Information and Risk Factors

Blackstone Securities Partners L.P. ("BSP") is a broker-dealer whose purpose is to distribute Blackstone managed or affiliated products. BSP provides services to its Blackstone affiliates, not to investors in its funds, strategies or other products. BSP does not make any recommendation regarding, and will not monitor, any investment. As such, when BSP presents an investment strategy or product to an investor, BSP does not collect the information necessary to determine—and BSP does not engage in a determination regarding—whether an investment in the strategy or product is in the best interests of, or is suitable for, the investor. You should exercise your own judgment and/or consult with a professional advisor to determine whether it is advisable for you to invest in any Blackstone strategy or product. Please note that BSP may not provide the kinds of financial services that you might expect from another financial intermediary, such as overseeing any brokerage or similar account. For financial advice relating to an investment in any Blackstone strategy or product, contact your own professional advisor.

**Investment Objective.** 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.

Certain figures herein exclude adjustments in accordance with 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 may differ from the net asset value for financial reporting purposes.

**Morningstar LSTA US Leveraged Loan Index** is an unmanaged index of the institutional leveraged loan market.

**Sharpe Ratio.** Measures risk-adjusted return as a ratio of returns to risk. The Sharpe Ratio (i) is used to express how much return is achieved for the amount of risk taken in an investment and (ii) may be used to compare funds with similar return characteristics. The higher a Sharpe ratio, the less risk is taken per unit return. The Sharpe Ratio formula is the investment return less the risk free return divided by the standard deviation of the investment. The Sharpe Ratio uses the 3-Month Yield US T-Bill as a reference for the risk free rate.

**Volatility.** Volatility is measured by standard deviation, or how far returns stray from the mean. It is a historical measure of the variability of return earned by an investment. The higher the standard deviation, the larger the variance of returns and the greater the financial risk. Low volatility means the returns are tightly clustered around the mean return and higher volatility means the returns are dispersed at greater distances from the mean.

**Repurchase Offers Risk.** An investment in the Fund is suitable only for long-term investors who can bear the risks associated with the limited liquidity of the Common Shares. The Fund is an interval fund, which conducts periodic repurchase offers to provide liquidity to shareholders. The Fund will offer to repurchase 7.5% of outstanding Common Shares at net asset value monthly. The Fund will provide notification of each repurchase offer at least 7 calendar days before the repurchase request deadline. The Fund may impose a repurchase fee of up to 2% on Common Shares that are accepted for repurchase by the Fund and have been held by an investor for less than one year. The Fund believes that these repurchase offers are generally beneficial to the Fund's shareholders, and repurchases generally will be funded from available cash, cash from the sale of 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 untimely sales of portfolio securities (with associated imputed transaction costs, which may be significant), and may limit the ability of the Fund to participate in new investment opportunities or to achieve its investment objective. The Fund may accumulate cash by holding back (i.e., not reinvesting) payments received in connection with the Fund's investments and cash from the sale of 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. In addition, if the Fund borrows to finance repurchases, interest on that borrowing will negatively affect Common Shareholders 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 (provided that the Fund may not repurchase more than 2% per three-month period). In the event that the Fund determines not to repurchase more than the repurchase offer amount, or if shareholders tender more than the repurchase offer amount plus 2% of the Fund's outstanding Common Shares (less any other excess amounts repurchased during such 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 shareholders will have to wait until the next repurchase offer to make another repurchase request. As a result, shareholders may be unable to liquidate all or a given percentage of their investment in the Fund during a particular repurchase offer. Some 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 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.

**Investment Strategies.** Under normal market conditions, the Fund will invest at least 80% of its Managed Assets in floating rate loans, notes, or bonds. 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 collateralized loan obligations ("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 and (iv) fixed rate instruments (including, without limitation, high-yield corporate debt securities, or bonds, or US government debt securities). 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 US dollar and non-US 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 Blackstone Liquid Credit Strategies, LLC (the "Adviser") will seek to enhance the Fund's return by the use of leverage.

**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 shareholders to reinvest dividends. The Fund may also use leverage, which would magnify the Fund's investment, market and certain other risks.

**Loans Risk.** Under normal market conditions, the Fund will invest primarily in Loans. The Loans that the Fund may 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, 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. 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, which 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.

**Leverage Risk.** Under current market conditions, the Fund generally intends to utilize leverage in an amount up to 33 1/3% of the Fund's total assets principally through 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 net asset value 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 incursion 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 net asset value 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 net asset value to Common Shareholders than if the Fund were not leveraged.

The Fund may also be subject to the following categories of risk: Derivatives Risk, Segregation and Coverage Risk, Counterparty Risk, Derivatives Legislation and Regulatory Risk, Commodities Regulation, Potential Conflicts of Interest Risk, Limitations on Transactions with Affiliates Risk, Dependence on Key Personnel Risk, Prepayment Risk, Inflation / Deflation Risk, Non-US Instruments Risk, Foreign Currency Risk, UK Exit from the European Union, Repurchase Agreements Risk, Reverse Repurchase Agreements Risk, Investments in Equity Securities or Warrants Incidental to Investments in Floating Rate Instrument, Possible US Federal Income Tax Reform, Cyber-Security Risk and Identity Theft Risks, Portfolio Turnover Risk, Non-Diversification Risk, Large Shareholder Risk, Force Majeure Risk, Epidemic and Pandemic Risk, COVID-19 Risk, Market Disruption and Geopolitical Risk, and Anti-Takeover Provisions.

There can be no assurance that the Fund will achieve its investment objectives. Please see the Prospectus of the Fund for a full description of the risk factors listed above. Capitalized terms used, but not defined herein shall have the meanings assigned to them in the Prospectus.

**Russian Invasion of Ukraine.** On February 24, 2022, Russian troops began a full-scale invasion of Ukraine and, as of the date of this Material, the countries remain in active armed conflict. Around the same time, the United States, the United Kingdom, the European Union, and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russia-backed separatist regions in Ukraine, and certain banks, companies, government officials, and other individuals in Russia and Belarus. 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 could adversely affect the performance of the Fund's investments. The severity and duration of the conflict and its impact on global economic and market conditions are impossible to predict, and as a result, could present material uncertainty and risk with respect to the Fund and the performance of its investments and operations, and the ability of the Fund to achieve its investment objectives. Similar risks will exist to the extent that any portfolio entities, service providers, vendors or certain other parties have material operations or assets in Russia, Ukraine, Belarus, or the immediate surrounding areas.