

**OAKTREE ASSET-BACKED INCOME FUND INC.**

**Statement of Additional Information  
April 30, 2026**

Oaktree Asset-Backed Income Fund Inc. (the “Fund”) is a non-diversified, closed-end management investment company that continuously offers its shares of common stock, \$0.001 par value per share (the “Shares”), and is operated as an “interval fund.” The Fund offers three classes of Shares: Class A Shares, Class I Shares, and Class U Shares. The Securities and Exchange Commission (the “SEC”) has granted exemptive relief (the “Multi-Class Exemptive Relief”) permitting the Fund to issue multiple classes of Shares and to impose asset-based distribution fees and early-withdrawal fees. In the future, the Fund may offer additional classes of Shares.

This Statement of Additional Information (“SAI”) relating to the Shares is not a prospectus, and should be read in conjunction with the Fund’s current prospectus dated April 30, 2026, as amended or supplemented from time to time (the “Prospectus”). This SAI does not include all information that a prospective investor should consider before purchasing Shares, and investors should obtain and read the Prospectus prior to purchasing Shares.

Oaktree Fund Advisors, LLC (the “Adviser”) is the investment adviser to the Fund.

A copy of the Prospectus may be obtained free of charge by calling (212) 417-7049, by writing to the Fund at Brookfield Place, 225 Liberty Street, 35<sup>th</sup> Floor, New York, New York 10281, or by visiting the Fund’s website at <https://privatewealth.brookfield.com/>.

This SAI is not an offer to sell the Shares of the Fund, and is not soliciting an offer to buy Shares in any state where the offer or sale is not permitted.

Capitalized terms used but not defined in this SAI have the meanings ascribed to them in the Prospectus.

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## **THE FUND**

The Fund is a non-diversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act” or the “Investment Company Act”). The Fund continuously offers its Shares and is operated as an “interval fund.” The Fund offers three classes of Shares: Class A Shares, Class I Shares, and Class U Shares. In the future, the Fund may offer additional classes of Shares. An investment in the Fund may not be appropriate for all investors. The Fund was organized as a Maryland corporation on December 16, 2024, pursuant to articles of incorporation. The Fund’s fiscal year ends on December 31. The Fund’s principal office is located at 225 Liberty Street, 35<sup>th</sup> Floor, New York, New York 10281.

## INVESTMENT OBJECTIVE AND POLICIES

### Investment Objective

The Fund's investment objective is to seek to provide current income and, to a lesser extent, capital appreciation. The Fund's investment objective is non-fundamental and may be changed by a vote of the Fund's Board of Directors (the "Board"), without shareholder approval. There can be no assurance that the Fund will achieve its investment objective.

### Investment Strategies

Under normal market conditions, the Fund attempts to achieve its investment objective by investing, as a principal strategy, at least 80% of its net assets (plus the amount of any borrowings for investment purposes) in ABF Investments (as defined below), throughout the world, including the United States, or "U.S." (the "80% Policy"). More specifically, the Fund seeks to achieve its investment objective by investing primarily in a diverse portfolio of asset-backed finance ("ABF") investments across a broad range of industries focused on pools of contractual assets, including, but not limited to, loans, leases, mortgages, or other receivables (collectively, "ABF Investments"). The Fund's ABF Investments may also include certain asset-backed instruments, including, but not limited to, notes, bills, debentures, bank loans, and convertible and preferred securities (excluding convertible and preferred securities issued by an operating company or a holding company of an operating company). In addition, the Fund may invest in junior and equity tranches of ABF Investments. In seeking to achieve its investment objective, the Fund may, among other things, make ABF Investments in the following formats: (i) purchasing on an unlevered basis loans or other contractual assets; (ii) purchasing on a levered basis loans or other contractual assets; (iii) senior lending against a pool of contractual assets; (iv) mezzanine lending opportunities against pools of contractual assets; (v) insuring or providing capital relief against contractual assets; and (vi) providing essential capital to origination platforms or "Originators" (as defined below). The Fund may change the 80% Policy without Shareholder approval upon at least 60 days' prior written notice to Shareholders.

In addition, the Fund may invest up to 20% of its net assets (plus the amount of any borrowings for investment purposes) in investments other than ABF Investments as described in the Prospectus (together with the ABF Investments, the "Investments," and each, an "Investment"), including cash or cash equivalents, common stock and preferred stock (including convertible preferred stock) issued by an operating company or a holding company of an operating company, liquid structured credit securities (which may include, for example, residential mortgage-backed securities (RMBS), commercial mortgage-backed securities (CMBS), asset-backed securities (ABS), and collateralized loan obligations (CLOs) (each, as defined below)), and liquid fixed-income securities, such as publicly-traded corporate bonds, consistent with prudent liquidity management.

The Fund may invest in securities and other obligations of any credit quality, duration or maturity. However, it is expected that the Fund normally will have a short average portfolio duration (*i.e.*, within a 1½ to 3-year range), as calculated by the Adviser, although it may be shorter or longer at any time or from time to time depending on market conditions and other factors. The Fund will not invest more than 15% of its assets in entities that rely on Sections 3(c)(1) or 3(c)(7) of the 1940 Act, other than CLOs and other asset-backed issuers. For temporary defensive purposes, liquidity management or in connection with implementing changes in its asset allocation, the Fund may hold a substantially higher amount of liquid investments, including cash and cash equivalents.

The Fund considers the market for ABF Investments to feature the following three main segments:

- **Investment Grade:** The investment grade segment of the ABF market (the "Investment Grade Segment") includes senior financing investments with relatively lower risk, which are typically participated in by insurers and banks. ABF Investments in the Investment Grade Segment often rely on explicit or internal ratings for such insurer or bank participation at BBB- or a higher, equivalent rating.
- **Core:** The core segment of the ABF market (the "Core Segment") represents the space between the Investment Grade Segment and the Opportunistic Segment (as defined below). ABF Investments included in the Core Segment may not be suitable for a rating for various non-risk-based reasons such as the variable funding profile of the investment or other structural features of the investment. The credit quality of such investments may sometimes, but not always, be below investment grade. ABF Investments in

the Core Segment are typically focused on income returns derived from contractual asset cashflows. It is anticipated that the Fund's ABF Investments in the Core Segment have the potential to deliver yields consistent with, or slightly higher than, first lien, sponsor-backed direct loans.

- **Opportunistic:** ABF Investments in the opportunistic segment of the ABF market (the "Opportunistic Segment") typically have a higher risk profile and the potential to earn higher net returns, which may include providing "essential capital" to Originators in the form of equity capital, preferred equity or other junior debt or stock participation for potential long-term capital appreciation and total return.

The Fund will invest primarily in the Core Segment, and supplement that sleeve with a limited number of more opportunistic investments targeting higher net returns, with less return derived from contractual asset cashflows. A portion of the ABF Investments in the Core Segment may, and all of the ABF Investments in the Opportunistic Segment will, consist of instruments that are rated below investment grade by rating agencies (commonly known as "high-yield" or "junk" instruments) (e.g., rated lower than BBB by S&P Global Ratings ("S&P") or lower than Baa by Moody's Ratings ("Moody's")), or are unrated but are determined by the Adviser to be of equivalent credit quality. Consistent with the investment philosophy of the Adviser (as defined below), the Fund will prioritize risk control and downside protection by evaluating credit fundamentals such as contractual asset diversity and credit quality, monitoring appropriate credit metrics such as delinquency and prepayment rates, and pursuing effective structural protections. Structural protections may include, for example, holding assets in bankruptcy remote special purpose vehicles, loss coverage and overcollateralization, events of default and rapid amortization triggers and the ability to remove and replace asset servicers. Such protections are deemed effective when they provide downside protection sufficient to preserve underwritten returns and modeled relative value of the investment. Subject to certain limitations set forth in the Prospectus and under applicable law, the Fund intends, from time to time, to borrow at the Fund level or at a subsidiary of the Fund on a secured or unsecured basis. It is expected that this indebtedness, if incurred, will be secured primarily by the assets of the Fund. In addition, the Adviser intends to evaluate whether it is prudent and appropriate to incur this leverage and there can be no assurance that leverage will be incurred given that various factors may cause the Adviser, in its discretion, to elect not to incur such leverage.

The Fund intends to focus on opportunities with return profiles in line with traditional private credit (*i.e.*, the origination of a bilateral loan without a traditional bank intermediary connecting the borrower directly to the private lender), but with diversification and structural benefits provided by the Adviser's ABF strategy. In seeking to achieve its investment objective, the Fund's 80% Policy is focused on acquiring and managing a diverse portfolio of ABF Investments, with a primary focus on leveraging the predictable cash flows generated by various types of assets, such as loans, leases, mortgages, receivables, and licensing agreements. The Fund employs a multi-faceted approach that involves the direct acquisition of portfolios of assets from banks, credit unions, specialty finance companies, and other specialty lenders or financial institutions ("Originators"). The Fund may acquire these assets unlevered, holding them directly to benefit from the ongoing cash flows without introducing debt. The Fund may also acquire a portfolio of assets from an Originator and subsequently apply secured asset-backed financing, thereby leveraging these assets to enhance returns while maintaining the security and stability provided by the underlying asset base.

ABF Investments are typically secured by a segregated portfolio of contractual assets usually held in a bankruptcy remote special purpose vehicle, creating an additional avenue for generating returns while minimizing risk. In some cases, the Fund may also take equity interests or warrants in the Originators, particularly when entering into agreements to acquire assets or provide financing. These equity stakes allow the Fund to participate in the upside potential of the Originators' businesses while further aligning its interests with those of the asset Originators. The combination of different formats of ABF Investments described above positions the Fund to capitalize on the growing market for asset-backed financing across diverse sectors, including consumer, corporate, real estate, infrastructure, and transportation lending. The Adviser's approach is flexible, enabling the Adviser to be innovative across market cycles by utilizing the most beneficial investment structures under the prevailing market conditions, in view of the particular circumstances of each transaction.

The SEC has granted exemptive relief that permits the Fund to, among other things, co-invest with certain other persons, including certain affiliates of the Adviser and certain public or private funds managed by the Adviser and its affiliates, subject to certain terms and conditions (the "Co-Investment Exemptive Relief").

**Investments in Special Purpose Entities.** The Fund may elect to form special purpose entities for the purpose of purchasing or originating contractual assets, such as loans, leases, receivables or mortgages, including in connection with sales under section 363 of the U.S. Bankruptcy Code ("Special Purpose Entities" or "SPEs"). The Special Purpose

Entities may purchase physical assets or other property, if the purchased contractual assets reference or enjoy a lien on such property. The Fund may lend to, purchase equity in, or purchase debt issued by such SPEs. The Fund may form such entities independently or in cooperation with others through joint ventures or other structures. The Fund's ability to establish and control the management of any SPE will depend upon the entity's ownership structure. The Fund will treat the assets of wholly-owned and controlled special purpose entities as assets of the Fund for purposes of determining compliance with various provisions of the 1940 Act applicable to the Fund, including those relating to investment policies (Section 8), affiliated transactions and custody (Section 17) and capital structure and leverage (Section 18). In addition, the Adviser and the Board will comply with the provisions of Section 15 of the 1940 Act with respect to a subsidiary's investment advisory contract, as applicable.

**Direct Lending.** The Fund may make loans directly to non-U.S. and U.S. borrowers, including negotiating and structuring covenant packages, and may receive commitment or other types of fees in connection therewith. These loans may be long-term or short-term, secured or unsecured, and may or may not have an equity component attached.

**Equities.** The Fund may purchase privately placed equity securities, including common stock and preferred stock (including convertible preferred stock), as well as warrants with respect to such equity securities. Such securities may be purchased directly from the issuer or on the secondary market and may be obtained in connection with debt securities or obligations or on their own. The Fund's investments in common and preferred stock in issuers that are operating companies or holding companies of operating companies, together with certain other non-equity securities that are not ABF Investments, will not exceed 20% of the Fund's net assets (plus the amount of any borrowings for investment purposes) (as described in the "Investment Strategies" section above).

**Follow-on Investments/Build-ups.** The Fund may employ a strategy of making several mutually reinforcing investments intended to result in a more successful entity. Such a strategy could begin with an investment in a platform company with subsequent complementary transactions or through the simultaneous closing of multiple transactions.

**Securities or Other Obligations of Non-North American Entities.** The Fund may invest in securities or obligations of companies that are either headquartered in jurisdictions other than, or have substantially all of their assets or business operations outside of, the United States and Canada (collectively, "Non-North American Entities"), including emerging markets companies and investments in Contractual Assets that may be originated in North America or Western Europe, but with contractual counterparties that are Non-North American Entities. Some or all of these securities or obligations may be denominated in currencies other than U.S. dollars. Investments in Non-North American Entities may be subject to risks different from those affecting U.S. investments. When a transaction is denominated in a currency other than U.S. dollars and the transaction structure or timing exposes the Fund to currency fluctuation risk, the Fund may hedge all or part of that risk.

**Derivatives, Swaps and Credit-Linked Securities.** The Fund may enter into long and short positions in all types of derivative transactions and credit-linked securities, including total return swaps, rate of return swaps, credit default swaps (including index-related credit default swaps), interest rate swaps, credit-linked notes and deposits, and significant risk transfers. Credit-linked securities, including credit default swaps, are bilateral over-the-counter agreements between two parties that transfer a defined credit risk from one party to another.

The Adviser may seek to invest some of the assets of the Fund by entering into one or more total return swaps, the returns from which are based on the performance of a portfolio of such assets selected by the Adviser (the "Reference Assets"). The Fund may invest in the Reference Assets through total return swaps on a leveraged basis. The terms of individual total return swaps will differ by total return swap counterparty and may change from time to time. The Fund will be required to post initial collateral in respect of each Reference Asset. Depending on the terms of a particular swap, the Fund may also be permitted or required to add (or subtract) collateral from time to time based on changes in the market value of the Reference Asset. In certain circumstances, including if the Fund does not have sufficient assets or is unable to provide the requisite amount of collateral, the total return swap counterparty may terminate the total return swap in whole or in part.

**Debt Securities and Obligations.** The Fund may invest in all types of publicly traded or privately placed debt securities and other obligations such as bank loans and participations, equipment trust certificates, mortgages, mezzanine debt or deeds of trust on real property and trade credit. The debt obligations purchased may consist of various types of debt instruments, including those bearing fixed, contingent or varying rates of interest, those bearing no interest at all, those on which interest has ceased to accrue (e.g., debt obligations of a company that has entered into bankruptcy proceedings), convertible securities, municipal securities and "high-yield" instruments (which are

rated below investment grade by rating agencies or which are unrated). Debt instruments purchased may be senior or subordinated to other interests and may include secured and unsecured debt obligations, as well as hybrid debt instruments involving warrants or with other rights attached.

**Foreign Currency Transactions.** The Fund may purchase and sell a foreign currency in connection with the settlement of transactions in securities denominated in such foreign currency. The Fund's foreign currency exchange transactions generally will be conducted on a spot basis (*i.e.*, cash basis) at the spot rate for purchasing or selling the currency prevailing in the foreign currency exchange market. The Fund will not purchase and sell foreign currencies as a standalone investment. The Fund also may enter into contracts with banks or other foreign currency brokers or dealers to purchase or sell or have the option to purchase or sell foreign currencies at a future date ("Forward Contracts"), purchase and sell derivative contracts on foreign currencies and purchase and sell foreign currency Forward Contracts, in addition to other foreign currency hedging instruments, to (a) hedge against the impact of changes in foreign currency exchange rates on investments denominated in foreign currencies, (b) invest in the foreign currency of jurisdictions where the Adviser expects that currency controls may be lifted either at a future date or over a period of time or (c) obtain foreign currency for future investment opportunities in local market debt (domestic currency bonds or corporate debt) or local equities, whether or not specific opportunities have been identified at the time the currency is acquired. A foreign currency Forward Contract is a negotiated agreement between the contracting parties to exchange specified amounts of currencies at a specified future time at a specified rate. The rate can be higher or lower than the spot rate between the currencies that are the subject of the contract.

**ABS.** The Fund may invest in asset-backed securities ("ABS"), which are securitizations typically issued in senior and subordinated classes and with various forms of credit enhancements. ABS may be backed by credit card receivables, automobile loans, student loans, peer-to-peer loans, equipment leases, commercial aircraft leases, franchise agreements or other loans or financial assets.

**CLOs.** The Fund may invest in CLOs through various means, including in primary or secondary market transactions from private originators and investors (including bankers, commercial banks, finance companies, investment banks and pooled investment vehicles such as hedge funds and private equity funds) and in restructuring or workout transactions. The Fund may acquire and hold such investments over a range of investment horizons, including buying and holding for a longer term and buying and restructuring in transactions with a shorter turnaround.

**Real Estate Debt Investments.** The Fund may invest in mortgages and all types of publicly-traded or privately-placed debt securities and other obligations such as term loans, bank loans and participations, equipment trust certificates or deeds of trust on real property, trade credit, CMBS and other real estate-related debt obligations. Such debt obligations may consist of various types of debt instruments, including those bearing fixed, contingent or varying rates of interest, those bearing pay-in-kind interest, those bearing no interest at all, those on which interest has ceased to accrue (*e.g.*, debt obligations of a company that has entered into bankruptcy proceedings), convertible securities, municipal securities, "high yield" instruments (which are rated below investment grade by rating agencies or which are unrated) and "distressed" instruments (obligations of entities that are undergoing distress or likely to be reorganized). Debt instruments purchased may include senior debt instruments such as first mortgages or A-participations, subordinated debt instruments such as B-notes, B-participations, second mortgages and mezzanine debt, term loans, rake bonds, privately-placed or publicly-traded CMBS and residential mortgage-backed securities (including those rated above or below investment grade by rating agencies or which are unrated), other secured and unsecured debt obligations backed by real estate (including tax liens on real estate), as well as hybrid debt instruments involving warrants or profits interests or with other rights attached. Loans in which the Fund invests may be fully funded at the time of investment or may be subject, in whole or in part, to future or conditional funding obligations. Debt instruments may be issued by an operating company or at a holding company level.

**CMBS.** The Fund may invest in pools or tranches of CMBS, as well as CMBS relating to a single or a handful of issuers. While the Fund expects to invest primarily in junior tranches of "newer issue" or secondary CMBS, it may from time to time invest in senior tranches of CMBS, subject to the Investment Allocation Considerations set forth below.

**RMBS.** The Fund may invest in tranches of residential mortgage-backed securities ("RMBS"). The collateral underlying RMBS generally consists of residential mortgage loans secured by one- to four-family residential properties. The loans underlying any RMBS investment may be of varied terms, and may be traditional, "self-amortizing" mortgages or "non-traditional" mortgages, such as adjustable rate mortgages (*i.e.*, mortgages that offer relatively low monthly payments during the initial years of the loan that increase (often significantly) in later years) or mortgages

that require large “balloon” payments at specified times. The Fund’s RMBS investments will not be restricted as to the payment structure or credit risk of such loans or the particular underwriting standards (if any) pursuant to which such loans were extended. Receivables for RMBS may include loans with any combination of principal and interest payment structures, loans underwritten pursuant to any or no underwriting standards, loans of any size and loans of any lien position.

**Real Estate Investment Trusts.** The Fund may invest in real estate investment trusts (“REITs”). REITs are companies that invest primarily in income-producing real estate or real estate-related loans or interests. REITs are generally classified as equity REITs, mortgage REITs or a combination of equity and mortgage REITs. Equity REITs invest the majority of their assets directly in real property and derive income primarily from the collection of rents. Equity REITs can also realize capital gains by selling properties that have appreciated in value. Mortgage REITs invest the majority of their assets in real estate mortgages and derive income from the collection of interest payments. REITs are not taxed on income distributed to shareholders provided they comply with the applicable requirements of the Internal Revenue Code of 1986, as amended. The Fund will indirectly bear its proportionate share of any management and other expenses paid by REITs in which it invests. Debt securities issued by REITs are, for the most part, general and unsecured obligations and are subject to risks associated with REITs.

Investing in REITs involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. An equity REIT may be affected by changes in the value of the underlying properties owned by the REIT. A mortgage REIT may be affected by changes in interest rates and the ability of the issuers of its portfolio mortgages to repay their obligations.

REITs are dependent upon the skills of their managers and are generally not diversified. REITs are generally dependent upon maintaining cash flows to repay borrowings, to cover operating costs, and to make distributions to shareholders, and are subject to the risk of default by lessees or borrowers. REITs whose underlying assets are concentrated in properties used by a particular industry, such as health care, are also subject to risks associated with such industry.

REITs (especially mortgage REITs) are also subject to interest rate risk. When interest rates decline, the value of a REIT’s investment in fixed-rate obligations can be expected to rise. Conversely, when interest rates rise, the value of a REIT’s investment in fixed-rate obligations can be expected to decline. If a REIT invests in adjustable-rate mortgage loans the interest rates on which are reset periodically, yields on the REIT’s investments in such loans will gradually align themselves to reflect changes in market interest rates. This causes the value of such investments to fluctuate less dramatically in response to interest rate fluctuations than would investments in fixed-rate obligations.

**Money Market Investments.** Pending the distribution of cash receipts to the partners or the purchase of other permitted investments, or to provide the reserves described below, the Fund may invest temporarily in one or more unaffiliated money market mutual funds or directly in certificates of deposit, commercial paper, interest-bearing government securities, repurchase and/or reverse repurchase contracts and other short-term instruments. The Fund may also make such investments to reduce volatility at times when risk is considered high and market conditions become so volatile that effective hedging becomes difficult or cost-inefficient.

**Reserves, Cash and Cash Equivalents.** The Fund may hold in reserve such cash and cash equivalents and other liquid investments as Oaktree considers appropriate to provide for the anticipated obligations of the Fund, including the payment of expenses and other liquidity needs (including to take advantage of investment opportunities), the repayment of indebtedness, expected or anticipated follow-on investments and the exercise of options and warrants and obligations with respect to short sales. The Fund may also hold cash in reserve in order to maintain liquidity to take advantage of investment opportunities, to satisfy obligations under and in connection with derivatives transactions (including without limitation hedges) and/or repurchase and/or reverse repurchase transactions and payment of other expenses of the Fund.

**Other Investment Techniques and Instruments.** The Fund may employ other investment techniques and invest in other instruments that the Adviser believes will help achieve the Fund’s investment objective, whether or not such investment techniques or instruments are specifically described herein. In addition, if the Adviser believes that suitable investment opportunities present themselves to transact on attractive terms, the Fund may also consider the acquisition of entire portfolios (or portions of portfolios) of securities of the types described herein or other types of securities which are consistent with the Fund’s investment objectives. Consistent with its investment objective, the Fund may invest in financial instruments of any and all types, which exist now or are hereafter created.

Consistent with its investment objective, the Fund may invest in financial instruments of any and all types, which exist now or are hereafter created.

**Leverage and Borrowing.** The Fund may use leverage to seek to achieve its investment objective or for liquidity (*i.e.*, to finance the repurchase of Shares and/or bridge the financing of investments). The Fund may incur leverage through the issuance of debt securities or preferred stock and borrowing under a credit facility, and may also incur leverage through investment techniques such as reverse repurchase agreements, writing credit default swaps, or futures, subject to applicable limitations under the 1940 Act. Any such leverage does not include leverage embedded or inherent in the Fund's portfolio companies. Accordingly, there is a layering of leverage in the Fund's overall structure.

Leverage creates risks which may adversely affect the return for Shareholders, including:

- the likelihood of greater volatility of NAV and market price of and distributions in the Shares;
- fluctuations in the dividend rates on any preferred stock or in interest rates on borrowings and short-term debt;
- increased operating costs, which are effectively borne by the holders of the Fund's common stock ("Shareholders"), may reduce the Fund's total return;
- the potential for a decline in the value of an investment acquired with borrowed funds, while the Fund's obligations under such borrowing or preferred stock remain fixed; and
- in certain circumstances, the Fund may be required to dispose of investments at a loss or otherwise on unattractive terms in order to service its debt obligations or meet its debt covenants.

In addition, the rights of lenders and the holders of preferred stock and debt securities issued by the Fund will be senior to the rights of Shareholders with respect to the payment of dividends or to the distribution of assets upon liquidation. Holders of preferred stock have voting rights in addition to and separate from the voting rights of Shareholders. The holders of preferred stock, on the one hand, and the holders of the Shares, on the other hand, may have interests that conflict in certain situations.

Under the 1940 Act, the Fund is not permitted to issue preferred shares unless immediately after such issuance the Fund's asset coverage is at least 200% of the liquidation value of the outstanding preferred shares (*i.e.*, such liquidation value may not exceed 50% of the Fund's assets less all liabilities other than borrowings and outstanding preferred shares). In addition, the Fund is not permitted to declare any cash dividend or other distribution on its Shares unless, at the time of such declaration, the value of the Fund's assets less liabilities other than borrowings and outstanding preferred shares satisfies the above-referenced 200% coverage requirement. If the Fund uses a combination of borrowing (including notes and other securities representing indebtedness) and issuing preferred shares, the minimum asset coverage required would be between 300% and 200% depending on the relative amounts of borrowings and preferred shares.

Leverage is a speculative technique that could adversely affect the returns to Shareholders. Leverage can cause the Fund to lose money and can magnify the effect of any losses. To the extent the income or capital appreciation derived from securities purchased with funds received from leverage exceeds the cost of leverage, the Fund's return will be greater than if leverage had not been used. Conversely, if the income or capital appreciation from the securities purchased with such funds is not sufficient to cover the cost of leverage or if the Fund incurs capital losses, the return of the Fund will be less than if leverage had not been used, and therefore the amount available for distribution to Shareholders as dividends and other distributions will be reduced or potentially eliminated (or, in the case of distributions, will consist of return of capital).

The Fund will pay (and the Shareholders will bear) all costs and expenses relating to the Fund's use of leverage, which will result in the reduction of the NAV of the Shares. The Fund's leverage strategy may not work as planned or achieve its goals.

Certain types of borrowings may result in the Fund being subject to covenants in credit agreements, including those relating to asset coverage, borrowing base and portfolio composition requirements and additional covenants that may affect the Fund's ability to pay dividends and distributions on Shares in certain instances. The Fund may also be required to pledge its assets to the lenders in connection with certain types of borrowings. The Fund may be subject to certain restrictions on investments imposed by guidelines of one or more rating agencies which may issue ratings for any preferred shares or short-term debt instruments issued by the Fund. These guidelines may impose asset coverage or portfolio composition requirements that are more stringent than those imposed by the 1940 Act.

## ADDITIONAL PRINCIPAL RISK DISCLOSURE AND NON-PRINCIPAL RISK FACTORS

**Tax Consequences.** The Fund's investments in certain securities and transactions described above will potentially be limited by its intention to qualify and be eligible for treatment as a regulated investment company. In addition, the Fund's utilization of certain investment instruments may alter the amount, timing and character of the Fund's income, and, in turn, of the Fund's distributions to its Shareholders, relative to other means of achieving similar investment exposure. In certain circumstances, the Fund may be required to sell assets in order to meet regulated investment company distribution requirements even when investment considerations make such sales otherwise undesirable. For more information concerning these requirements and the taxation of the Fund's investments, see "Taxation" below.

**Illiquid Securities and Rule 144A Securities.** The Fund may invest its net assets in securities as to which a liquid trading market does not exist, provided such investments are consistent with the Fund's investment objective. Such securities may include securities that are not readily marketable, such as certain securities that are subject to legal or contractual restrictions on resale, repurchase agreements providing for settlement in more than seven days after notice, and certain privately negotiated, non-exchange traded options and securities used to cover such options. As to these securities, the Fund is subject to a risk that should the Fund desire to sell them when a ready buyer is not available at a price the Fund deems representative of their value, the value of the Fund's net assets could be adversely affected. Illiquid securities do not include securities eligible for resale pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), or other restricted securities, which have been determined to be liquid in accordance with procedures established by the Board.

Securities that have not been registered under the Securities Act are referred to as private placements or restricted securities and are purchased directly from the issuer or in the secondary market. Restricted or illiquid securities have the potential for delays on resale and uncertainty in valuation. Limitations on resale may have an adverse effect on the marketability of portfolio securities and the Fund might be unable to dispose of restricted or illiquid securities promptly or at reasonable prices and might thereby experience difficulty satisfying redemptions within seven days. The Fund might also have to register such restricted securities in order to dispose of them resulting in additional expense and delay. Adverse market conditions could impede such a public offering of securities.

A large institutional market has developed for certain securities that are not registered under the Securities Act, including repurchase agreements, commercial paper, foreign securities, municipal securities, and corporate bonds and notes. Institutional investors depend on an efficient institutional market in which the unregistered security can be readily resold or on an issuer's ability to honor a demand for repayment. As a result, the fact that there are contractual or legal restrictions on resale to the general public or to certain institutions may not be indicative of the liquidity of such investments.

Rule 144A under the Securities Act allows a broader institutional trading market for securities otherwise subject to restriction on resale to the general public. Rule 144A establishes a "safe harbor" from the registration requirements of the Securities Act applicable to resales of certain securities to qualified institutional buyers. It is the intent of the Fund to invest, pursuant to procedures established by the Board and subject to applicable investment restrictions, in securities eligible for resale under Rule 144A which are determined to be liquid based upon the trading markets for the securities.

The Adviser will monitor the liquidity of restricted securities eligible for resale under Rule 144A in the Fund's portfolio under the supervision of the Directors. In reaching liquidity decisions, the Adviser will consider, inter alia, the following factors: (1) the frequency of trades and quotes for the security over the course of six months or as determined in the discretion of the Adviser; (2) the number of dealers wishing to purchase or sell the security and the number of other potential purchasers over the course of six months or as determined in the discretion of the Adviser; (3) dealer undertakings to make a market in the security; (4) the nature of the security and the nature of how the marketplace trades (*e.g.*, the time needed to dispose of the security, the method of soliciting offers, and the mechanics of the transfer); and (5) other factors, if any, which the Adviser deems relevant.

**Convertible Securities Risk.** Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or a different issuer within a particular period of time at a specified price or formula.

A convertible security generally entitles its holder to receive interest or a dividend until the convertible security matures or is redeemed or converted. Convertible securities generally: (i) have higher yields than the dividends on the underlying common stocks, but lower yields than non-convertible securities of a comparable duration; (ii) are less volatile in price than the underlying common stock due to their fixed-income characteristics; (iii) have a significant option component to their value which is directly impacted by the prevailing market volatility and interest rates; and (iv) provide the potential for capital appreciation if the market price of the underlying common stock increases. In the absence of adequate anti-dilutive provisions in a convertible security, dilution in the value of the Fund's holding may occur in the event the underlying stock is subdivided, additional equity securities are issued for below market value, a stock dividend is declared or the issuer enters into another type of corporate transaction that has a similar effect.

The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion feature) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates (with investment value declining as interest rates increase) as well as market volatility (with the conversion value increasing as market volatility increases). The credit standing of the issuer and other factors may also have an effect on investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent that the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases (as with an option) as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the issuer. If a convertible security held by the Fund is called for redemption, the Fund will be required either to permit the issuer to redeem the security or convert it into the underlying common stock. Either of these actions could have an adverse effect on the value of the position.

**Contingent Convertible Securities.** Contingent convertible securities ("CoCos") are a form of hybrid debt security issued primarily by non-U.S. issuers, which have loss absorption mechanisms built into their terms. CoCos have no stated maturity, have fully discretionary coupons and are typically issued in the form of subordinated debt instruments. CoCos generally either convert into common stock of the issuer or have their principal written down upon the occurrence of certain triggering events ("triggers") linked to regulatory capital thresholds or regulatory actions calling into question the issuing banking institution's continued viability as a going-concern. In certain scenarios, investors in CoCos may suffer a loss of capital ahead of equity holders or when equity holders do not. There is no guarantee that the Fund will receive a return of principal on CoCos. Any indication that an automatic write-down or conversion event may occur can be expected to have an adverse effect on the market price of CoCos. CoCos are often rated below investment grade and are subject to the risks of high yield securities. Because CoCos are issued primarily by financial institutions, CoCos may present substantially increased risks at times of financial turmoil, which could affect financial institutions more than companies in other sectors and industries. Further, the value of an investment in CoCos is unpredictable and will be influenced by many factors and risks, including interest rate risk, credit risk, market risk and liquidity risk. An investment by the Fund in CoCos may result in losses to the Fund.

**Operational Risk.** The Fund is subject to operational risk, including the possibility that errors may be made by the Adviser, the Fund's service providers (including third-party fund administrators) or any of their respective affiliates in certain transactions, calculations or valuations on behalf of, or otherwise relating to, the Fund. Shareholders may not be notified of the occurrence of an error or the resolution of any error. Generally, the Adviser, the Fund's service providers and any of their respective affiliates will not be held accountable for such errors, and the Fund may bear losses resulting from such errors.

**Special Risks Related to Cyber Security.** As the use of technology has become more prevalent in the course of business, the Fund has become potentially more susceptible to operational and informational security risks resulting from breaches in cyber security. A breach in cyber security refers to both intentional and unintentional cyber events that may, among other things, cause the Fund to lose proprietary information, suffer data corruption and/or destruction, lose operational capacity, result in the unauthorized release or other misuse of confidential information, or otherwise disrupt normal business operations. Cyber security breaches may involve unauthorized access to the Fund's digital information systems (e.g., through "hacking" or malicious software coding), but may also result from

outside attacks such as denial-of-service attacks (*i.e.*, efforts to make network services unavailable to intended users). In addition, cyber security breaches involving the Fund's third-party service providers (including but not limited to advisers, administrators, transfer agents, custodians, distributors and other third parties), trading counterparties or issuers in which the Fund invests can also subject the Fund to many of the same risks associated with direct cyber security breaches. Moreover, cyber security breaches involving trading counterparties or issuers in which the Fund invests could adversely impact such counterparties or issuers and cause the Fund's investment to lose value. Cyber security failures or breaches may result in financial losses to the Fund and its Shareholders. These failures or breaches may also result in disruptions to business operations, potentially resulting in financial losses; interference with the Fund's ability to calculate its NAV, process shareholder transactions or otherwise transact business with Shareholders; impediments to trading; violations of applicable privacy and other laws; regulatory fines; penalties; reputational damage; reimbursement or other compensation costs; additional compliance costs and cyber security risk management costs; and other adverse consequences. In addition, substantial costs may be incurred in an attempt to prevent any cyber incidents in the future.

Like with operational risk in general, the Fund has established risk management systems and business continuity plans designed to reduce the risks associated with cyber security. However, there are inherent limitations in these plans and systems, including that certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because the Fund does not directly control the cyber security systems of issuers in which the Fund may invest, trading counterparties or third-party service providers to the Fund. There is also a risk that cyber security breaches may not be detected. The Fund and its Shareholders could be negatively impacted as a result.

**Government Intervention in Financial Markets.** Global economies and financial markets are increasingly interconnected, which increases the possibility that conditions in one country or region may adversely affect companies in a different country or region. In the past, instability in the financial markets has led governments and regulators around the world to take a number of unprecedented actions designed to support certain financial institutions and segments of the financial markets that have experienced extreme volatility, and in some cases a lack of liquidity. Governments, their regulatory agencies, or self-regulatory organizations may take actions that affect the regulation of the instruments in which the Fund invests, or the issuers of such instruments, in ways that are unforeseeable. Legislation or regulation may also change the way in which the Fund itself is regulated. Such legislation or regulation could limit or preclude the Fund's ability to achieve its investment objective.

Governments or their agencies may also acquire distressed assets from financial institutions and acquire ownership interests in those institutions. The implications of government ownership and disposition of these assets are unclear, and such a program may have positive or negative effects on the liquidity, valuation and performance of the Fund's portfolio holdings. Furthermore, volatile financial markets can expose the Fund to greater market and liquidity risk and potential difficulty in valuing portfolio instruments held by the Fund.

Changes in federal policy, including tax policies, and at regulatory agencies occur over time through policy and personnel changes following elections, which lead to changes involving the level of oversight and focus on the financial services industry or the tax rates paid by corporate entities. The nature, timing and economic and political effects of potential changes to the current legal and regulatory framework affecting markets remain highly uncertain.

Uncertainty surrounding future changes may adversely affect the Fund's operating environment and therefore its investment performance.

In addition, significant U.S. federal tax reform legislation was enacted in 2017 that, among other things, permanently reduces the maximum federal corporate income tax rate, reduces the maximum individual income tax rate (effective for taxable years 2019 through 2025), restricts the deductibility of business interest expense, changes the rules regarding the calculation of net operating loss deductions that may be used to offset taxable income, and, under certain circumstances, requires accrual method taxpayers to recognize income for U.S. federal income tax purposes no later than the income is taken into account as revenue in an applicable financial statement. Moreover, the Inflation Reduction Act of 2022, among other things, introduced a 15% book minimum tax on larger corporations, a 1% excise tax on stock buybacks and increased investment in the Internal Revenue Service (the "IRS") to aid in the enforcement of tax laws. The impact of all such legislation, as well as federal tax legislation proposed but not yet enacted, on us, our shareholders and entities in which we may invest is uncertain. Prospective investors are urged to consult their tax advisors regarding the effects of the new legislation on an investment in the Fund.

Certain of the Fund's investments may provide exposure to coupon rates that are based on the Secured Overnight Financing Rate ("SOFR"), Euro Interbank Offered Rate and other similar types of reference rates (each, a "Reference Rate"). These Reference Rates are generally intended to represent the rate at which contributing banks may obtain short-term borrowings within certain financial markets. The elimination of a Reference Rate or any other changes or reforms to the determination or supervision of Reference Rates could have an adverse impact on the market for or value of any securities or payments linked to those Reference Rates and other financial obligations held by the Fund or on its overall financial condition or results of operations. Any substitute Reference Rate and any pricing adjustments imposed by a regulator or by counterparties or otherwise may adversely affect the Fund's performance and/or NAV. At this time, it is not possible to completely identify or predict the effect of any such changes, any establishment of alternative Reference Rates or any other reforms to Reference Rates that may be enacted.

The Fund may be affected by governmental action in ways that are not foreseeable, and there is a possibility that such actions could have a significant adverse effect on the Fund and its ability to achieve its investment objective.

**Inflation/Deflation Risk.** Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of the Shares and distributions thereon can decline. Inflation risk is linked to increases in the prices of goods and services and a decrease in the purchasing power of money. Inflation may reduce the intrinsic value of an investment in the Fund. Inflation can operate to effectively reduce investors' real investment returns. This is particularly true of fixed-income assets, as the fixed return yields of such assets become increasingly less valuable to the investor as inflation rises. In addition, during any periods of rising inflation, dividend rates of any variable rate preferred stock or debt securities issued by the Fund would likely increase, which would tend to further reduce returns to shareholders. Deflation risk is the risk that prices throughout the economy decline over time (the opposite of inflation). Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer defaults more likely, which will result in a decline in the value of the Fund's portfolio.

**Temporary Defensive Strategies Risk.** From time to time, the Fund may temporarily depart from its principal investment strategies as a defensive measure when the Adviser anticipates unusual market or other conditions. When a temporary defensive posture is believed by the Adviser to be warranted ("temporary defensive periods"), the Fund may, without limitation, hold cash or invest in money market instruments and repurchase agreements in respect of those instruments. The money market instruments in which the Fund may invest are obligations of the U.S. government, its agencies or instrumentalities; commercial paper rated A-1 or higher by S&P or Prime-1 by Moody's; and certificates of deposit and bankers' acceptances issued by domestic branches of U.S. banks that are members of the Federal Deposit Insurance Corporation. During temporary defensive periods, the Fund may also invest to the extent permitted by applicable law in shares of money market mutual funds. Money market mutual funds are investment companies and the investments in those companies by the Fund are in some cases subject to applicable law. See "*Investment Restrictions*" in the SAI. To the extent that the Fund invests defensively, it may not achieve its investment objective.

**Investments in Different Parts of the Capital Structure.** The Fund may make investments in an issuer where other funds advised by Oaktree (each an "Other Oaktree Fund" and collectively, the "Other Oaktree Funds") hold an investment in a different class of debt or equity. In such circumstances, Oaktree may have conflicting interests between its duties to the Fund and to such Other Oaktree Fund. Generally, the Fund will make investments that potentially conflict with the interests of Other Oaktree Funds only when, at the time of investment by the Fund, Oaktree determines that (a) such investment is in the best interests of the Fund and (b)(i) the possibility of actual conflict between the Fund and the Other Oaktree Fund is remote, (ii) either the potential investment by the Fund or the investment of such Other Oaktree Fund is not large enough to control any actions taken by the collective holders of securities of such issuer or (iii) in light of the particular circumstances, Oaktree determines that such investment is appropriate for the Fund, notwithstanding the potential for conflict. In those circumstances where the Fund and an Other Oaktree Fund hold investments in different parts of the capital structure, to the fullest extent permitted by applicable law, steps may be taken to reduce the potential for conflict between the Fund and the Other Oaktree Fund, including causing the Fund to take certain actions that, in the absence of such conflict, it would not take, such as: (A) remaining passive in a restructuring, foreclosure, refinancing or similar situations (including electing not to vote or voting pro rata with other security holders), (B) investing in the same or similar classes of securities as the Other Oaktree Fund in order to align their interests, (C) divesting investments, or (D) otherwise taking an action designed to reduce adversity. Any such step could have the effect of benefiting an Other Oaktree Fund (or Oaktree or one of its affiliates) and therefore may not have been in the best interests of, and may have been adverse to, the Fund. A similar standard generally will apply if

any Other Oaktree Fund makes an investment in an issuer in which the Fund holds an investment in a different part of the same issuer's capital structure. The negative effects described above may be more pronounced in connection with transactions in, or the Fund's use of, small capitalization, emerging market, distressed or less liquid strategies.

**Investments Where Other Oaktree Funds Hold Related Investments.** From time to time, Other Oaktree Funds or accounts managed by Oaktree may hold existing real estate related investments and may in the future make additional investments in the same real estate related assets. Subject to applicable rules, regulation and SEC guidance, the Fund may make investments either in those same assets or in related assets. In addition, the Adviser anticipates that the Fund may make investments in entities or assets in which an Other Oaktree Fund holds an investment in a different part of the capital structure of the same issuer (see "Investments in Different Parts of the Capital Structure" risk factor above). For example, Other Oaktree Funds have made investments in, and are expected to continue to invest in, various tranches of commercial mortgage-backed securities ("CMBS") securitizations. The Fund may invest in different tranches of those same CMBS securitizations, purchase loans that are part of the pool of loans relating to a CMBS securitization in which an Other Oaktree Fund holds an investment, or engage in transactions relating to the real estate assets that secure the pooled loans or with the entities that are the borrowers under those loans.

In the foregoing circumstances, Oaktree could have conflicting loyalties between its duties to the Fund and such Other Oaktree Fund. For example, Oaktree could have an incentive to cause the Fund to pay a higher purchase price (whether in an auction, the exercise of a fair value purchase option or otherwise) for a loan or related property that is collateral for a CMBS security held by an Other Oaktree Fund. If the Fund controls or acts as the operating adviser to a special servicer with respect to a loan in a CMBS securitization in which an Other Oaktree Fund holds CMBS in a different tranche of the securitization, Oaktree similarly could have conflicting loyalties in directing the actions of the special servicer with respect to the loan if the interests of the Fund and the Other Oaktree Fund diverge. Likewise, if an Other Oaktree Fund controls or acts as the operating adviser to a special servicer with respect to a loan in a CMBS securitization in which the Fund holds CMBS in a different tranche of the securitization, the Other Oaktree Fund may direct the special servicer to take certain actions with respect to the loan that may not be in the best interests of the Fund.

**Affiliated Transactions Restrictions.** The 1940 Act contains prohibitions and restrictions relating to transactions between investment companies and their affiliates (including the Adviser), principal underwriters and affiliates of those affiliates or underwriters. Under these restrictions, the Fund and any portfolio company that the Fund controls are generally prohibited from knowingly participating in a joint transaction, including co-investments in a portfolio company, with an affiliated person, including any directors or officers of the Fund, the Adviser or any entity controlled or advised by any of them. These restrictions also generally prohibit the Fund's affiliates, principal underwriters and affiliates of those affiliates or underwriters from knowingly purchasing from or selling to the Fund or any portfolio company controlled by the Fund certain securities or other property and from lending to and borrowing from the Fund or any portfolio company controlled by the Fund monies or other properties. The Fund and its affiliates may be precluded from co-investing in private placements of securities, including in any portfolio companies controlled by the Fund. The Fund, its affiliates and portfolio companies controlled by the Fund may from time to time engage in certain joint transactions, purchases, sales and loans in reliance upon and in compliance with the conditions of certain positions promulgated by the SEC and its staff. There can be no assurance that the Fund would be able to satisfy these conditions with respect to any particular transaction. As a result of these prohibitions, restrictions may be imposed on the size of positions or the type of investments that the Fund could make. Furthermore, Oaktree has received the Co-Investment Exemptive Relief from the SEC to allow certain managed funds and accounts, each of whose investment adviser is Oaktree or an investment adviser controlling, controlled by or under common control with Oaktree, to participate in negotiated co-investment transactions where doing so is consistent with the applicable registered fund's investment objective and strategies as well as regulatory requirements and other pertinent factors, and pursuant to the conditions thereof. In addition, on December 15, 2020, Oaktree and certain other affiliates received a modified exemptive order that allows Oaktree proprietary accounts to participate in co-investment transactions subject to certain conditions. Although the Adviser will endeavor to allocate investment opportunities in a fair and equitable manner, the Fund and the Shareholders could be adversely affected to the extent investment opportunities are allocated to other investment vehicles managed or sponsored by, or affiliated with, the Fund's executive officers, directors and members of the Adviser. The Fund might not participate in each individual opportunity but will, on an overall basis, be entitled to participate equitably with other entities managed by the Adviser and its affiliates. The Adviser seeks to treat all clients fairly and equitably over time such that none receives preferential treatment vis-à-vis the others over time, in a manner consistent with its fiduciary duty to each of them; however, in some instances, especially in instances of limited liquidity, the factors may not result in pro rata allocations or may result in situations where certain funds or accounts receive allocations where others do not.

**Private Investment Risk.** The Fund may invest in unregistered or restricted securities, including private investment in public equities (“PIPE”). Unregistered or restricted securities may not be readily marketable and are often more difficult to value. Further, the Adviser may not have timely or accurate information about the business, financial condition and results of operations which may adversely affect the Adviser’s ability to value those investments. PIPE investors may purchase securities directly from a publicly traded company in a private placement transaction, typically at a discount to the market price of the company’s common stock. In a PIPE transaction, the Fund may bear the price risk from the time of pricing until the time of closing. In addition, the Fund may have to commit to purchase a specified number of shares at a fixed price, with the closing conditioned upon, among other things, the SEC’s preparedness to declare effective a resale registration statement covering the resale, from time to time, of the shares sold in the private financing. Because the sale of the securities is not registered under the Securities Act, the securities are “restricted” and cannot be immediately resold by the investors into the public markets. Accordingly, PIPE securities may be deemed illiquid.

**Private Company Management Risk.** Private companies are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on the company. The Fund generally does not intend to hold controlling positions in the private companies in which it invests. As a result, the Fund is subject to the risk that a company may make business decisions with which the Fund disagrees, and that the management and/or shareholders of a portfolio company may take risks or otherwise act in ways that are adverse to the Fund’s interests. Due to the lack of liquidity of such private investments, the Fund may not be able to dispose of its investments in the event it disagrees with the actions of a portfolio company and may therefore suffer a decrease in the value of the investment.

**Private Company Liquidity Risk.** Securities issued by private companies are typically illiquid. If there is no readily available trading market for privately issued securities, the Fund may not be able to readily dispose of such investments at prices that approximate those at which the Fund could sell them if they were more widely traded.

**Private Company Valuation Risk.** There is typically not a readily available market value for the Fund’s private investments. In conducting the valuation of determinations of certain of the Fund’s securities, the Adviser, in its capacity as “valuation designee” pursuant Rule 2a-5 under the 1940 Act, may in certain circumstances utilize the services of one or more independent valuation firms to aid in determining the fair value of these investments. Valuation of private company investments may involve application of one or more of the following factors: (i) analysis of valuations of publicly traded companies in a similar line of business, (ii) analysis of valuations for comparable merger or acquisition transactions, (iii) yield analysis, and (iv) discounted cash flow analysis. Due to the inherent uncertainty and subjectivity of determining the fair value of investments that do not have a readily available market value, the fair value of the Fund’s private investments may differ significantly from the values that would have been used had a readily available market value existed for such investments and may differ materially from the amounts the Fund may realize on any dispositions of such investments. In addition, the impact of changes in the market environment and other events on the fair values of the Fund’s investments that have no readily available market values may differ from the impact of such changes on the readily available market values for the Fund’s other investments. The Fund’s net asset value could be adversely affected if the Fund’s determinations regarding the fair value of the Fund’s investments were materially higher than the values that the Fund ultimately realizes upon the disposal of such investments.

**Risks Associated with Long-Term Objective — Not a Complete Investment Program.** The Fund is intended for investors seeking a high level of total return, with an emphasis on income. The Fund is not meant to provide a vehicle for those who wish to exploit short-term swings in the stock market and is intended for long-term investors. An investment in the Shares should not be considered a complete investment program. Each Shareholder should take into account the Fund’s investment objective as well as the Shareholder’s other investments when considering an investment in the Fund.

**Investments in Sovereign Debt.** The Fund may make investments in the debt instruments and securities of sovereign and quasi-sovereign issuers, including debt issued by national, regional or local governments and other agencies. In addition to the general risks of non-U.S. investments described above, the specific risks of investing in sovereign debt include (a) the availability of sufficient foreign exchange on the date a payment is due (where such debt is denominated in a currency other than the government debtor’s own currency), (b) the relative size of the issuer’s debt service burden to its economy as a whole and (c) the government debtor’s policy toward the International Monetary Fund (or similar bodies) and the political constraints to which a government debtor may be subject. The governmental authority that controls the repayment of sovereign debt may be unwilling or unable to repay the principal and/or interest when due in accordance with the terms of such securities due to the extent of its foreign reserves. If an issuer of

sovereign debt defaults on payments of principal and/or interest, the Fund may have limited legal recourse against the issuer and/or guarantor. In certain cases, remedies must be pursued in the courts of the defaulting party itself, limiting the Fund's ability to obtain recourse. Even where a judgment is obtained in a U.S. court against a sovereign issuer, enforcement of such judgment to obtain payment may be difficult or impracticable.

**Equity Securities.** The Fund's investments may include equity securities. Such equity investments will be subordinated to the senior obligations of an issuer and such subordinated investments may be characterized by greater credit risks than those associated with the senior obligations of the same issuer.

**When-Issued; When, As, and If Issued; and Delayed Delivery Securities and Forward Commitments.** Securities purchased or sold by the Fund on a when-issued, "when, as, and if issued," delayed delivery or forward commitment basis are subject to market fluctuation, and no interest or dividends accrue to the purchaser prior to the settlement date. At the time of delivery of the securities, the value may be more or less than the purchase or sale price. In the case of "when, as, and if issued" securities, the Fund could lose an investment opportunity if the securities are not issued. An increase in the percentage of the Fund's assets committed to the purchase of securities on a when-issued, "when, as, and if issued," delayed delivery or forward commitment basis may increase the volatility of the Fund's assets.

**Prepayment of Obligations.** Early repayment of loans acquired by the Fund may adversely affect the value of the Fund's investment portfolio. The Fund may purchase loans where the underlying borrowers are not subject to any prepayment penalties, even if a borrower determines to prepay the obligation early during the term of the loan. Similarly, the Fund may invest in loans and other assets secured or, in the case of certain assets (including mezzanine loans and preferred equity), supported by transitional real estate assets, where significant improvement in the performance of such assets may result in prepayments as other, less expensive or restrictive financing alternatives become available to the borrower. In either case, prepayment rates cannot be predicted with certainty, and no strategy can completely insulate the Fund from increases in such rates. Furthermore, the Fund may acquire debt at a discount or premium, and the Fund's anticipated yield on such assets would be impacted if such debt is prepaid more quickly than anticipated. Under certain prepayment scenarios, the Fund may fail to recoup fully the cost of its investment. While the Fund may be entitled to fees upon prepayment, such fees may not adequately compensate the Fund as the functional equivalent of a "make whole" payment, and, in certain cases, the Fund may not be entitled to prepayment fees at all.

**Collateralized Loan Obligations and Other Securitizations.** The Fund may invest in CLOs and other securitizations, which are generally limited recourse obligations of the issuer ("Securitization Vehicles") payable solely from the underlying assets ("Securitization Assets") of the issuer or proceeds thereof. Holders of equity or other securities issued by Securitization Vehicles must rely solely on distributions on the Securitization Assets or proceeds thereof for payment in respect thereof. Consequently, the Fund will typically not have any direct rights against the issuer of, or the entity that sold, assets underlying the securitization. The Securitization Assets may include, without limitation, broadly syndicated leverage loans, middle-market bank loans, CDO debt tranches, trust preferred securities, insurance surplus notes, asset-backed securities, mortgages, REITs, high-yield bonds, mezzanine debt, second-lien leverage loans, credit default swaps and emerging market debt and corporate bonds, which are subject to liquidity, market value, credit, interest rate, reinvestment and certain other risks.

**Underlying Default Risks.** To the extent underlying default rates with respect to the Securitization Assets occur or otherwise increase, the performance of the Fund's investments will be adversely affected. The rate of defaults and losses on debt instruments will be affected by a number of factors, including global, regional and local economic conditions in the area where the borrower operates, the financial circumstances of the borrower as well as general market conditions. A decline in global markets (or any particular sub-market thereof) may result in higher delinquencies and/or defaults as borrowers may not be able to repay or refinance their outstanding debt obligations when due for a variety of reasons, which may adversely affect the performance of the Fund's investments. In addition, such investments may be subject to the risk of bankruptcy of the issuer of such assets or a claim that the pledging of collateral to secure any such asset constituted a fraudulent conveyance or preferential transfer that can be subordinated to the rights of other creditors of the issuer of such asset or nullified under applicable law.

**Fraud Risk.** The Fund may be subject to the risk of fraudulent activity associated with the various parties involved in alternative lending, including the originators, banks, borrowers and third parties handling borrower and investor information. Prospective borrowers may materially misrepresent any of the information they provide to the originators, including their credit history, the existence or value of purported collateral, the purpose of the loan, their occupation or their employment status. Originators may not verify all of the information provided by

prospective borrowers. Except where an originator is required to repurchase loans or indemnify investors, fraud may adversely affect the Fund's ability to receive the principal and interest payments that it expects to receive on its investments and, therefore, may negatively impact the Fund's performance. An originator may have the exclusive right and ability to investigate claims of borrower identity theft, which creates a conflict of interest, as originators may be obligated to repurchase loans and/or indemnify investors in the loans in the case of fraud and may, therefore, have an incentive to deny or fail to investigate properly a claim of fraud.

The Fund is also subject to the risk of fraudulent activity by an originator or a backup servicer. In the event that an originator or backup servicer engages in fraudulent activity, the pools of alternative lending securities originated by the originator or any loans serviced by the originator or backup servicer may be impaired or may not be of the quality that the Fund anticipated, thereby increasing the risk of default in respect of such loans.

Furthermore, there can be no guarantee that the resources, technologies or fraud prevention measures implemented by an originator will be sufficient to accurately detect and prevent fraud.

**Failure to Satisfy Certain Tests.** The failure by a Securitization Vehicle to satisfy financial covenants, including with respect to adequate collateralization and/or interest coverage tests, could lead to a reduction in its payments to the Fund. In the event that a Securitization Vehicle fails certain tests, holders of senior debt tranches 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 Securitization Vehicle. If any of these occur, it could materially and adversely affect the return on the Fund's investments.

**Leveraged Credit Risk.** The Fund's investments in securitizations may also be subject to leverage risks. The leveraged nature of CLOs, in particular, magnifies the adverse impact of loan defaults. Because CLO investments represent a leveraged investment with respect to the underlying loans, changes in the market value of CLO investments could be greater than the change in the market value of the underlying loans, which are subject to credit, liquidity and interest rate risks.

**Liquidity Risk.** Certain debt tranches of Securitization Vehicles may be thinly traded or have a limited trading market and may have the effect of decreasing the Fund's liquidity to the extent that the Fund, at a particular point in time, may be unable to find qualified buyers for, and may have difficulty valuing, these securities.

**Prepayments and Reinvestment Risk.** The Fund's investments in securitizations and the Securitization Assets that collateralize them may prepay more quickly than expected and have an impact on the value of the Fund's investments. See "Prepayment of Obligations" above. Early prepayments give rise to increased reinvestment risk, as the Fund or a CLO collateral manager might realize excess cash from prepayments earlier than expected. If the Fund or a CLO collateral manager is unable to reinvest such cash in a new investment with an expected rate of return at least equal to that of the investment repaid, this may reduce net income and the fair value of that asset.

**Reliance on Collateral Managers.** Securitization Assets are typically actively managed by a third-party investment manager, and, as a result, the Securitization Assets will be traded, subject to rating agency and other constraints, by such investment manager. With respect to CLOs, the Fund is expected to rely on CLO collateral managers to administer and review the portfolios of collateral they manage. The actions of the CLO collateral managers may significantly affect the performance of the Fund's investments. The ability of each CLO collateral manager to identify and report on issues affecting its securitization portfolio on a timely basis could also affect the returns to the Fund, as the Fund may not be provided with information on a timely basis in order to take appropriate measures to manage its risks. The Fund is also expected to rely on CLO collateral managers to act in the best interests of the CLO it manages. If any CLO collateral manager were to act in a manner that was not in the best interests of the CLOs (*i.e.*, gross negligence, with reckless disregard or in bad faith), this could adversely impact the overall performance of the Fund's investments. For securitizations with corporate loans, the collateral manager's role in reinvestment of principal amortization in performing credits and with respect to loans that default, as well as its ability to actively manage the portfolio through trading, will have a significant impact on the value of the underlying collateral and the performance of its securitization. If the collateral manager reinvests proceeds into loans which then default, does not sell loans before such loans default close to the original purchase price or does not effectively contribute to a restructuring process to maximize value of the loan the securitization owns, the collateral manager could materially and adversely impact the Fund's investments.

**Failure of Servicers to Effectively Service Loans.** The failure of servicers to effectively service the loans underlying certain of the Fund's investments would materially and adversely affect the Fund. Most securitizations of loans require a servicer to manage collections on each of the underlying loans. Both default frequency and default severity of loans may depend upon the quality of the servicer. If servicers are not vigilant in encouraging borrowers to make their monthly payments, the borrowers may be far less likely to make these payments, which could result in a higher frequency of default. If servicers take longer to liquidate non-performing assets, loss severities may tend to be higher than originally anticipated. The failure of servicers to effectively service the receivables underlying such assets could negatively impact the value of the Fund's investments and its performance. Servicer quality is of prime importance in the default performance of certain personal loans. Servicers may go out of business, which would require a transfer of servicing to another servicer. Such transfers take time and loans may become delinquent because of confusion or lack of attention. Servicers may be required to advance interest on delinquent loans to the extent the servicer deems those advances recoverable. In the event the servicer does not advance, interest may be interrupted even on more senior securities. Servicers may also advance more than is in fact recoverable once a defaulted loan is disposed, causing losses to be greater than the outstanding principal balance of that loan.

**Hedging and Risk Management Transactions; Currency Risks.** The Fund may, but is not required to, utilize financial instruments for hedging and risk management purposes in order to: (a) protect against possible changes in the market value of the Fund's investment portfolios resulting from fluctuations in the securities markets and changes in interest rates, (b) protect the Fund's unrealized gains in the value of the Fund's investment portfolios, (c) facilitate the sale of any such investments, (d) preserve returns, spreads or gains on any investment in the Fund's portfolios, (e) hedge the interest rate or currency exchange rate on any of the Fund's liabilities or assets, (f) protect against any increase in the price of any investments the Fund anticipates purchasing at a later date, or (g) for any other similar reason that the Adviser deems appropriate. The success of the Fund's hedging strategy will be subject to the Adviser's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged and the Adviser's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Fund's portfolio holdings. Regardless of skill, there can be no guarantee that instruments suitable for hedging purposes will be available at the time the Fund wishes to use them or that any hedge would reduce applicable risks. For example, Oaktree does not expect that the full risk of currency fluctuations can be eliminated due to the limitations in the foreign currency market. Foreign currency exchange rates (or prices in currencies) can make substantial moves in short periods of time and in unanticipated directions due to a number of factors, including changing supply and demand relationships; fiscal, monetary and exchange control programs and policies of governments; national and international political and economic events; government trade programs; changes in interest rates and rates of inflation; changes in currency valuations; and technical fluctuations of the marketplace. Because a material portion of the Fund's investments may be denominated in or rely upon underlying cash flows denominated in currencies other than the U.S. dollar, such changes could have a significant adverse impact on the Fund. Finally, while the Fund may enter into hedging transactions to seek to reduce risk, such transactions themselves may entail certain other risks, such as unanticipated changes in interest rates, the prices of investments or currency exchanges, which may result in a poorer overall performance for the Fund than if it had not engaged in such hedging transactions.

**Exclusive Forum.** Our Bylaws provide that, unless the Fund consents in writing to the selection of an alternative forum, the Circuit Court for Baltimore City (or, if that Court does not have jurisdiction, the United States District Court for the District of Maryland) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (a) any Internal Corporate Claim, as such term is defined in the MGCL, (b) any derivative action or proceeding brought on behalf of the Fund, other than actions arising under United States federal securities laws, (c) any action asserting a claim of breach of any duty owed by any director or officer or other agent of the Fund to the Fund or to the stockholders of the Fund, (d) any action asserting a claim against the Fund or any director or officer or other agent of the Fund arising pursuant to any provision of the MGCL or the Charter or Bylaws, or (e) any other action asserting a claim against the Fund or any director or officer or other agent of the Fund that is governed by the internal affairs doctrine. None of the foregoing actions, claims or proceedings may be brought in any court sitting outside the State of Maryland unless the Fund consents in writing to such court. The exclusive forum selection provision will not apply to claims arising under the federal securities laws, or any other claim for which the federal courts have exclusive jurisdiction. The exclusive forum selection provision may increase costs for a Shareholder to bring a claim and may

discourage claims or limit Shareholders' ability to bring a claim in a judicial forum that they find favorable. It is also possible that a court could rule that the provision is inapplicable or unenforceable. If this occurred, we may incur additional costs associated with resolving such action in another forum, and/or the other forum may incorrectly apply or interpret the applicable Maryland law (in a manner that is adverse to us), which could materially adversely affect our business, financial condition and results of operations.

**Highly Volatile Markets.** The prices of the Fund's investments can be highly volatile. Governments from time to time intervene, directly and by regulation, in certain markets. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Fund also is subject to the risk of the failure of any exchanges on which its positions trade or of their clearinghouses. In addition, because of the nature of the Fund's trading activities, the results of the Fund's operations may fluctuate on a daily basis. Accordingly, investors in the Fund should understand that the results of a particular period will not necessarily be indicative of results in future periods. Variance in the degree of volatility of the market from the Fund's expectations may produce significant losses to the Fund.

**High Portfolio Turnover.** The different strategies used by the Fund may, from time to time, require frequent trading and a high portfolio turnover. The more frequently the Fund trades, the higher the commission and transaction costs and certain other expenses involved in the Fund's operations. These costs will be borne by the Fund regardless of the profitability of the Fund's investment and trading activities. In addition, a high portfolio turnover may increase the recognition of short-term, rather than long-term, capital gains.

**Emerging Markets Risk.** The Fund may invest in securities of companies in an "emerging market." Investments in emerging market securities involve a greater degree of risk than, and special risks in addition to the risks associated with, investments in domestic securities or in securities of foreign, developed countries. Foreign investment risk may be particularly high to the extent that the Fund invests in securities of issuers based or doing business in emerging market countries or invests in securities denominated in the currencies of emerging market countries. Investing in securities of issuers based or doing business in emerging markets entails all of the risks of investing in securities of foreign issuers, including being less liquid, more volatile and harder to value than U.S. securities, but to a heightened degree.

**Derivatives Risk.** Generally, derivatives are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index, and may relate to individual debt or equity instruments, interest rates, currencies or currency exchange rates, commodities, related indexes and other assets. While not anticipated to be a meaningful aspect of the Fund's investment strategy, the Fund may invest in over-the-counter ("OTC") derivative instruments from time to time. While Oaktree expects the Fund to invest in OTC contracts on a bilateral basis with banks or other dealers, the Fund may invest in certain derivatives that are traded on swap execution facilities ("SEFs"), security-based swap execution facilities or other similar multi-lateral trading platforms. Certain of such derivatives may be cleared through central counterparties, either pursuant to regulatory requirement or on a voluntary basis.

Rule 18f-4 under the 1940 Act regulates the use of derivatives, short sales, reverse repurchase agreements and certain other transactions for certain funds registered under the 1940 Act. Among other things, Rule 18f-4 requires funds that invest in derivative instruments beyond a specified limited amount to apply a value-at-risk ("VaR") based limit to their use of certain derivative instruments and financing transactions and to adopt and implement a derivatives risk management program. Consequently, unless a fund qualifies as a "limited derivatives user" as defined in Rule 18f-4, the fund must establish a comprehensive derivatives risk management program, comply with a VaR based leverage limit, appoint a derivatives risk manager and provide additional disclosure both publicly and to the SEC regarding its derivatives positions. If a fund qualifies as a limited derivatives user, Rule 18f-4 requires the fund to have policies and procedures to manage its aggregate derivatives risk, which may require the fund to alter, perhaps materially, its use of derivatives, short sales, and reverse repurchase agreements and similar financing transactions as part of its investment strategies. Since the Fund is a "limited derivatives user," the Fund has adopted and implemented policies and procedures reasonably designed to manage the Fund's derivatives risks, including counterparty risk, leverage risk, liquidity risk, market risk, operational risk, and legal risk.

## INVESTMENT RESTRICTIONS

The Fund's stated fundamental policies, which may only be changed by the affirmative vote of a majority of the outstanding voting securities of the Fund, are listed below. For the purposes of this SAI, "majority of the outstanding voting securities of the Fund" means the vote, at an annual or special meeting of stockholders, duly called, (a) of 67% or more of the Shares present at such meeting, if the holders of more than 50% of the outstanding Shares are present or represented by proxy; or (b) of more than 50% of the outstanding Shares, whichever is less.

### Fundamental Restrictions

The Fund is subject to the following fundamental investment restrictions:

- (1) The Fund may not issue senior securities or borrow money, except to the extent permitted by the 1940 Act or any rules, exemptions or interpretations thereunder that may be adopted, granted or issued by the SEC.
- (2) The Fund may make loans to the maximum extent permitted by the 1940 Act and any exemptive order or other relief issued by the SEC, including, without limitation, through the lending of its portfolio securities and through loans to other funds managed by the Adviser and its affiliates.
- (3) The Fund may not invest more than 25% of its assets, taken at market value, in the securities of issuers in any particular industry or group of industries (excluding securities of the U.S. Government, its agencies and instrumentalities, agency mortgage-backed securities and agency mortgage-related securities). For purposes of this restriction, the Fund treats different types of securitizations as separate industries based on the underlying asset type and treats investments in securitizations of each type of underlying asset as a separate industry from investments directly in the underlying asset type.
- (4) The Fund may not underwrite any issue of securities, except to the extent that the sale of portfolio securities in accordance with the Fund's investment objective, policies and limitations may be deemed to be an underwriting, and except that the Fund may acquire securities under circumstances in which, if the securities were sold, the Fund might be deemed to be an underwriter for purposes of the Securities Act.
- (5) The Fund may not purchase or sell real estate except that the Fund may: (a) invest in securities directly or indirectly secured by real estate or interests therein or issued by entities that invest in real estate or interests therein; (b) acquire, hold, and sell real estate acquired through default, liquidation, or other distributions of an interest in real estate as a result of the Fund's ownership of other assets; (c) hold and sell real estate acquired by the Fund as a result of the ownership of securities; and (d) as otherwise permitted by the 1940 Act, as amended from time to time, the rules and regulation promulgated by the SEC under the 1940 Act, as amended from time to time, or an exemption or other relief applicable to the Fund from the provisions of the 1940 Act, as amended from time to time.
- (6) The Fund may not purchase or sell physical commodities unless acquired as a result of ownership of securities or other instruments; provided that this restriction shall not prohibit the Fund from investing in entities formed to hold specific ABF Investments or from purchasing or selling options, futures contracts and related options thereon, forward contracts, swaps, caps, floors, collars and any other financial instruments or from investing in securities or other instruments backed by physical commodities or as otherwise permitted by the 1940 Act, as amended from time to time, the rules and regulation promulgated by the SEC under the 1940 Act, as amended from time to time, or an exemption or other relief applicable to the Fund from the provisions of the 1940 Act, as amended from time to time.

The Board has adopted a repurchase offer fundamental policy resolution setting forth the Fund's fundamental policy that it will conduct quarterly repurchase offers. This fundamental policy may be changed only with the approval of a majority of the Fund's outstanding voting securities, including a majority of any holders of preferred shares voting separately as a class. The Fund is required to offer to repurchase between 5% and 25% of its outstanding Shares with each repurchase offer.

In addition, the Fund has adopted the following fundamental policy with respect to repurchase offers, which may not be changed without the approval of the holders of a majority of the outstanding voting securities (which for this purpose and under the 1940 Act, means the lesser of (i) 67% or more of the Fund's voting securities present at a meeting at which more than 50% of the Fund's outstanding voting securities are present or represented by proxy or (ii) more than 50% of the Fund's outstanding voting securities) of the Fund.

- (a) The Fund will make quarterly repurchase offers pursuant to Rule 23c-3 under the 1940 Act, as it may be amended from time to time.
- (b) The Fund will repurchase shares that are tendered by a specific date (the "Repurchase Request Deadline"), which will be established by the Board in accordance with Rule 23c-3, as amended from time to time. Rule 23c-3 requires the Repurchase Request Deadline to be no less than 21 and no more than 42 days after the Fund sends notification to Shareholders of the repurchase offer.
- (c) There will be a maximum fourteen (14) calendar day period (or the next business day if the 14<sup>th</sup> calendar day is not a business day) between the Repurchase Request Deadline and the date on which the Fund's net asset value ("NAV") applicable to the repurchase offer is determined (the "Repurchase Pricing Date").

### **Notes to Investment Restrictions**

The percentage limitations in the restrictions listed above apply at the time of purchase of securities and a later increase or decrease in percentage resulting from a change in value of net assets, or in any ratings, will not be deemed to result in a violation of the restriction, except that there is an ongoing asset coverage requirement in the case of borrowings. For purposes of Investment Restriction No. 3 above, the Fund may use the Directory of Companies Required to File Annual Reports with the SEC and Bloomberg Inc. in determining industry classifications. In addition, the Fund may select its own industry classifications, provided such classifications are reasonable. The Fund's use of these classification systems is not a fundamental policy of the Fund and therefore, can be changed without stockholder approval.

### **Non-Fundamental Restrictions**

The Fund's investment objective and investment strategies are not fundamental and may be changed by the Board without stockholder approval. The Fund will provide stockholders with at least 60 days' notice prior to changing the policy to invest, under normal circumstances, 80% of its net assets (plus the amount of any borrowings for investment purposes) in ABF Investments, throughout the world, including the United States.

## MANAGEMENT OF THE FUND

### Directors and Officers

The business and affairs of the Fund are managed under the direction of the Board. The Board approves all significant agreements between the Fund and the companies that furnish the Fund with services, including agreements with the Adviser, the Fund's Custodian and the Fund's Transfer Agent. The day-to-day operations of the Fund are delegated to the Adviser, subject to the supervision of the Board.

The names and business addresses of the Directors and principal officers of the Fund are set forth in the following table, together with their positions and their principal occupations during the past five years and, in the case of the Directors, their positions with certain other organizations and companies.

Name, position(s), address <sup>(1)</sup> and year of birth	Term of office and length of time served <sup>(2)</sup>	Number of funds in Fund Complex overseen by Director <sup>(3)</sup>	Principal occupation(s) during past five years	Other directorships held by director during past five years <sup>(4)</sup>
<b>INDEPENDENT DIRECTORS:<sup>(5)</sup></b>				
<b>Edward A. Kuczmariski</b> Director and Independent Chair of the Board, Member of the Audit Committee, Member of the Governance Committee Born: 1949	Since January 23, 2025	9	Retired CPA and Partner in Crowe LLP.	Director/Trustee of the investment companies in the Fund Complex (2011 – Present). Previously served as an Independent Director on several other investment management companies as Independent Lead Director and Audit Committee Chair.
<b>Stuart A. McFarland</b> Director, Member of the Audit Committee, Member of the Governance Committee Born: 1947	Since January 23, 2025	9	Retired; Managing Partner of Federal City Capital Advisors (1997 – 2021). Previous Experience: President and Director, Tico Mortgage Insurance Co; President and CEO, Skyline Financial Services; US Bankruptcy Court Asset Manager; EVP and CFO, Fannie Mae; EVP and GM, GE Capital Mortgage Services; CEO and President, National Permanent Federal Savings Bank.	Director/Trustee of the investment companies in the Fund Complex (2006 – Present); Director of Drive Shack Inc. (formerly, New Castle Investment Corp.) (2002 – 2023); Director of New America High Income Fund (2013 – 2025); Director of New Senior Investment Group, Inc. (2014 – 2021); Previously served as the Lead Independent Director of Brandywine Funds.
<b>Heather S. Goldman</b> Director, Member of the Audit Committee, Chair of the Governance Committee Born: 1967	Since January 23, 2025	9	CFO of My Flex, Inc., an EQBR Holdings affiliate, developing and commercializing Web 3.0 blockchain technologies (2022 – 2023); Executive in Residence, Global Digital Finance (2025 – Present).	Director/Trustee of the investment companies in the Fund Complex (2013 – Present).

Name, position(s), address <sup>(1)</sup> and year of birth	Term of office and length of time served <sup>(2)</sup>	Number of funds in Fund Complex overseen by Director <sup>(3)</sup>	Principal occupation(s) during past five years	Other directorships held by director during past five years <sup>(4)</sup>
<b>William H. Wright II</b> Director, Chair of the Audit Committee, Member of the Governance Committee Born: 1960	Since January 23, 2025	9	Retired.	Director/Trustee of the investment companies in the Fund Complex (2020 – Present); Director of the Carlyle Group, TCG BDC I, Inc., TCG BDC II, Inc. and Carlyle Secured Lending III (2021 – Present); Trustee of Doris Duke Charitable Foundation (2017 – Present); Vestryman and Chairman of the Investment Committee of Trinity Church Wall Street (2022 – Present); Director of Mount Sinai Health System (1998 – Present); Director of New York City Ballet (2005 – Present); Trustee and Treasurer of Historic Hudson Valley (2000 – Present).
<b>Betty A. Whelchel</b> Director, Member of the Audit Committee, Member of the Governance Committee Born: 1956	Since January 23, 2025	9	Retired. Previous Experience: US Head of Public Policy and Regulatory Affairs, BNP Paribas (2016 – 2019); U.S. General Counsel CIB, BNP Paribas (2005 – 2016); Global General Counsel, Deutsche Asset Management (1999 – 2004).	Director/Trustee of the investment companies in the Fund Complex (2024 – Present).
<b>Susan Schauffert-Tam</b> Director, Member of the Audit Committee, Member of the Governance Committee Born: 1968	Since January 23, 2025	9	Managing Director/ Group Head, BMO Capital Markets (2007 – 2024).	Director/Trustee of the investment companies in the Fund Complex (2024 – Present); Independent Director of Forum Asset Management Real Estate Funds (September 2025 – Present); Board Chair and Director, CanIssue (2011 – 2020).

- (1) Address: Brookfield Place, 225 Liberty Street, 35th Floor, New York, New York, 10281, unless otherwise noted.
- (2) The term of office of the Independent Directors is indefinite.
- (3) The Fund Complex is comprised of the Fund, Brookfield Investment Funds (five series of underlying portfolios), Brookfield Infrastructure Income Fund Inc., Oaktree Diversified Income Fund Inc., and Brookfield Real Assets Income Fund Inc.
- (4) This column generally includes only directorships of companies required to report to the SEC under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) (*i.e.*, public companies), or other investment companies registered under the 1940 Act.
- (5) Directors who are not considered to be “interested persons” of the Fund, as defined in the 1940 Act, are considered to be “Independent Directors.”

Name, position(s), address <sup>(1)</sup> and year of birth	Term of office and length of time served <sup>(2)</sup>	Number of funds in Fund Complex overseen by Director <sup>(3)</sup>	Principal occupation(s) during past five years	Other directorships held by director during past five years <sup>(4)</sup>
<b><i>INTERESTED DIRECTORS/ OFFICERS:<sup>(5)</sup></i></b>				
<b>Brian F. Hurley</b> President and Director Born: 1977	Since 2024	9	President of the investment companies in the Fund Complex, except Brookfield Infrastructure Income Fund Inc. (2014 – Present); Secretary of Brookfield Infrastructure Income Fund Inc. (2023 – Present); General Counsel of Brookfield Public Securities Group LLC (“PSG”) (2017 – 2024); General Counsel of Brookfield Private Wealth, formerly, Brookfield Oaktree Wealth Solutions (“Wealth”) (2021 – Present); Managing Partner of Brookfield Asset Management Inc. (2016 – Present).	Director/Trustee of the investment companies in the Fund Complex (2024 – Present).
<b>Casey P. Tushaus</b> Treasurer Born: 1982	Since 2024	N/A	Treasurer of the investment companies in the Fund Complex (2021 – Present); Treasurer of Brookfield Private Equity Fund LP (2025 – Present); Assistant Treasurer of the investment companies in the Fund Complex (2016 – 2021); Managing Director of Wealth (2026 – Present); Senior Vice President of Wealth (2025 – 2026); Director of PSG (2021 – 2024); Vice President of PSG (2014 – 2021).	N/A

Name, position(s), address <sup>(1)</sup> and year of birth	Term of office and length of time served <sup>(2)</sup>	Number of funds in Fund Complex overseen by Director <sup>(3)</sup>	Principal occupation(s) during past five years	Other directorships held by director during past five years <sup>(4)</sup>
<b>Craig A. Ruckman</b> Secretary Born: 1977	Since 2024	N/A	Secretary of the investment companies in the Fund Complex, except for Brookfield Infrastructure Income Fund Inc. (2022 – Present); Assistant Secretary of Brookfield Infrastructure Income Fund Inc. (2023 – Present); Assistant Secretary of Brookfield Private Equity Fund LP (2025 – Present); Managing Director of PSG (2022 – 2024); Managing Director of Wealth (2025 – Present); Director of Allianz Global Investors U.S. Holdings LLC (2016 – 2022); Chief Legal Officer of Allianz Global Investors Distributors LLC (2019 – 2022).	N/A
<b>Adam R. Sachs</b> Chief Compliance Officer (“CCO”) Born: 1984	Since January 23, 2025	N/A	Chief Compliance Officer of the investment companies in the Fund Complex (2017 – Present); Chief Compliance Officer of Brookfield Private Equity Fund LP (2025 – Present); Senior Vice President of Wealth (2025 – Present); Director of PSG (2017 – 2024); Chief Compliance Officer of Brookfield Investment Management (Canada) Inc. (2017 – 2023).	N/A

Name, position(s), address <sup>(1)</sup> and year of birth	Term of office and length of time served <sup>(2)</sup>	Number of funds in Fund Complex overseen by Director <sup>(3)</sup>	Principal occupation(s) during past five years	Other directorships held by director during past five years <sup>(4)</sup>
<b>Mohamed S. Rasul</b> Assistant Treasurer Born: 1981	Since January 23, 2025	N/A	Assistant Treasurer of the investment companies in the Fund Complex (2016 – Present); Vice President of PSG (2019 – 2024); Vice President of Wealth (2025 – Present).	N/A

- (1) Address: Brookfield Place, 225 Liberty Street, 35th Floor, New York, New York, 10281, unless otherwise noted.
- (2) Mr. Hurley will hold office as Director for an indefinite term until the earliest of: (i) the next meeting of stockholders, if any, called for the purpose of considering the election or re-election of Mr. Hurley and until the election and qualification of his successor, if any, elected at such meeting; or (ii) the date Mr. Hurley resigns or retires, or is removed by the stockholders, in accordance with the Fund’s Charter and Bylaws. Each officer will hold office for an indefinite term or until the date he or she resigns or retires or until his or her successor is elected and qualified.
- (3) The Fund Complex is comprised of the Fund, Brookfield Investment Funds (five series of underlying portfolios), Brookfield Infrastructure Income Fund Inc., Oaktree Diversified Income Fund Inc., and Brookfield Real Assets Income Fund Inc.
- (4) This column generally includes only directorships of companies required to report to the SEC under the Exchange Act, (*i.e.*, public companies), or other investment companies registered under the 1940 Act.
- (5) Directors who are not considered to be “interested persons” of the Fund as defined in the 1940 Act are considered to be “Independent Directors.”

## Additional Information Concerning the Board of Directors

### The role of the Board

The Board provides oversight of the management and operations of the Fund. As is the case with virtually all investment companies (as distinguished from operating companies), the day-to-day management and operation of the Fund is the responsibility of various service providers to the Fund, such as the Fund’s investment adviser and administrator, custodian, and transfer agent, each of whom are discussed in greater detail in this SAI. The Board approves all significant agreements between the Fund and its service providers. The Board has appointed senior employees of PSG as officers of the Fund, with responsibility to monitor and report to the Board on the Fund’s day-to-day operations. In conducting this oversight, the Board receives regular reports from these officers and service providers regarding the Fund’s operations. The Board has appointed a Chief Compliance Officer who administers the Fund’s compliance program and regularly reports to the Board as to compliance matters. Some of these reports are provided as part of formal “Board meetings” which are typically held quarterly, in person, and involve the Board’s review of recent Fund operations. From time to time, one or more members of the Board may also meet with management in less formal settings, between scheduled “Board meetings,” to discuss various topics. In all cases, however, the role of the Board and of any individual Director is one of oversight and not of management of the day-to-day affairs of the Fund and its oversight role does not make the Board a guarantor of the Fund’s investments, operations, or activities.

### Board leadership structure

The Board has structured itself in a manner that it believes allows it to perform its oversight function effectively. It has established three standing committees, an Audit Committee, a Governance Committee, and a Qualified Legal Compliance Committee (the “QLCC”) (collectively, the “Committees”), which are discussed in greater detail below. Currently, six of the seven members of the Board, including the Chairman of the Board, are Independent Directors, which are Directors that are not affiliated with the Adviser, Administrator, or their affiliates, and each of the Audit Committee, Governance Committee, and QLCC are comprised entirely of Independent Directors. Each of the Independent Directors helps identify matters for consideration by the Board and the Chairman has an active role in the agenda-setting process for Board meetings. The Audit Committee Chairman also has an active role in the

agenda-setting process for the Audit Committee meetings. The Board has adopted Fund Governance Policies and Procedures to ensure that the Board is properly constituted in accordance with the 1940 Act and to set forth examples of certain of the significant matters for consideration by the Board and/or its Committees in order to facilitate the Board's oversight function.

The Board has determined that its leadership structure is appropriate because it allows the Board to exercise informed and independent judgment, and allocates areas of responsibility among the respective Committees and the full Board in a manner that enhances effective oversight. The Board reviews its leadership structure at least annually and may make changes to it at any time, including in response to market dynamics, or changes in the characteristics of the Fund. The Independent Directors have engaged their own independent counsel to advise them on matters relating to their responsibilities to the Fund.

### **Board oversight of risk management**

As part of its oversight function, the Board receives and reviews various risk management reports and assessments and discusses these matters with appropriate management and other personnel. Because risk management is a broad concept comprised of many elements, Board oversight of different types of risks is handled in different ways. For example, the full Board receives and reviews reports from senior personnel of the Adviser and Administrator (including senior compliance, financial reporting, and investment personnel) or their affiliates regarding various types of risks, including, but not limited to, operational, compliance, investment, and business continuity risks, and how they are being managed. From time to time, the full Board meets with the Fund's Chief Compliance Officer to discuss compliance risks relating to the Fund, the Adviser, and the Fund's other service providers. The Audit Committee supports the Board's oversight of risk management in a variety of ways, including meeting regularly with the Fund's Treasurer and with the Fund's independent registered public accounting firm and, when appropriate, with other personnel employed by the Adviser to discuss, among other things, the internal control structure of the Fund's financial reporting function and compliance with the requirements of the Sarbanes-Oxley Act of 2002. The Audit Committee also meets regularly with the Fund's Chief Compliance Officer to discuss compliance and operational risks and receives reports from the Adviser's internal audit group as to these and other matters.

### **Information about each Director's qualifications, experience, attributes, or skills**

The Board believes that each of the Directors has the qualifications, experience, attributes, and skills ("Director Attributes") appropriate to serve as a Director of the Fund in light of the Fund's business and structure. Certain of these business and professional experiences are set forth in detail in the table above. The Directors have substantial board experience or other professional experience and have demonstrated a commitment to discharging their oversight responsibilities as Directors. The Board, with the assistance of the Governance Committee, annually conducts a "self-assessment" wherein the performance of the Board and the effectiveness of the Board and the Committees are reviewed.

In addition to the information provided in the table above, below is certain additional information regarding each particular Director and certain of their Director Attributes. The information provided below, and in the table above, is not all-inclusive. Many Director Attributes involve intangible elements, such as intelligence, integrity and work ethic, the ability to work together, the ability to communicate effectively, the ability to exercise judgment, the ability to ask incisive questions, and commitment to shareholder interests. In conducting its self-assessment, the Board has determined that the Directors have the appropriate attributes and experience to serve effectively as Directors of the Fund.

*Edward A. Kuczmariski* — The Board has concluded that Mr. Kuczmariski should serve as a Director of the Fund because of his substantial business experience. Mr. Kuczmariski has financial accounting experience as a Certified Public Accountant and has also previously served on the board of directors/trustees for several other investment management companies. Mr. Kuczmariski serves as Chair of the Board of Directors, and is a member of the Governance Committee and the Audit Committee. Mr. Kuczmariski also serves as a director/trustee of other registered investment companies in the Fund Complex. Mr. Kuczmariski's experience, qualifications, attributes, and skills, on an individual basis and in combination with those of the other Directors, led to the Board's conclusion that he possesses the requisite skills and attributes as a Director to carry out oversight responsibility with respect to the Fund.

*Heather S. Goldman* — The Board has concluded that Ms. Goldman should serve as a Director of the Fund because of her substantial business experience. Ms. Goldman is a capital markets financial services and tech executive, who has worked in a senior capacity across a diverse array of firms in the private equity, investment management, technology and commercial banking industries for over twenty years. She previously served as head of global marketing for PSG,

and as such has extensive knowledge of PSG, its operations and personnel. Prior to working with PSG she acted as CEO and Chairman, co-founding and managing CapitalThinking, a financial services risk-management technology company in New York, New York for nearly five years. She is an Executive in Residence at Global Digital Finance. Ms. Goldman is a member of the Audit Committee and is Chair of the Governance Committee. Ms. Goldman also serves as a director/trustee of other registered investment companies in the Fund Complex. Ms. Goldman's experience, qualifications, attributes, and skills, on an individual basis and in combination with those of the other Directors, led to the Board's conclusion that she possesses the requisite skills and attributes as a Director to carry out oversight responsibility with respect to the Fund.

*Stuart A. McFarland* — The Board has concluded that Mr. McFarland should serve as a Director of the Fund because of his substantial business experience. Mr. McFarland has extensive experience in executive leadership, business development and operations, corporate restructuring and corporate finance. He previously served in senior executive management roles in the private sector, including serving as the Executive Vice President and Chief Financial Officer of Fannie Mae and as the Executive Vice President and General Manager of GE Capital Mortgage Services, Corp. Mr. McFarland also served on the board of directors/trustees for various other investment management companies and was the Managing Partner of Federal City Capital Advisors. Mr. McFarland is a member of the Audit Committee and the Governance Committee. Mr. McFarland also serves as a director/trustee of other registered investment companies in the Fund Complex. Mr. McFarland's experience, qualifications, attributes, and skills, on an individual basis and in combination with those of the other Directors, led to the Board's conclusion that he possesses the requisite skills and attributes as a Director to carry out oversight responsibility with respect to the Fund.

*William H. Wright II* — The Board has concluded that Mr. Wright should serve as a Director of the Fund because of his substantial business experience. Mr. Wright has extensive experience in executive leadership, investment banking and corporate finance. He previously served as a Managing Director of Morgan Stanley until his retirement in 2010, having joined the firm in 1982. During his career at Morgan Stanley, Mr. Wright headed the corporate finance execution group where he was responsible for leading and coordinating teams in the execution of complex equity offerings for multinational corporations. Mr. Wright has served on the boards of directors/trustees for various other investment management companies and non-profit entities. Mr. Wright is Chair of the Audit Committee and is a member of the Governance Committee. Mr. Wright also serves as a director/trustee of other registered investment companies in the Fund Complex. Mr. Wright's experience, qualifications, attributes, and skills, on an individual basis and in combination with those of the other Directors, led to the Board's conclusion that he possesses the requisite skills and attributes as a Director to carry out oversight responsibility with respect to the Fund.

*Betty A. Whelchel* — The Board has concluded that Ms. Whelchel should serve as a Director of the Fund because of her substantial business and legal experience. Ms. Whelchel has extensive experience in financial services law and regulation, international finance and public policy. She has held a number of senior management positions at international financial institutions, including serving as U.S. Head of Public Policy and Regulatory Affairs for BNP Paribas, U.S. General Counsel CIB for BNP Paribas, Global General Counsel for Deutsche Asset Management and U.S. Deputy General Counsel for Deutsche Bank AG. She started her career in the General Counsel's office of the U.S. Treasury Department, and worked as a lawyer with Shearman & Sterling in its New York and Tokyo offices, specializing in bank finance, mergers and acquisitions and joint ventures. Throughout her career, Ms. Whelchel has been active in industry initiatives related to financial regulation and corporate governance, including the Committee on Capital Markets Regulation, the Executive Committee of the Institute of International Bankers Board of Trustees, and the Association of the Bar of the City of New York's Special Task Force on the Lawyer's Role in Corporate Governance. Ms. Whelchel was the recipient of the 2015 Legal 500 US Individual of the Year Award in Financial Services and the 2013 Burton Legend in the Law Award. Ms. Whelchel is a member of the Audit Committee and the Governance Committee. Ms. Whelchel also serves as a director/trustee of other registered investment companies in the Fund Complex. Ms. Whelchel's experience, qualifications, attributes, and skills, on an individual basis and in combination with those of the other Directors, led to the Board's conclusion that she possesses the requisite skills and attributes as a Director to carry out oversight responsibility with respect to the Fund.

*Susan Schauffert-Tam* — The Board has concluded that Ms. Schauffert-Tam should serve as a Director of the Fund because of her substantial business experience. Ms. Schauffert-Tam is a capital markets financial services executive, who worked in a senior capacity with a particular focus on infrastructure financing. She previously served as a Managing Director of BMO Capital Markets until her retirement in 2024, having joined the firm in 1999. During her career at BMO Capital Markets, Ms. Schauffert-Tam was responsible for debt origination, including structuring both public and private financing transactions. In addition, Ms. Schauffert-Tam previously served as head of debt

syndication at BMO Capital Markets where she led the team responsible for bringing all corporate investment grade, high yield debt, asset-backed securities and project bonds to market across a variety of industries. Ms. Schaufert-Tam is a member of the Audit Committee and the Governance Committee. Ms. Schaufert-Tam also serves as a director/trustee of other registered investment companies in the Fund Complex. Ms. Schaufert-Tam's experience, qualifications, attributes, and skills, on an individual basis and in combination with those of the other Directors, led to the Board's conclusion that she possesses the requisite skills and attributes as a Director to carry out oversight responsibility with respect to the Fund.

*Brian F. Hurley* — Mr. Hurley is a Managing Partner at Brookfield and General Counsel for Brookfield Private Wealth LLC, where he oversees the legal and compliance functions and product development. Prior to joining Brookfield in 2010, Mr. Hurley was an attorney at Paul Hastings LLP and a member of the investment management practice group, where he focused his practice on representing investment advisers and various investment companies. Mr. Hurley earned a Juris Doctor degree from Columbia University and a Bachelor of Arts degree from the College of the Holy Cross.

## **Board Committees**

The Fund established the following three standing committees and the membership of each committee to assist in its oversight functions, including its oversight of the risks the Fund faces: the Audit Committee, the QLCC, and the Governance Committee. There is no assurance, however, that the Board's committee structure will prevent or mitigate risks in actual practice. The Fund's committee structure is specifically not intended or designed to prevent or mitigate the Fund's investment risks. The Fund is designed for investors that are prepared to accept investment risk, including the possibility that unforeseen risks may emerge in the future.

### **Audit Committee**

The Audit Committee is comprised of Messrs. Wright, Kuczmariski, McFarland and Ms. Goldman, Whelchel, and Schaufert-Tam. It does not include any interested Directors. The Audit Committee meets regularly with respect to the various series of the Fund. The principal functions of the Audit Committee are to review the Fund's audited financial statements, to select the Fund's independent auditors, to review with the Fund's auditors the scope and anticipated costs of their audit, and to receive and consider a report from the auditors concerning their conduct of the audit, including any comments or recommendations they might want to make in connection therewith.

The Audit Committee also serves as the QLCC for the Fund for the purpose of compliance with Rules 205.2(k) and 205.3(c) of the Code of Federal Regulations, regarding alternative reporting procedures for attorneys retained or employed by an issuer who appear and practice before the SEC on behalf of the issuer (the "issuer attorneys"). An issuer's attorney who becomes aware of evidence of a material violation by the Fund, or by any officer, Director, employee, or agent of the Fund, may report evidence of such material violation to the QLCC as an alternative to the reporting requirements of Rule 205.3(b) (which requires reporting to the chief legal officer and, potentially, "up the ladder" to other entities).

### **Governance Committee**

The Governance Committee is comprised of Messrs. Kuczmariski, McFarland and Wright and Ms. Goldman, Whelchel, and Schaufert-Tam. The function of the Fund's Governance Committee is to recommend candidates for election to its Board as Independent Directors. The Fund's Governance Committee evaluates each candidate's qualifications for Board membership and their independence from the Adviser and other principal service providers. The Governance Committee will consider nominees recommended by Shareholders who, separately or as a group, own at least one percent of the Shares. Shareholders who would like to recommend a nominee for the position of Independent Director should submit their recommendations in writing by mail to the Chair of the Governance Committee, c/o Secretary, Oaktree Asset-Backed Income Fund Inc., at Brookfield Place, 225 Liberty Street, New York, New York 10281 or by email to the Fund. Any such recommendation should include a description of the candidate's qualifications for Board service, the candidate's written consent to be considered for nomination and to serve if nominated and elected, as well as the addresses and telephone numbers for contacting the Shareholder and the candidate for more information. Our Governance Committee may request additional information about the Shareholder recommended nominee or about the Shareholder recommending the nominee. Recommendations by Shareholders will be considered by our Governance Committee in its discretion using the same criteria as other candidates it considers.

## Board Meetings

The Fund's Fund Governance Policies and Procedures provide that the Chair of the Board, who is elected by the Independent Directors, will preside at each executive session of the Board, or if one has not been designated, the chairperson of the Governance Committee shall serve as such.

## Beneficial Ownership of Shares Held in the Fund and the Family of Investment Companies for Each Director

Set forth in the table below is the dollar range of equity securities in the Fund beneficially owned by each Director and the aggregate dollar range of equity securities in the Fund Complex beneficially owned by each Director as of December 31, 2025.

Name of Director	Aggregate dollar range of equity securities held in the Fund <sup>*(1)</sup>	Aggregate dollar range of equity securities held in the Complex <sup>*(1)(2)</sup>
<b>Interested Director:</b>		
Brian F. Hurley	A	C
<b>Independent Director</b>		
Heather S. Goldman	A	C
Edward A. Kuczmariski	A	E
Stuart A. McFarland	A	E
William H. Wright II	A	A
Betty A. Whelchel	A	A
Susan Schauffert-Tam	A	A

\* Key to Dollar Ranges

- A. None
- B. \$1 – \$10,000
- C. \$10,001 – \$50,000
- D. \$50,001 – \$100,000
- E. Over \$100,000

All shares were valued as of December 31, 2025.

- (1) "Beneficial Ownership" is determined in accordance with Rule 16a-1(a)(2) under the Exchange Act.
- (2) The aggregate dollar range of equity securities owned by each Director of the Fund and of all funds overseen by each Director in each of Brookfield's and Oaktree's family of investment companies (the "Fund Complex") as of December 31, 2025. The Fund Complex is comprised of the Fund, Brookfield Investment Funds (five series of underlying portfolios), Brookfield Infrastructure Income Fund Inc., Oaktree Diversified Income Fund Inc., and Brookfield Real Assets Income Fund Inc.

As of December 31, 2025, none of the Independent Directors nor members of their immediate families, owned securities beneficially or of record in the Adviser or any affiliate thereof. Accordingly, neither the Independent Directors nor members of their immediate family, have direct or indirect interest, the value of which exceeds \$120,000, in the Adviser, or any of their affiliates. In addition, during the two most recently completed calendar years, neither the Independent Directors nor members of their immediate families have conducted any transactions (or series of transactions) in which the amount involved exceeds \$120,000 and to which the Adviser or any affiliate thereof was a party.

## Remuneration of Directors and Officers

No remuneration was paid by the Fund to persons who were directors, officers or employees of the Adviser or any affiliate thereof for their services as Directors or officers of the Fund. Each Director of the Fund, other than those who are officers or employees of the Adviser or any affiliate thereof, was entitled to receive compensation from the Fund Complex.

For the fiscal year ended December 31, 2025, the aggregate annual retainer paid to each Independent Director of the Board for the Fund Complex was \$260,000. Effective January 1, 2026, the aggregate annual retainer paid to each Independent Director of the Board for the Fund Complex is \$270,500. The Independent Chair of the Fund receives an additional payment of \$55,000 per year. The Chair of the Audit Committee receives an additional payment of \$50,000 per year. The Chair of the Governance Committee receives an additional payment of \$15,000 per year. The Independent Directors also receive reimbursement from the Fund for expenses incurred in connection with attendance

at regular meetings. In addition, effective January 1, 2025, the Board established a continuing education policy. In particular, the Directors are encouraged to attend at least two in-person educational enrichment programs or events at the expense of the Fund Complex on an annual basis. Also, the Fund Complex will reimburse the Directors for their registration fees to attend an unlimited number of remote or virtual learning opportunities. The Fund does not have a pension or retirement plan. No other entity affiliated with the Fund pays any compensation to the Directors.

### Compensation Table

Name of person and position	Total Compensation from the Fund for the Fiscal Year Ended December 31, 2025	Aggregate Compensation from the Fund Complex for the Calendar Year Ended December 31, 2025 <sup>(1)</sup>
<b>Interested Director:</b>		
Brian F. Hurley . . . . .	N/A	N/A
<b>Independent Director:</b>		
Heather S. Goldman . . . . .	\$ 20,941	\$ 275,000
Edward A. Kuczmariski . . . . .	\$ 23,987	\$ 315,000
Stuart A. McFarland . . . . .	\$ 19,799	\$ 260,000
William H. Wright II. . . . .	\$ 23,606	\$ 310,000
Betty A. Whelchel. . . . .	\$ 19,799	\$ 260,000
Susan Schauffert-Tam. . . . .	\$ 19,799	\$ 260,000

(1) As of December 31, 2025, there were a total of nine (9) investment companies (and portfolios thereof) in the Fund Complex. The number includes the Fund, Brookfield Investment Funds (five series of underlying portfolios), Brookfield Real Assets Income Fund Inc., Brookfield Infrastructure Income Fund Inc., and Oaktree Diversified Income Fund Inc. Following the close of business on December 5, 2025, Oaktree Asset-Backed Income Private Placement Fund Inc. was reorganized into the Fund.

### Indemnification of Officers and Directors; Limitations on Liability

Maryland law permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its shareholders for money damages, except for liability resulting from (a) actual receipt of an improper benefit or profit in money, property or services or (b) active and deliberate dishonesty established by a final judgment as being material to the cause of action. The Fund's charter contains such a provision which eliminates directors' and officers' liability for money damages to the maximum extent permitted by Maryland law, subject to the requirements of the 1940 Act.

The Fund's charter, to the maximum extent permitted by Maryland law and subject to the requirements of the 1940 Act, obligates the Fund to indemnify any present or former director or officer or any individual who, while serving as a director or officer of the Fund and, at the Fund's request, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, limited liability company, employee benefit plan, or other enterprise as a director, officer, partner, member, manager, trustee, employee or agent from and against any claim or liability to which that individual may become subject or which that individual may incur by reason of his or her service in any such capacity, and to pay or reimburse his or her reasonable expenses in advance of final disposition of a proceeding.

The Fund's charter also permits the Fund to indemnify and advance expenses to any individual who served any predecessor of the Fund in any of the capacities described above and any employee or agent of the Fund or a predecessor of the Fund, if any.

Maryland law requires a corporation (unless its charter provides otherwise, which the Fund's charter does not) to indemnify a director or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he or she is made, or threatened to be made, a party by reason of his or her service in that capacity. Maryland law permits a corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements, and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made, or threatened to be made, a party by reason of their service in those or other capacities

unless it is established that (a) the act or omission of the director or officer was material to the matter giving rise to the proceeding and (1) was committed in bad faith or (2) was the result of active and deliberate dishonesty, (b) the director or officer actually received an improper personal benefit in money, property, or services or (c) in the case of any criminal proceeding, the director or officer had reasonable cause to believe the act or omission was unlawful. However, under Maryland law, a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that a personal benefit was improperly received, unless in either case a court orders indemnification, and then only for expenses. In addition, Maryland law permits a corporation to pay or reimburse reasonable expenses to a director or officer in advance of final disposition of a proceeding upon the corporation's receipt of (a) a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation and (b) a written undertaking by him or her or on his or her behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the standard of conduct was not met.

In accordance with the 1940 Act, the Fund will not indemnify any person for any liability to which such person would be subject by reason of such person's willful misconduct, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of his or her office.

### **Investment Adviser**

Oaktree Fund Advisors, LLC (the "Adviser"), a Delaware limited liability company and a registered investment adviser under the Investment Advisers Act of 1940, as amended, serves as the investment adviser to the Fund. The Adviser is an affiliate of Oaktree Capital Management, L.P., a Delaware limited partnership ("OCM"), a leading global investment management firm headquartered in Los Angeles, California, focused on less efficient markets and alternative investments, and is a subsidiary of Brookfield Oaktree Holdings, LLC (formerly, Oaktree Capital Group, LLC) (collectively with OCM and the Adviser, "Oaktree"). Oaktree was formed in April 1995 and is a leading global investment management firm headquartered in Los Angeles, California, with more than 1,400 employees throughout offices in 26 cities worldwide. As of December 31, 2025, Oaktree had approximately \$223 billion in assets under management. Oaktree's senior executives and investment professionals have focused on less efficient markets and alternative investments for nearly 40 years. Oaktree emphasizes an opportunistic, value-oriented approach to investments in distressed debt, corporate debt (including mezzanine finance, direct lending, high yield debt and senior loans), control investing, convertible securities, real estate, listed equities and multi-strategy solutions.

Oaktree's competitive advantages include its experienced team of investment professionals, a global platform and a unifying investment philosophy. This investment philosophy — the six tenets of which are risk control, consistency, market inefficiency, specialization, bottom-up analysis and disavowal of market timing — is complemented by a set of core business principles that articulate Oaktree's commitment to excellence in investing; commonality of interests with clients; a collaborative and cooperative culture; and a disciplined, opportunistic approach to the expansion of offerings.

As a result of consistent application of Oaktree's philosophy and principles, Oaktree has earned a large and distinguished clientele. Among Oaktree's clients are 64 of the 100 largest U.S. pension plans, more than 550 corporations around the world, 40 of the 50 state retirement plans in the United States, over 300 endowments and foundations globally, and 17 sovereign wealth funds.

Oaktree's expertise in investing across the capital structure has allowed Oaktree to cultivate a diversified mix of global investment strategies in four categories: credit, private equity, real assets and listed equities. Importantly, the expansion of Oaktree's strategies has been achieved primarily through "step-outs" into highly related fields, based on identifying markets that Oaktree believes (a) have the potential for attractive returns, and (b) can be exploited in a manner consistent with Oaktree's philosophy focused on risk control.

Oaktree's asset management business is indirectly controlled by Oaktree Capital Holdings, LLC. As of December 31, 2025, approximately 74% of the Oaktree business is indirectly owned by Brookfield Corporation, a publicly traded company (NYSE: BN; TSX: BN), and Brookfield Asset Management Ltd., a publicly traded company (NYSE: BAM; TSX: BAM) (collectively "Brookfield"), and the remaining approximately 26% was owned by current and former Oaktree executives and employees (including certain related persons and trusts/investment entities). Brookfield's ownership interest in Oaktree's business is held through Brookfield Oaktree Holdings, LLC, Oaktree

Capital Holdings, LLC and related entities. In October 2025, Oaktree and Brookfield announced that they agreed on a proposed transaction whereby Brookfield will acquire the approximately 26% interest in Oaktree that it does not already own such that, upon completion of the proposed transaction, Brookfield will own 100% of Oaktree. The transaction is expected to close in the second quarter of 2026.

Brookfield Asset Management Ltd. is a leading global alternative asset manager focused on infrastructure, power and transition, private equity, real estate, and credit, with over \$1 trillion of assets under management as of December 31, 2025. Together, Brookfield and Oaktree provide investors with one of the most comprehensive offerings of alternative investment products available today. As of December 31, 2025, the Adviser had approximately \$11.6 billion under management.

The Fund and the Adviser have entered into an investment advisory agreement (the “Advisory Agreement”) pursuant to which the Adviser is entitled to receive a base management fee (the “Management Fee”) and an incentive fee (the “Incentive Fee”).

Pursuant to the Advisory Agreement, the Adviser receives an annual Management Fee, payable monthly in arrears by the Fund, in an amount equal to 1.25% of the Fund’s average daily net assets. The Adviser has voluntarily agreed to waive the Management Fee through December 7, 2026.

The Incentive Fee is earned on Pre Incentive Fee Net Investment Income, as defined below, attributable to each class of Shares (each, a “Class”), and shall be calculated and accrued on a daily basis while being determined and payable in arrears at the end of each fiscal quarter beginning on and after the commencement of the first fiscal quarter of the Fund.

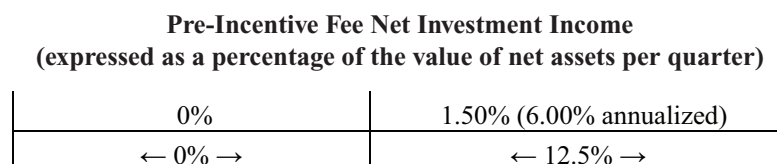
Thus, the calculation of the Incentive Fee, attributable to each Class, for each fiscal quarter is as follows:

- No Incentive Fee shall be payable in any fiscal quarter in which the Pre-Incentive Fee Net Investment Income attributable to the Class does not exceed a quarterly return of 1.50% per quarter based on the Class’s average daily net assets for the applicable quarterly payment period (calculated in accordance with U.S. GAAP and gross of any accrued (but unpaid) performance fee if applicable during the payment period) (the “Quarterly Return”), or 6.00% annualized; and
- For any fiscal quarter in which Pre-Incentive Fee Net Investment Income attributable to the Class (if any) exceeds the Quarterly Return, the Incentive Fee with respect to that Class shall equal 12.5% of Pre-Incentive Fee Net Investment Income attributable to the Class.

“Pre-Incentive Fee Net Investment Income,” with respect to each Class, is defined as the Class’s share of net investment income (allocated based on the net asset value of the Class relative to the Fund as a whole), which will include investment income earned by the Fund (*i.e.*, interest income, dividend income, etc.) reduced by (1) Fund-related investment expenses (*i.e.*, interest and dividend expense, expenses related to the execution of the investment strategy) and (2) after subtracting any reimbursement made by the Adviser to the Fund pursuant to any expense waiver or cap arrangement agreed to between the Adviser and the Fund, any other fund expenses, determined in accordance with U.S. GAAP prior to the application of the Incentive Fee, except that such “other fund expenses” shall not include, without limitation, any payments under the Fund’s Distribution and Servicing Plan. Pre-Incentive Fee Net Investment Income includes, in the case of investments with a deferred income feature (such as market or original issue discount, debt investments with payment in kind (“PIK”) interest, preferred stock with PIK dividends and zero coupon securities), accrued income that the Fund has not yet received in cash. The Adviser is not under any obligation to reimburse the Fund for any part of the income-based fee it receives that is based on accrued income that the Fund never actually receives. Pre-Incentive Fee Net Investment Income is not adjusted for incentive fee payments or any shareholder servicing and/or distribution fees paid under the Fund’s Distribution and Servicing Plan. Accordingly, Pre-Incentive Fee Net Investment Income may be calculated on higher amounts of income than the Fund may ultimately realize and that may ultimately be distributed to Shareholders. As a result, for any calendar quarter, the Incentive Fee attributable to Pre-Incentive Fee Net Investment Income that is paid to the Adviser may be calculated on the basis of an amount that is greater than the amount of net investment income actually received by the Fund for such calendar quarter.

The following graphic highlights the operation of the Incentive Fee:

**Quarterly Incentive Fee**  
**Each Class’s Pre-Incentive Fee Net Investment Income**  
**(expressed as a percentage of such Class’s average beginning monthly net asset value)**



**Percentage of Pre-Incentive Fee Net Investment Income**  
**Allocated to Quarterly Incentive Fee**

The Incentive Fee is accrued on a daily basis and taken into account for the purpose of determining the Fund’s net asset value. Accordingly, the repurchase price received by a Shareholder whose Shares are repurchased in a tender offer will be based on a valuation that will reflect an Incentive Fee accrual, if any. The Incentive Fee presents certain risks that are not present in funds without an Incentive Fee. See “— Incentive Fee Risk” under “Principal Risks of Investing in the Fund.”

The Advisory Agreement has an initial term of two years, and will continue in effect thereafter only so long as such continuance is specifically approved at least annually by the Board in accordance with the requirements of the 1940 Act.

The Advisory Agreement provides that the Adviser will not be liable for any error of judgment by the Adviser or for any loss suffered by the Fund in connection with the matters to which the Advisory Agreement relates, except a loss resulting from a breach of fiduciary duty with respect to the receipt of compensation for services (in which case, any award of damages shall be limited to the period and the amount set forth in Section 36(b)(3) of the 1940 Act) or loss resulting from willful misfeasance, bad faith or gross negligence, or reckless disregard of duties. The Advisory Agreement provides that it will terminate automatically if assigned (as defined in the 1940 Act), and that it may be terminated without penalty by either the Adviser or the Fund by the Board or vote of a majority of the outstanding voting securities of the Fund (as defined in the 1940 Act) upon not more than 60 days’, nor less than 30 days’, written notice. The Advisory Agreement will have an initial term of two years, and continue in effect thereafter only so long as such continuance is specifically approved at least annually by the Board in accordance with the requirements of the 1940 Act.

A discussion regarding the basis of the Board’s most recent approval of the Advisory Agreement is available in the Fund’s semi-annual report to shareholders for the period ended June 30, 2025.

The table below sets forth the total advisory fees paid by the Fund to the Adviser for the fiscal year ended December 31, 2025. Advisory fees were waived by the Adviser pursuant to a Management Fee Waiver Agreement, under which the Adviser contractually agreed to waive the Management Fee through at least August 1, 2026. The Adviser has voluntarily agreed to waive the Management Fee through December 7, 2026.

	<b>2025</b>
Advisory Fees . . . . .	\$ 372,748
Advisory Fees Waived . . . . .	\$ (372,748)
Net Advisory Fees Paid to Adviser . . . . .	<u>\$ 0</u>

**Administrator**

Oaktree Fund Administration, LLC serves as the administrator and accounting agent (the “Administrator”). Pursuant to an administration agreement (the “Administration Agreement”), the Administrator provides, or oversees the performance of, administrative and compliance services, including, but not limited to, maintaining financial records, overseeing the calculation of NAV, compliance monitoring (including diligence and oversight of our other service providers), preparing reports to stockholders and reports filed with the SEC, preparing materials and coordinating meetings of the Board, managing the payment of expenses and the performance of administrative and professional services rendered by others and providing office space, equipment and office services. For its services under the Administration Agreement, the Administrator receives from the Fund an annual fee equal to 0.10% of the Fund’s net assets.

## Sub-Administrator

U.S. Bancorp Fund Services, LLC (in such capacity, the “Sub-Administrator”) provides certain administrative and fund accounting services pursuant to a fund services agreement with the Fund (the “Fund Services Agreement”). Pursuant to the Fund Services Agreement, and subject to the supervision of the Administrator, the Sub-Administrator provides certain administrative services to the Fund that are not otherwise provided by the Administrator, which include, but are not limited to: assisting in securities valuation; performing portfolio accounting services; and assisting in the preparation of financial reports.

## Portfolio Managers

Brendan Beer and Loris Nazarian are responsible for management of the Fund. Brendan Beer is the lead portfolio manager and Loris Nazarian is an assistant portfolio manager.

The table below identifies the number of accounts (other than the Fund) for which the Fund’s portfolio managers have day-to-day management responsibilities and the total assets in such accounts, within each of the following categories: registered investment companies, other pooled investment vehicles, and other accounts. For each category, the number of accounts and total assets in the accounts where fees are based on performance is indicated as of December 31, 2025.

Portfolio Manager	Number of Registered Investment Companies Managed and Total Assets for such Accounts <sup>(1)</sup>		Other Pooled Investment Vehicles Managed and Total Assets for such Accounts <sup>(1)*</sup>		Number of Other Accounts Managed and Total Assets for such Accounts <sup>(1)(2)</sup>	
	# of accounts	AUM	# of accounts	AUM	# of accounts	AUM
Brendan Beer . . . . .	0	\$ 0	2	\$ 1,256	21	\$ 6,388
Loris Nazarian. . . . .	0	\$ 0	2	\$ 1,256	21	\$ 6,388

(1) Assets in \$ millions

(2) Represents separate accounts

\* Of the Other Pooled Investment Vehicles, two accounts, totaling \$1,256 million in assets, pay an advisory fee that is based on the performance of the accounts.

Oaktree attracts, motivates and retains talented employees by making them active participants in, and beneficiaries of, the firm’s success. In addition to salaries, all Oaktree employees share in the discretionary bonus pool (which receives a participation of 10% or more in all of Oaktree’s profits). An employee’s participation in the bonus pool is based on unit and company success, level of responsibility, and individual performance. Oaktree also matches employee retirement plan contributions up to a pre-determined percentage.

Oaktree’s compensation program design allows for participation in all products’ results to further align its employees’ interests with those of its clients. This is evidenced by Oaktree’s long-term incentive program, which allows eligible senior employees to participate in the success of multiple Oaktree investment strategies and products. Awards under Oaktree’s primary long-term incentive program will, unless otherwise elected by the receiving employee, track the performance of the Fund. Therefore, employees have a financial interest in the success of multiple Oaktree investment strategies, which supports an alignment of interests with Oaktree clients. The most important determinants of incentive compensation are the success of the firm and strategy and the contribution of the individual. A significant portion of employee compensation is derived from bonuses, which are a function of the firm’s profitability and the individual employee’s responsibilities and performance. Salaries are fixed at different levels based upon total compensation bands.

Key investment professionals who devote substantial time to certain funds may be awarded a right to participate in the carried interest from such funds, subject to a vesting schedule. Key investment professionals who devote substantial time to certain evergreen funds may be awarded a share of the annual incentive fees, if any, received by Oaktree from such funds. Taken together, the incentive compensation elements of bonuses, long-term incentive awards, incentive fee sharing and/or participation in carried interest represent a far greater proportion of a senior investment professional’s long-term compensation than does the fixed annual salary.

Founding principals do not receive salaries or bonuses but rather derive the majority of their compensation from equity holdings. As a founding principal, Bruce Karsh does not receive a salary or bonus, but does receive compensation through his equity holdings and carried interest.

## **Investment Professionals at Oaktree**

As of December 31, 2025, Oaktree employs over 450 investment, legal and compliance professionals who are supported by nearly 800 administrative and marketing professionals. Oaktree's senior executives and investment professionals have focused on less efficient and alternative markets, specifically concentrating their efforts in distressed debt, corporate debt (including high yield debt and senior loans), control investing, convertible securities, real estate and listed equities, all of which capabilities Oaktree believes complement and leverage off each other.

The biographies of certain members of Oaktree's senior management are set forth below.

### **Oaktree Senior Management**

#### **Howard Marks, CFA**

*Co-Chairman*

Since the formation of Oaktree in 1995, Mr. Marks has been responsible for ensuring the firm's adherence to its core investment philosophy; communicating closely with clients concerning products and strategies; and contributing his experience to big-picture decisions relating to investments and corporate direction. From 1985 until 1995, Mr. Marks led the groups at The TCW Group, Inc. that were responsible for investments in distressed debt, high yield bonds, and convertible securities. Previously, Mr. Marks was with Citicorp Investment Management for 16 years, where from 1978 to 1985 he was Vice President and senior portfolio manager in charge of convertible and high yield securities. Between 1969 and 1978, he was an equity research analyst and, subsequently, Citicorp's Director of Research. Mr. Marks holds a B.S.Ec. degree *cum laude* from the Wharton School of the University of Pennsylvania with a major in finance and an M.B.A. in accounting and marketing from the Booth School of Business of the University of Chicago. He is a CFA® charterholder. Mr. Marks is an Emeritus Trustee and Advisory Member of the Investment Committee at the Metropolitan Museum of Art. He is a member of the Investment Committee of the Royal Drawing School in London. He also serves on the Shanghai International Financial Advisory Council and the Advisory Board of Duke Kunshan University and is an Emeritus Trustee of the University of Pennsylvania, where from 2000 to 2010 he chaired the Investment Board.

#### **Bruce Karsh**

*Co-Chairman and Chief Investment Officer*

Mr. Karsh is Oaktree's Co-Chairman and one of the firm's co-founders. He also is Chief Investment Officer and serves as portfolio manager for Oaktree's Global Opportunities, Value Opportunities and Global Credit strategies.

Prior to co-founding Oaktree, Mr. Karsh was a managing director of TCW Asset Management Company, and the portfolio manager of the Special Credits Funds from 1988 until 1995. Prior to joining TCW, Mr. Karsh worked as Assistant to the Chairman of SunAmerica, Inc. Prior to that, he was an attorney with the law firm of O'Melveny & Myers. Before working at O'Melveny & Myers, Mr. Karsh clerked for the Honorable Anthony M. Kennedy, then of the U.S. Court of Appeals for the Ninth Circuit and retired Associate Justice of the U.S. Supreme Court. Mr. Karsh holds an A.B. degree in economics *summa cum laude* from Duke University, where he was elected to Phi Beta Kappa. He went on to earn a J.D. from the University of Virginia School of Law, where he served as Notes Editor of the *Virginia Law Review* and was a member of the Order of the Coif. Mr. Karsh serves on the boards of a number of privately held companies. He is a member of the investment committee of the Broad Foundations. Mr. Karsh is Trustee Emeritus of Duke University, having served as Trustee from 2003 to 2015, and as Chairman of the Board of DUMAC, LLC, the entity that managed Duke's endowment, from 2005 to 2014.

#### **Robert O'Leary**

*Co-Chief Executive Officer*

Mr. O'Leary serves as co-Chief Executive Officer, primarily focused on overseeing the organization and performance of Oaktree's investment teams. He is also portfolio manager for the firm's Global Opportunities strategy, leading the group's investment activities in North America. In this capacity, he contributes to the analysis, portfolio construction and management of both the Global Opportunities and Value Opportunities strategies. Prior to joining Oaktree in 2002, he worked at McKinsey & Company, where he was a consultant, and Orion Partners, a private equity firm, where he focused on investments in private companies. Mr. O'Leary graduated magna cum laude from Pomona College with a B.A. degree in economics, and he received his M.B.A. from Harvard Business School.

**Armen Panossian**

*Co-Chief Executive Officer and Head of Performing Credit*

Mr. Panossian serves as co-Chief Executive Officer, primarily focused on overseeing the organization and performance of Oaktree's investment teams. He is also Head of Performing Credit, where his responsibilities include oversight of the firm's liquid and private credit strategies and as a portfolio manager within the Global Private Debt and Global Credit strategies. Mr. Panossian joined Oaktree's Global Opportunities group in 2007. In January 2014, he joined the U.S. Senior Loans team to assume co-portfolio management responsibilities and lead the development of Oaktree's CLO business. He became head of all performing credit in 2019. Mr. Panossian joined Oaktree from Pequot Capital Management, where he worked on their distressed debt strategy. Mr. Panossian holds a B.A. degree in economics with honors and distinction from Stanford University, where he was elected to Phi Beta Kappa; an M.S. degree in health services research from Stanford Medical School; a J.D. degree from Harvard Law School; and an M.B.A. from Harvard Business School. Mr. Panossian serves on the Advisory Board of the Stanford Institute for Economic Policy Research. He is a member of the State Bar of California.

**John Frank**

*Vice Chairman*

Mr. Frank is Oaktree's Vice Chairman and works closely with Howard Marks, Bruce Karsh, Robert O'Leary, Armen Panossian and Todd Molz in managing the firm. Mr. Frank joined in 2001 as General Counsel and was named Oaktree's Managing Principal in early 2006, a position which he held for about nine years. As Managing Principal, Mr. Frank was the firm's principal executive officer and responsible for all aspects of the firm's management. Prior to joining Oaktree, Mr. Frank was a partner of the Los Angeles law firm of Munger, Tolles & Olson LLP where he managed a number of notable merger and acquisition transactions. While at that firm, he served as primary outside counsel to public-and privately-held corporations and as special counsel to various boards of directors and special board committees. Prior to joining Munger Tolles in 1984, Mr. Frank served as a law clerk to the Honorable Frank M. Coffin of the United States Court of Appeals for the First Circuit. Prior to attending law school, Mr. Frank served as a Legislative Assistant to the Honorable Robert F. Drinan, Member of Congress. Mr. Frank holds a B.A. degree with honors in history from Wesleyan University and a J.D. *magna cum laude* from the University of Michigan Law School, where he was Managing Editor of the *Michigan Law Review* and a member of the Order of the Coif. He is a member of the State Bar of California and, while in private practice, was listed in Woodward & White's *Best Lawyers in America*. Mr. Frank is a member of the Board of Directors of Chevron Corporation and Daily Journal Corporation and a Trustee of Wesleyan University, The James Irvine Foundation, and the XPRIZE Foundation.

**Todd Molz**

*Chief Operating Officer*

Mr. Molz serves as Oaktree's Chief Operating Officer where he oversees the day-to-day management of the firm, with all non-investment functions reporting to him. Prior to assuming this role in 2024, he served as General Counsel and Chief Administrative Officer and was responsible for the Compliance, Internal Audit and Administration functions as well as all legal activities, including fund formation, acquisitions and other special projects. Prior to joining the firm in 2006, Mr. Molz was a Partner of the Los Angeles law firm of Munger, Tolles & Olson LLP, where his practice focused on tax and structuring aspects of complex and novel business transactions. Prior to joining Munger Tolles, Mr. Molz served as a law clerk to the Honorable Alfred T. Goodwin of the United States Court of Appeals for the Ninth Circuit. Mr. Molz graduated cum laude from Middlebury College with a B.A. degree in political science. He received his J.D. degree with honors from the University of Chicago, where he served on the Law Review, received the John M. Olin Student Fellowship and was a member of the Order of the Coif.

**Asset-Backed Finance Group**

In addition to Mr. Brendan Beer and Mr. Loris Nazarian, the following persons are members of Oaktree's Asset-Backed Finance Group:

**Jennifer Marques**

*Managing Director and Head of Strategy and Structuring*

Ms. Marques is a managing director and Head of Strategy and Structuring for Oaktree's Structured Credit strategy, focused on the strategic and operational architecture of the Asset-Backed Finance platform. Prior to this, she led Oaktree's Global Tax Structuring team, with responsibility for Oaktree's fund and corporate tax structuring efforts

globally. Ms. Marques is also co-chair of Oaktree's Women's Leadership Council. Before joining Oaktree in 2017, she worked at Cleary Gottlieb Steen & Hamilton LLP where she practiced as a tax lawyer focused on advising alternative asset management clients on investment and fund structuring. Prior thereto, she spent time as a tax adviser to the Goldman Sachs Merchant Banking and European Special Situations groups. Ms. Marques received a first-class honors degree in law (M.A. Oxon) from Oxford University and graduated from the legal practice course with distinction.

### **Rana Mitra**

*Managing Director*

Mr. Mitra is a managing director for Oaktree's Structured Credit strategy, focusing on the Asset-Backed Finance platform. Prior to joining the firm in 2025, he was a managing director and portfolio manager at Atalaya Capital Management where he led the investment and portfolio management for their equipment fund, and focused on equipment and other specialty finance verticals including asset-based lending, supply chain finance, SME lending, as well as aviation. Prior thereto, Mr. Mitra was a vice president at Del Mar Asset Management, a multi-strategy hedge fund, which spanned credit, special situations, and derivatives. He began his career with roles at Marc Bell Capital Partners and Bear Sterns. Mr. Mitra holds a B.Sc. in economics *summa cum laude* from The Wharton School at the University of Pennsylvania.

### **Justin Guichard**

*Managing Director*

Mr. Guichard joined Oaktree in 2007. He is a managing director and co-portfolio manager for Oaktree's Real Estate Debt and Structured Credit strategies. In addition to his strategy management responsibilities, Mr. Guichard is responsible for investing capital for Oaktree's Real Estate Debt, Real Estate Income, Real Estate Opportunities, Structured Credit and Global Credit strategies. Prior to Oaktree, he worked for Barrow Street Capital which, he joined in 2005. Mr. Guichard began his career in Merrill Lynch & Co.'s Real Estate Investment Banking group. He received a B.A. degree from University of California, Los Angeles, where he was an Alumni Scholar, and an M.B.A. from MIT's Sloan School of Management.

### **Christopher Gray, CFA**

*Senior Vice President*

Mr. Gray is a senior vice president for Oaktree's Structured Credit strategy. Prior to joining the firm in 2022, he led the ABS secondary trading desk at MUFJ Securities and before that was responsible for structuring new issue ABS transactions and warehouses. Mr. Gray received a Master of Physics degree from the University of Oxford, specializing in theoretical physics and astrophysics. He is also a CFA charterholder.

### **Siddharth Jain**

*Senior Vice President*

Mr. Jain is a senior vice president for Oaktree's Structured Credit strategy, and also assists with the arranging and optimization of Oaktree-managed CLOs. Mr. Jain joined Oaktree in 2019 from Moody's, where he was an assistant vice president in the Structured Finance Group. There, Mr. Jain was responsible for leading the credit rating process for several CLO, CMBS and RMBS transactions during his seven year tenure at Moody's. Prior thereto, Mr. Jain was an equity research analyst with J.P. Morgan, covering the U.S. small- and mid-cap software technology industry. Mr. Jain received an M.B.A. from Yale University and a bachelor of technology degree from Indian Institute of Technology (IIT) Bombay in aerospace engineering.

### **Stephanie Masters**

*Senior Vice President*

Ms. Masters is a senior vice president for Oaktree's Structured Credit Strategy focused on investments for the Asset-Backed Finance platform. Before joining the firm in 2024, she was an attorney on the investment team at Waterfall Asset Management in New York, responsible for structuring, negotiating and managing the legal execution of investments in a range of structured credit asset classes. Prior to this, Ms. Masters was a structured finance and securitization attorney practicing in the New York and Sydney offices of global law firm Allen & Overy LLP (now A&O Sherman). Ms. Masters received a B.Comm. in economics and a Bachelor of Laws from the University of Sydney in Australia. She is admitted to the New York Bar.

**Matthew Scheer***Vice President*

Mr. Scheer is a vice president for Oaktree's Structured Credit strategy focused on the Asset-Backed Finance platform. Prior to joining the firm in 2024, he worked in the Asset Finance group at Goldman Sachs Asset Management, where he was responsible for underwriting and managing investments in specialty finance and other asset-backed opportunities. Before that he held roles at Tetragon Financial Group and Morgan Stanley. Mr. Scheer received a B.Sc. in commerce and B.A. in mathematics from the University of Virginia.

**Alexandra Abele***Associate*

Ms. Abele is an associate for Oaktree's Structured Credit strategy. Prior to joining the firm in 2023, Ms. Abele was with Wells Fargo Securities for three years as an investment banking analyst and associate in the Structured Products and Securitization group. She received a B.A. degree in economics *magna cum laude* from Davidson College, where she was elected to Phi Beta Kappa.

**Zhanna Martirossian***Associate*

Ms. Martirossian is an associate for Oaktree's Structured Credit strategy. She joined the firm in 2019, initially in the Portfolio Analytics, Risk and Reporting group covering the Value Equities and Real Estate Debt strategies. In this role, Ms. Martirossian oversaw investment-level performance, analytics and reporting. She joined Oaktree from Energy Trading Company where she focused on supply management. Ms. Martirossian received a B.Sc. in finance from California State University Northridge and an A.A. in merchandise marketing from Fashion Institute of Design & Merchandising.

**Caitlin Fong***Analyst*

Ms. Fong is an analyst for Oaktree's Structured Credit strategy. Ms. Fong returned to Oaktree in 2023 following graduation from New York University's Stern School of Business, where she earned a B.S. degree in business, with concentrations in finance and accounting, and psychology *cum laude*. Prior experience includes internships in Oaktree's Corporate Finance and Corporate Accounting departments and for Barclays Investment Bank in the Financial Institutions group.

**Marketing and Client Relations Nicole Adrien***Managing Director, Chief Product Officer and Global Head of Client Relations*

Ms. Adrien is Oaktree's Chief Product Officer and Global Head of Client Relations. In this capacity, she oversees all aspects of our product management activities, including product design and governance, in addition to providing oversight of the firm's corporate and marketing communications and investor relations functions. Ms. Adrien joined Oaktree in 2006 following graduation from the UCLA Anderson School of Management, where she was an Anderson Fellow and recipient of the J. Fred Weston Award for Excellence in Finance. Previous experience with Oaktree includes roles as marketing representative, Opportunistic Credit Product Specialist, and Director of Investor Relations for Oaktree's public entity. Prior to Oaktree, Ms. Adrien worked at Goldman Sachs & Co. in the firm's Investment Management, Equities and Executive Office divisions. Ms. Adrien is a member of the board of directors of Azorra, a privately held aircraft leasing platform and is NACD Directorship Certified. She holds a B.A. degree in comparative area studies *magna cum laude* from Duke University, where she was elected to Phi Beta Kappa. Ms. Adrien is fluent in Spanish and proficient in French.

**Anthony Harrington***Managing Director and Global Head of Marketing*

Mr. Harrington is the Global Head of Marketing for Oaktree. He joined Oaktree in 2008 with over ten years of institutional and intermediary distribution marketing experience, both at Coast Asset Management and Lazard Asset Management. Prior experience includes nearly three years in management consulting at Coopers & Lybrand, LLP and seven years in the field of education. Mr. Harrington received a B.A. degree in economics and history from St. Lawrence University and an Ed.M. degree in administration and planning from Harvard University.

## Potential Conflicts of Interest

Oaktree and its affiliates manage a number of different investment strategies which present the possibility of overlapping investments, and thus the potential for conflicts of interest. Various accounts managed by Oaktree and its affiliates invest in a broad range of asset classes throughout the corporate capital structure, including loans and debt securities, preferred equity securities and common equity securities. In some cases, Oaktree accounts will hold an interest in one part of a company's capital structure while one or more other accounts holds an interest in another part of that company's capital structure. In such cases the interests of each account, including the Fund, may conflict with one another. If any matter arises that Oaktree determines in its good faith judgment constitutes an actual conflict of interest between the Fund and any other Oaktree accounts, Oaktree may take such actions as may be necessary or appropriate to prevent or reduce the conflict. There is no guarantee that any conflicts that arise between the Fund, any Oaktree account, or Oaktree and its affiliates will be resolved in favor of the Fund. Such conflicts could have the effect of benefiting other Oaktree accounts, or Oaktree and its affiliates, and may have an adverse effect on the Fund or its investments.

In the course of providing investment management services, Oaktree and all principals, partners, officers, employees of Oaktree, as well as certain consultants and other external service providers, and its affiliates (collectively, "Oaktree Representatives"), likely will come into possession of material, nonpublic information which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, Oaktree and Oaktree Representatives may be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any other person, including the Fund. In addition, certain accounts have acquired, and may in the future acquire, interests in companies that provide services to one or more other accounts. The payment of fees by accounts to a service provider owned in whole or in part by other accounts may give rise to potential conflicts of interest to the extent Oaktree directed or initiated such transaction. If Oaktree believes such instances may give rise to a conflict of interest, Oaktree will address such conflicts based on the facts and circumstances presented by each situation and attempt to employ measures to ensure that the accounts using the company's services are charged arm's-length prices for the services they receive. Such measures may include, where appropriate, having the company's management control the negotiation of fees with the accounts to which services are provided and/or obtaining a "most favored nations" clause so that the accounts will automatically receive the benefit of the most favorable fees charged by the service provider to similarly situated clients. Oaktree and its employees may also receive certain benefits, such as discounts on products or services from companies in which an Oaktree account holds a significant ownership interest.

*Conflicts Relating to Brookfield Asset Management.* Brookfield owns a majority interest in Oaktree. Together, Brookfield and Oaktree provide investors with one of the most comprehensive offerings of alternative investment products available today. Brookfield and Oaktree have continued to operate their respective investment businesses largely independently, with each remaining under its own brand and led by its own management and investment teams. Brookfield and Oaktree manage their investment team independently of each other pursuant to an information barrier.

Oaktree accounts and their portfolio companies sometimes engage in activities and have business relationships that give rise to conflicts (and potential conflicts) of interest between them, on the one hand, and Brookfield and Brookfield's clients (together, "Brookfield Accounts") and their portfolio companies on the other hand. For so long as Brookfield and Oaktree manage their investment teams independently of each other pursuant to an information barrier, Oaktree, Oaktree accounts and their respective portfolio companies generally will not be treated as affiliates of Brookfield, Brookfield Accounts and their portfolio companies, and conflicts (and potential conflicts) considerations, including in connection with allocation of investment opportunities, investment and trading activities, and agreements, transactions and other arrangements entered into with Oaktree, Oaktree accounts and their portfolio companies, generally will be managed in accordance with disclosures set out in the governing documents and independently.

There is (and in the future will continue to be) overlap in investment strategies and investments pursued by Oaktree and Brookfield. Nevertheless, Oaktree generally does not coordinate or consult with Brookfield with respect to investment decisions of Oaktree accounts. While this absence of coordination and consultation, and the information barrier described above, in some respects serves to mitigate conflicts of interests between Oaktree and Brookfield, these same factors also give rise to certain conflicts and risks in connection with Brookfield's and Oaktree's investment activities, and make it more difficult to mitigate, ameliorate or avoid such situations. For example, because neither Brookfield nor Oaktree generally coordinate or consult with the other about investment activities and/or decisions made by the other, and neither Brookfield nor Oaktree is subject to any internal approvals over its respective investment activities and decisions by any person who would have knowledge and/or decision-making control of the investment decisions of the other, Brookfield will pursue investment opportunities for Brookfield Accounts which would also

be suitable for Oaktree accounts, but which are not made available to such Oaktree accounts. Brookfield Accounts and Oaktree accounts compete, from time to time, for the same investment opportunities. Such competition could, under certain circumstances, adversely impact the purchase price of investments. Brookfield has no obligation to, and generally will not, share investment opportunities that would also be suitable for the Oaktree accounts, and Oaktree and Oaktree accounts have no rights with respect to any such opportunities.

In addition, Brookfield is not restricted from forming or establishing new Brookfield Accounts, such as additional funds or successor funds, which directly compete with Oaktree accounts for investment opportunities. Brookfield Accounts also are not restricted from pursuing investment opportunities based in whole or in part on information, support and knowledge provided directly or indirectly by Oaktree. For example, Oaktree may provide Brookfield, from time to time, with access to marketing-related support, including, for example, introductions to investor relationships and other marketing facilitation activities. Such Brookfield Accounts could compete with or otherwise conduct their affairs without regard to any adverse impact on Oaktree accounts. In addition, Brookfield Accounts are permitted to make investments suitable for Oaktree accounts without the consent of the Oaktree accounts or Oaktree. From time to time, Brookfield Accounts and Oaktree accounts may purchase or sell an investment from or to each other, as well as jointly pursue investments.

In addition, from time to time, Brookfield Accounts hold interests in investments held by Oaktree accounts (or potential Oaktree account investments) and/or subsequently purchase (or sell) an interest in an investment held by Oaktree accounts (or potential Oaktree account investments). In such situations, Brookfield Accounts could benefit from Oaktree accounts' activities. Conversely, Oaktree accounts could be adversely impacted by Brookfield's activities. In addition, as a result of different investment objectives, views and/or interests in investments, Brookfield may manage certain Brookfield Accounts' investments in particular issuers in a way that is different from Oaktree accounts' investments in the same issuers (including, for example, by investing in different portions of the issuer's capital structure, short selling securities, voting securities or exercising rights it holds in a different manner and/or buying or selling its interests at different times than the Oaktree accounts), which could adversely impact Oaktree accounts' interests. Brookfield and its affiliates may take positions, give advice and provide recommendations that are different from, and potentially contrary to, those which are taken by, given or provided to Oaktree accounts, and are expected to hold interests that potentially are adverse to those held by Oaktree accounts. Brookfield has no obligation or duty to make available for the benefit of Oaktree accounts any information regarding its activities, strategies and/or views.

Brookfield and Oaktree are likely to be deemed to be affiliates of each other for purposes of certain laws and regulations, notwithstanding the existence of an information barrier between them, and from time to time Brookfield Accounts and Oaktree accounts will have positions (which in some cases will be significant) in the same issuers. In those cases, Brookfield and Oaktree will frequently need to aggregate their investment holdings, including holdings of Brookfield Accounts and Oaktree accounts, for certain securities law purposes (including trading restrictions under Rule 144 under the Securities Act, reporting obligations under Section 13 of the Exchange Act and reporting and short-swing profit disgorgement obligations under Section 16 of the Exchange Act) and other regulatory purposes (including (i) public utility companies and public utility holding companies; (ii) bank holding companies; (iii) owners of broadcast licenses, airlines, railroads, water carriers and trucking concerns; (iv) casinos and gaming businesses; and (v) public service companies (such as those providing gas, electric or telephone services)). Consequently, Brookfield's activities could result in earlier public disclosure of investments held by the Fund and restrictions on transactions by the Fund (including the ability to make or dispose of investments at times that Oaktree may otherwise have recommended), adverse effects on the prices of the Fund's investments or the ability of the Fund to dispose of its investments, potential short-swing profit disgorgement, penalties and/or regulatory remedies, or otherwise create conflicts of interests for the Fund. In managing its investment activities, Brookfield will act for its own account or on behalf of the Brookfield Accounts and act in its or their own interest, without regard to the interests of the Fund or any Other Oaktree Funds.

### **Control Persons and Principal Shareholders**

A principal shareholder is any person who owns of record or beneficially 5% or more of any class of the outstanding shares of the Fund. A control person is a person who beneficially owns, either directly or indirectly through one or more controlled companies, more than 25% of the voting securities of a company or asserts the existence of control. Shareholders with a controlling interest could affect the outcome of voting or the direction of management of the Fund.

As of December 31, 2025, the officers and Trustees, as a group, owned beneficially less than 1% of the shares (aggregating all classes) of the Fund.

As of March 31, 2026, the following persons were known to beneficially own 25% or more of the outstanding shares of the Fund:

<b>Name and Address</b>	<b>% of Shares</b>	<b>Parent Company</b>	<b>Jurisdiction</b>	<b>Nature of Ownership<sup>(1)</sup></b>
iCapital Offshore Access Fund SP1 600 Colonial Center Pkwy Lake Mary, FL 32746	30.21%	iCapital Advisors, LLC	Cayman Islands	Beneficial

As of March 31, 2026, the following persons were known to own of record or beneficially 5% or more of the outstanding shares of the share class and Fund indicated:

*Class I*

<b>Name and Address</b>	<b>% of Shares</b>	<b>Nature of Ownership<sup>(1)</sup></b>
iCapital Offshore Access Fund SP1 600 Colonial Center Pkwy Lake Mary, FL 32746	30.21%	Beneficial
National Financial Services LLC 499 Washington Blvd Fl 4 Jersey City, NJ 07310	19.74%	Record
Beacon Pointe Multi Alternative Fund 24 Corporate Plaza Dr #150 Newport Beach, CA 92660	13.53%	Beneficial
Oaktree Fund Group GP I LP 333 S Grand Ave Fl 28 Los Angeles, CA 90071	11.15%	Beneficial
Charles Schwab & Co Inc. 211 Main Street San Francisco, CA 94105	11.09%	Record
Kinea Global Macro Hedge Fund SPC PO Box 309 Uglan House South Church Street George Town KY1-1104 Grand Cayman	9.47%	Beneficial

(1) “Record” ownership means the shareholder of record, or the exact name of the shareholder on the account, *i.e.*, “ABC Brokerage, Inc.” “Beneficial” ownership refers to the actual pecuniary, or financial, interest in the security, *i.e.*, “Jane Doe Shareholder.”

**Code of Ethics**

The Fund and the Adviser have adopted codes of ethics (the “Codes of Ethics”) pursuant to Rule 17j-1 under the 1940 Act. The Codes of Ethics permit personnel subject to the Codes of Ethics to invest in securities, including securities that may be purchased or held by the Fund. The Codes of Ethics are available on the EDGAR Database on the SEC’s internet website at <http://www.sec.gov>. Copies of the Codes of Ethics may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov).

**Voting of Proxies**

The Fund has delegated the voting of portfolio securities to the Adviser. The Fund has adopted the proxy voting procedures of the Adviser and has directed the Adviser to vote all proxies relating to the Fund’s voting securities in accordance with such procedures. The proxy voting procedures are attached hereto as Appendix A. Information regarding how the Fund voted proxies relating to its portfolio securities during the most recent 12-month period ended June 30 is available: (i) without charge, upon request, by calling toll-free at (855) 862-5873; (ii) on the Fund’s website at <https://privatewealth.brookfield.com/fund/oaktree-asset-backed-income-fund-inc>; and (iii) on the SEC’s website at <http://www.sec.gov>.

## DISTRIBUTION OF FUND SHARES

Quasar Distributors, LLC, a wholly owned subsidiary of Foreside Financial Group, LLC (dba ACA Group) (the “Distributor”), serves as the principal underwriter in the continuous public offering of the Shares pursuant to a distribution agreement (the “Distribution Agreement”) with the Fund, which is subject to annual approval by the Board. The Distributor is a registered broker-dealer and a member of the Financial Industry Regulatory Authority (“FINRA”). The Distributor’s principal business address is 190 Middle Street, Suite 301, Portland, Maine 04101.

The Distribution Agreement will continue in effect with respect to the Fund for successive one-year periods, provided that each such continuance is specifically approved: (i) by the vote of a majority of the Directors who are not interested persons of the Fund (as defined in the 1940 Act) and who have no direct or indirect financial interest in the Distribution Agreement or the Advisory Agreement; and (ii) by the vote of a majority of the entire Board cast in person at a meeting called for that purpose.

The Fund has agreed to indemnify the Distributor and certain of the Distributor’s affiliates against certain liabilities, including certain liabilities arising under the Securities Act. To the extent consistent with applicable law, the Distributor has agreed to indemnify the Fund and each Director against certain liabilities under the Securities Act, and in connection with the services rendered to the Fund.

The Distributor acts as the distributor of Shares for the Fund on a best efforts basis, subject to various conditions, pursuant to the terms of the Distribution Agreement. The Distributor is not obligated to sell any specific amount of the Shares.

The SEC has granted exemptive relief (the “Multi-Class Exemptive Relief”) permitting the Fund to issue multiple classes of Shares and to impose asset-based distribution fees and early-withdrawal fees.

Pursuant to the Multi-Class Exemptive Relief, the Fund maintains a Multi-Class Plan pursuant to Rule 18f-3 under the 1940 Act. Although the Fund is not an open-end investment company, it will undertake to comply with the terms of Rule 18f-3 as a condition of the Multi-Class Exemptive Relief (which relief permits it to have, among other things, a multi-class structure and distribution and/or shareholder servicing fees). Under the Multi-Class Plan, Shares of each class of the Fund represent an equal pro rata interest in the Fund and, generally, have identical voting, dividend, liquidation, and other rights, preferences, powers, restrictions, limitations, qualifications, and terms and conditions, except that: (a) each class has a different designation; (b) each class of shares bears any class-specific expenses; and (c) each class shall have separate voting rights on any matter submitted to Shareholders in which the interests of one class differ from the interests of any other class, and shall have exclusive voting rights on any matter submitted to Shareholders that relates solely to that class.

The Fund pays the Distributor a fee of up to 0.75% of the average daily net assets of the Fund’s outstanding Class A Shares and Class U Shares, which may be used to cover certain expenses incurred by the Distributor under the Fund’s Distribution and Servicing Plan, including the printing and distribution of sales literature and prospectuses sent to prospective investors. Authorized dealers to whom substantially the entire sales charge is reallocated may be deemed to be underwriters, according to the definition under the Securities Act. Pursuant to the Distribution Agreement between the Distributor and the Fund, the Fund agrees to indemnify the Distributor against certain liabilities under the Securities Act. Any distribution related (*i.e.*, Rule 12b-1) fee may be used in whole or in part to finance distribution activities, including sales compensation, and/or shareholder account liaison and servicing activities. The Distributor pays financial services firms’ fees for distributing the applicable Shares.

The Fund may enter into arrangements with financial intermediaries to provide sub-transfer agent services and other related services (*e.g.*, client statements, tax reporting, order-processing, and client relations) that otherwise could be handled by the Fund’s transfer agent, U.S. Bancorp Fund Services, LLC. As a result, these third parties may charge fees (sometimes called “sub-transfer agency fees”) to the Fund for these services, so long as such compensation does not exceed certain limits set from time to time by the Board in consultation with management. The Fund may compensate the institution rendering such services on a per-account basis, as an asset-based fee, based on transaction fees or other charges, or on a cost reimbursement basis, or in some cases, a combination of these inputs. The aggregate amount of sub-transfer agency fees may be substantial and may exceed the actual costs incurred in engaging in these services. Accordingly, financial intermediaries may realize a profit in connection with such services.

(The Adviser or an affiliate may make additional payments to intermediaries for these and other services, and their payments may be based on the same or other methods of calculation. See “Revenue Sharing” below.) Sub-transfer agency fees can comprise a substantial portion of the Fund’s ongoing expenses. While the Adviser considers these sub-transfer agency fees to be payments for services rendered, they represent an additional business relationship between these sub-transfer agents and the Fund that often results, at least in part, from past or present sales of Shares by the sub-transfer agents or their affiliates. While sub-transfer agency fees and service levels are set in the market, there generally is limited comparative information available about them. The Fund and the Adviser also face certain conflicts of interest when considering these relationships in that the counterparty is both a prospective service provider and, typically, a distribution partner. The Adviser’s practice of paying sub-transfer agency fees above agreed limits as revenue sharing (as discussed further below) also creates conflicts of interest for the parties when considering sub-transfer agency relationships, and that is so both generally and in terms of the allocation of those fees between the Fund and the Adviser.

### **Distribution and Servicing Plan**

The Fund has implemented a Distribution and Servicing Plan for each of the Class A Shares and Class U Shares of the Fund. The Distribution and Servicing Plan operates in a manner consistent with Rule 12b-1 under the 1940 Act, which regulates the manner in which an open-end investment company may directly or indirectly bear the expenses of distributing its shares. Although the Fund is not an open-end investment company, it will comply with the terms of Rule 12b-1 as a condition of the granted Multi-Class Exemptive Relief, which permits the Fund to have, among other things, a multi-class structure and distribution and shareholder servicing fees. Each Distribution and Servicing Plan permits the Fund to compensate the Distributor for providing or procuring through financial firms, distribution, administrative, recordkeeping, shareholder and/or related services with respect to the Class A Shares and the Class U Shares, as applicable. Most or all of the distribution and/or servicing fees are paid to financial firms through which Shareholders may purchase or hold Class A Shares and Class U Shares, as applicable. Because these fees are paid out of the applicable share class’s assets on an ongoing basis, over time they will increase the cost of an investment in Class A Shares and Class U Shares and may cost you more than other types of sales charges.

The maximum annual rate at which distribution and/or servicing fees may be paid under the Distribution and Servicing Plan for each of Class A Shares and Class U Shares is 0.75% (calculated as a percentage of the Fund’s average daily net assets attributable to the Class A Shares and Class U Shares, respectively). 0.25% of such fee is a shareholder servicing fee (the “Servicing Fee”) and the remaining portion is a distribution fee (the “Distribution Fee”).

The Distribution Fee is for the sale and marketing of the Class A Shares and Class U Shares and to reimburse the Distributor for related expenses incurred. All or a portion of the Distribution Fee may be used to pay for sub-transfer agency, sub-accounting and certain other administrative services that are not required to be paid pursuant to a servicing fee under Financial Industry Regulatory Authority rules. The Distributor may pay all or a portion of the Distribution Fee to the selling agents that sell Class A Shares or Class U Shares. Payment of the Distribution Fee is governed by the Distribution and Servicing Plan. The Class I Shares do not incur a Distribution Fee.

The Servicing Fee is for personal services provided to stockholders and/or the maintenance of stockholder accounts and to reimburse the Distributor for related expenses incurred. All or a portion of the Servicing Fee may be used to pay for sub-transfer agency, sub-accounting and certain other administrative services. The Fund also pays for certain sub-transfer agency, sub-accounting and certain other administrative services outside of the Servicing Fee. The Distributor may pay all or a portion of the Servicing Fee to the selling agents that sell Class A Shares or Class U Shares. Payment of the Servicing Fee is governed by the Distribution and Servicing Plan. The Class I Shares do not incur a Servicing Fee.

The Adviser or an affiliate may make additional payments to intermediaries for these and other services, and their payments may be based on the same or other methods of calculation. See “Revenue Sharing” below.

### **Revenue Sharing**

The Adviser, the Administrator, or an affiliate may, from time to time, out of its (or their) own resources, make substantial cash payments — sometimes referred to as “revenue sharing” — to broker-dealers or financial intermediaries for various reasons. The revenue sharing payments do not change the price paid by investors for the purchase of the Shares or the amount the Fund will receive as proceeds from such sales. Although a broker-dealer or financial intermediary may seek revenue sharing payments to offset costs incurred by the firm in servicing its clients

who have invested in the Fund, the aggregate amount of these payments to broker-dealers or financial intermediaries may be substantial and may exceed the actual costs incurred in engaging in these promotional activities or services. Accordingly, broker-dealers or financial intermediaries may realize a profit in connection with such activities or services.

Revenue sharing payments may support the delivery of services to the Fund or to shareholders in the Fund, including, without limitation, transaction processing and sub-accounting services. These payments also may serve as an incentive to sell the Shares and/or to promote retention of customer assets in the Fund. The Adviser, the Administrator and their affiliates do not consider a broker-dealer or financial intermediary's sale of the Shares when selecting brokers or dealers to effect portfolio transactions for the Fund.

Revenue sharing also may include any other payment requirement of a broker-dealer or another third-party intermediary. All such payments are paid by the Adviser, the Administrator, or an affiliate of either out of its (or their) own resources and are in addition to any Rule 12b-1 payments described elsewhere in this Statement of Additional Information. Revenue sharing payments may be structured, among other means, (i) as a percentage of sales; (ii) as a percentage of net assets; (iii) as a flat fee per transaction; (iv) as a fixed dollar amount; or (v) as some combination of any of these. In many cases, they therefore may be viewed as encouraging sales activity or retention of assets in the Fund. Generally, any revenue sharing or other payments of the type just described will have been requested by the party receiving them, often as a condition of distribution, but are subject to negotiation as to their structure and scope. Various factors are used to determine whether to make revenue sharing payments. Possible considerations include, without limitation, the types of services provided by the broker-dealer or financial intermediary, sales of Shares, the redemption rates on accounts of clients of the broker-dealer or financial intermediary or overall asset levels of the Fund held for or by clients of the broker-dealer or financial intermediary, the willingness of the broker-dealer or financial intermediary to allow the Adviser, or an affiliate to provide educational and training support for the broker-dealer's or financial intermediary's sales personnel relating to the Fund, as well as the overall quality of the services provided by the broker-dealer or financial intermediary.

Shareholders or prospective investors should be aware that revenue sharing arrangements or other payments to intermediaries could create incentives on the part of the parties receiving the payments to consider selling more Shares relative to other funds either not making payments of this nature or making smaller such payments. A Shareholder or prospective investor with questions regarding revenue sharing or other such payments may obtain more details by contacting his or her broker representative or other financial intermediary directly.

### **How to Purchase Shares**

The methods of buying and selling Shares and any sales charges applicable to purchases of Shares are described in the Prospectus.

## REPURCHASE OF SHARES

In order to provide some liquidity to Shareholders, the Fund makes quarterly offers to repurchase between 5% and 25% of its outstanding Shares at net asset value. Notices of each quarterly repurchase offer are sent to Shareholders no less than 21 days and no more than 42 days before the repurchase request deadline (*i.e.*, the date by which Shareholders can tender their Shares in response to a repurchase offer) (the “Repurchase Request Deadline”). The Fund determines the NAV applicable to repurchases no later than the 14 days after the Repurchase Request Deadline (or the next business day, if the 14<sup>th</sup> day is not a business day) (the “Repurchase Pricing Date”). The Fund expects to distribute payment to Shareholders within five (5) business days after the Repurchase Pricing Date, and in no event will distribute such payment later than seven (7) calendar days after such date. The Shares are not listed on any securities exchange, and the Fund anticipates that no secondary market will develop for its Shares. Investors should consider the Shares to be an illiquid investment. Accordingly, you may not be able to sell Shares when and/or in the amount that you desire. Thus, Shares are appropriate only as a long-term investment. In addition, the Fund’s repurchase offers may subject the Fund and Shareholders to special risks.

The section entitled “Periodic Repurchase Offers” in the Prospectus discusses the type and timing of notice for repurchase offers, the effects of oversubscribed repurchase offers, the determination of the repurchase price, payment by the Fund for Shares tendered in a repurchase offer, the effect of repurchase policies on the liquidity of the Fund, the consequences of repurchase offers, and other details regarding the repurchase offers, including associated risks. The Fund’s fundamental policies with respect to repurchase offers are discussed in “Investment Restrictions” in this Statement of Additional Information.

See “Principal Risks of the Fund — Repurchase Offers Risk” in the Prospectus for a description of the risks associated with the Fund’s repurchase offers. In addition, the repurchase of Shares by the Fund will be a taxable event to Shareholders. For a discussion of these tax consequences, see “Taxation” below.

In addition to the Fund’s policy to make periodic repurchase offers as described above, the Board may consider additional repurchases of its Shares on the open market or in private transactions, the making of a tender offer for such shares, or the conversion of the Fund to an open-end investment company (described below). The Fund cannot assure you that its Board will decide to take or propose any of these actions.

Subject to its investment limitations, the Fund may borrow to finance the repurchase of shares or to make a tender offer. Interest on any borrowings to finance share repurchase transactions or the accumulation of cash by the Fund in anticipation of share repurchases or tenders will reduce the Fund’s net income and gains. Any share repurchase, tender offer, or borrowing that might be approved by the Board would have to comply with the 1940 Act and the rules and regulations thereunder and other applicable law.

## PORTFOLIO TRANSACTIONS AND BROKERAGE

Pursuant to the Advisory Agreement, the Adviser determines which securities are to be purchased and sold by the Fund and which broker-dealers are eligible to execute the Fund's portfolio transactions. The Fund does not intend to use any affiliated broker-dealers.

In placing portfolio transactions, the Adviser will seek best execution. The full range and quality of services available will be considered in making these determinations, such as: the price of the security; the commission rate; the execution capability, including execution speed and reliability; trading expertise and knowledge of the other side of the trade; reputation and integrity; market depth and available liquidity; recent order flow; timing and size of an order; and other factors. In those instances where it is reasonably determined that more than one broker-dealer can offer the services needed to obtain the most favorable price and execution available, consideration may be given to those broker-dealers which furnish or supply research and statistical information to the Adviser that it may lawfully and appropriately use in its investment advisory capacities, as well as provide other services in addition to execution services. The Adviser considers such information, which is in addition to and not in lieu of the services required to be performed by the Adviser under the Advisory Agreement, to be useful in varying degrees, but of indeterminable value.

While it is the Fund's general policy to first seek to obtain the most favorable price and execution available in selecting a broker-dealer to execute portfolio transactions for the Fund, in accordance with Section 28(e) of the Exchange Act, when it is determined that more than one broker can deliver best execution, weight is also given to the ability of a broker-dealer to furnish brokerage and research services to the Fund or to the Adviser, even if the specific services are not directly useful to the Fund and may be useful to the Adviser in advising other clients. In negotiating commissions with a broker or evaluating the spread to be paid to a dealer, the Fund may therefore pay a higher commission or spread than would be the case if no weight were given to the furnishing of these supplemental services, provided that the amount of such commission or spread has been determined in good faith by the Adviser to be reasonable in relation to the value of the brokerage and/or research services provided by such broker-dealer.

Investment decisions for the Fund are made independently from those of other client accounts or other funds managed or advised by the Adviser. Nevertheless, it is possible that at times identical securities will be acceptable for both the Fund and one or more of such client accounts or other funds. In such event, the position of the Fund and such client account(s) or other funds in the same issuer may vary and the length of time that each may choose to hold its investment in the same issuer may likewise vary. However, to the extent any of these client accounts or other funds seek to acquire the same security as the Fund at the same time, the Fund may not be able to acquire as large a portion of such security as it desires, or it may have to pay a higher price or obtain a lower yield for such security. Similarly, the Fund may not be able to obtain as high a price for, or as large an execution of, an order to sell any particular security at the same time. If one or more of such client accounts or other funds simultaneously purchases or sells the same security that the Fund is purchasing or selling, each day's transactions in such security will be allocated between the Fund and all such client accounts or other funds in a manner deemed equitable by the Adviser, taking into account the respective sizes of the accounts and the amount of cash available for investment, the investment objective of the account, and the ease with which a client's appropriate amount can be bought, as well as the liquidity and volatility of the account and the urgency involved in making an investment decision for the client. It is recognized that in some cases this system could have a detrimental effect on the price or value of the security insofar as the Fund is concerned. In other cases, however, it is believed that the ability of the Fund to participate in volume transactions may produce better executions for the Fund.

For the fiscal year ended December 31, 2025, the Fund did not pay any brokerage commissions or related soft dollar brokerage commissions on the \$128,224,946 dollar value of securities traded.

### Securities Ownership of Portfolio Managers

The table below shows the dollar range of equity securities in the Fund beneficially owned by the Portfolio Managers as of December 31, 2025.

<b>Portfolio Managers</b>	<b>Dollar Range of Equity Securities in the Fund Beneficially Owned by Portfolio Managers<sup>(1)</sup></b>
Brendan Beer	E
Loris Nazarian	A

(1) Key to Dollar Ranges: A) none; B) \$1 – \$10,000; C) \$10,001 – \$50,000; D) \$50,001 – \$100,000; E) \$100,001 – \$500,000; F) \$500,001 – \$1,000,000; or G) over \$1,000,000.

## DISTRIBUTIONS

See “Distributions” in the Prospectus for information relating to distributions to Shareholders.

## NET ASSET VALUE

The Fund’s NAV per Share is computed by dividing the total current value of the assets of the Fund, less its liabilities, by the total number of Shares outstanding at the time of such computation. The Fund computes its NAV per Share as of the close of trading on each day the New York Stock Exchange (“NYSE”) is open for trading.

The Board has adopted procedures for the valuation of the Fund’s securities. The Adviser oversees the day to day responsibilities for valuation determinations under these procedures. The Board regularly reviews the application of these procedures to the securities in the Fund’s portfolio.

The Board has designated the Adviser as the valuation designee pursuant to Rule 2a-5 under the 1940 Act to perform fair value determination relating to any or all Fund investments. The Board oversees the Adviser in its role as the valuation designee in accordance with the requirements of Rule 2a-5 under the 1940 Act.

Investments in equity securities listed or traded on any securities exchange or traded in the over-the-counter market are valued at the last trade price as of the close of business on the valuation date. If the NYSE closes early, then the equity security will be valued at the last traded price before the NYSE close. Prices of foreign equities that are principally traded on certain foreign markets will generally be adjusted daily pursuant to a fair value pricing service approved by the Board in order to reflect an adjustment for the factors occurring after the close of certain foreign markets but before the NYSE close. When fair value pricing is employed, the value of the portfolio securities used to calculate the Fund’s NAV may differ from quoted or official closing prices. Investments in open-end registered investment companies, if any, are valued at the NAV as reported by those investment companies.

Securities for which market prices are not readily available, cannot be determined using the sources described above, or for which the Adviser determines the quotation or price for a portfolio security provided by a broker-dealer or an independent pricing service is inaccurate, will be valued at a fair value determined by the Adviser following the procedures adopted by the Adviser under the supervision of the Board. The Adviser’s valuation procedure establishes parameters for the sources, methodologies, and inputs the Adviser uses in determining fair value.

The fair valuation methodology may include or consider the following guidelines, as appropriate: (1) evaluation of all relevant factors, including but not limited to, pricing history, current market level, supply and demand of the respective security; (2) comparison to the values and current pricing of securities that have comparable characteristics; (3) knowledge of historical market information with respect to the security; (4) other factors relevant to the security which would include, but not be limited to, duration, yield, fundamental analytical data, the Treasury yield curve, and credit quality. The fair value may be difficult to determine and thus judgment plays a greater role in the valuation process. Imprecision in estimating fair value can also impact the amount of unrealized appreciation or depreciation recorded for a particular portfolio security and differences in the assumptions used could result in a different determination of fair value, and those differences could be material. For those securities valued by fair valuations, the Adviser reviews and affirms the reasonableness of the valuations based on such methodologies and fair valuation determinations on a regular basis after considering all relevant information that is reasonably available. There can be no assurance that the Fund could purchase or sell a portfolio security at the price used to calculate the Fund’s NAV.

An internal pricing hierarchy has been established to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. 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.

Valuations of Fund investments are disclosed in reports publicly filed with the SEC. The Adviser will provide the Board with periodic reports, no less than quarterly, that discuss the functioning of the valuation process, if applicable to that period, and that identify any issues and valuation problems that have arisen.

Under certain circumstances, the NAV per Share of a class of the Shares may be different from the per Share NAV of another class of Shares as a result of the different daily expense accruals applicable to each class of Shares.

## TAXATION

Set forth below is a discussion of the material U.S. federal income tax aspects concerning the Fund and the purchase, ownership, and disposition of Shares. This discussion does not purport to be complete or to deal with all aspects of U.S. federal income taxation that may be relevant to Shareholders in light of their particular circumstances. Unless otherwise noted, this discussion applies only to U.S. shareholders that hold Shares as capital assets. A “U.S. shareholder” is an individual who is a citizen or resident of the United States, a U.S. corporation (or other entity taxable as a corporation for U.S. federal income tax purposes), a trust if it (a) is subject to the primary supervision of a court in the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) has made a valid election to be treated as a U.S. person, or any estate the income of which is subject to U.S. federal income tax regardless of its source. This discussion is based upon present provisions of the Internal Revenue Code of 1986, as amended (the “Code”), the Treasury regulations promulgated thereunder, and judicial and administrative ruling authorities, all of which are subject to change, or differing interpretations (possibly with retroactive effect). This discussion does not represent a detailed description of the U.S. federal income tax consequences relevant to special classes of taxpayers including, without limitation, financial institutions, insurance companies, real estate investment trusts, pass-through entities (or investors therein), U.S. shareholders whose “functional currency” is not the U.S. dollar, tax-exempt organizations, dealers in securities or currencies, traders in securities or commodities that elect mark to market treatment, or persons that will hold Shares as a position in a “straddle,” “hedge,” or as part of a “constructive sale” for U.S. federal income tax purposes. In addition, this discussion does not address the application of the tax on net investment income or the U.S. federal alternative minimum tax. Prospective investors should consult their tax advisers with regard to the U.S. federal tax consequences of the purchase, ownership, or disposition of Shares, as well as the tax consequences arising under the laws of any state, foreign country, or other taxing jurisdiction.

### **Taxation of the Fund**

The Fund intends to elect to be treated, and intends to qualify annually thereafter, as a regulated investment company (a “RIC”) under Subchapter M of the Code.

To qualify for the favorable U.S. federal income tax treatment generally accorded to RICs, the Fund must, among other things:

(i) derive in each taxable year at least 90% of its gross income from (a) dividends, interest (including tax-exempt interest), payments with respect to securities loans and gains from the sale or other disposition of stock, securities or foreign currencies or other income (including but not limited to gains from options, futures, or forward contracts) derived with respect to its business of investing in such stock, securities, or currencies; and (b) net income derived from interests in certain publicly traded partnerships for U.S. federal income tax purposes and that derive less than 90% of their gross income from the items described in (a) above (each a “Qualified Publicly Traded Partnership”); and (ii) diversify its holdings so that, at the end of each quarter of the taxable year, (a) at least 50% of the value of the Fund’s assets is represented by cash and cash items (including receivables), U.S. government securities, the securities of other RICs, and other securities, with such other securities limited, with respect to any one issuer, to an amount not greater than 5% of the value of the Fund’s total assets and not greater than 10% of the outstanding voting securities of such issuer, and (b) not more than 25% of the value of its total assets is represented by the securities of (I) any one issuer (other than U.S. government securities or the securities of other RICs), (II) any two or more issuers (other than securities of other RICs) that the Fund controls (by owning 20% or more of the outstanding voting securities of such issuer) and that are engaged in the same, similar, or related trades or businesses, or (III) any one or more Qualified Publicly Traded Partnerships (as defined in Section 851(h) of the Code).

As a RIC, the Fund generally will not be subject to U.S. federal income tax on its investment company taxable income (as that term is defined in the Code, but determined without regard to the deduction for dividends paid) and net capital gain (the excess of net long-term capital gain over net short-term capital loss), if any, that it distributes in each taxable year to shareholders, provided that it distributes at least 90% of the sum of its investment company taxable income and its net tax-exempt income for such taxable year. The Fund intends to distribute to shareholders, at least annually, substantially all of its investment company taxable income and net capital gain. The Fund cannot ensure that it will make sufficient distributions each year to avoid all taxes that may be imposed on the Fund.

Amounts not distributed on a timely basis in accordance with a calendar year distribution requirement are subject to a nondeductible 4% U.S. federal excise tax. To prevent imposition of the excise tax, the Fund must distribute during each calendar year an amount at least equal to the sum of (i) 98% of its ordinary income (not taking into account any capital gains or losses) for the calendar year, (ii) 98.2% of its capital gains in excess of its capital losses (adjusted for certain ordinary losses) for the one-year period ending October 31 of the calendar year, and (iii) any ordinary income and capital gains for previous years that were not distributed during those years. For these purposes, the Fund will be deemed to have distributed any income or gains on which it paid U.S. federal income tax.

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

If the Fund failed to qualify as a RIC or failed to satisfy the 90% distribution requirement in any taxable year, the Fund would be subject to U.S. federal income tax at regular corporate rates on its taxable income (including its net capital gain), even if such income were distributed to shareholders, and all distributions out of earnings and profits (including distributions of net capital gain) would be taxed to Shareholders as ordinary dividend income. Such distributions generally would be eligible (i) to be treated as “qualified dividend income” in the case of individual and other non-corporate Shareholders and (ii) for the dividends received deduction in the case of corporate Shareholders. In addition, the Fund could be required to recognize unrealized gains, pay taxes, and make distributions (which could be subject to interest charges) before requalifying for taxation as a RIC.

### **Distributions**

Distributions to Shareholders of ordinary income (including “market discount” realized by the Fund on the sale of debt securities), and of net short-term capital gains, if any, realized by the Fund will generally be taxable to Shareholders as ordinary income to the extent that such distributions are paid out of the Fund’s current or accumulated earnings and profits. Distributions, if any, of net capital gains properly reported as “capital gain dividends” will be taxable as long-term capital gains, regardless of the length of time the Shareholder has owned Shares. A distribution of an amount in excess of the Fund’s current and accumulated earnings and profits (as determined for U.S. federal income tax purposes) will be treated by a Shareholder as a return of capital which will be applied against and reduce the Shareholder’s tax basis in his or her Shares (but not below zero). To the extent that the amount of any such distribution exceeds the Shareholder’s basis in his or her Shares, the excess will be treated by the Shareholder as gain from a sale of the Shares. Distributions paid by the Fund generally will not be eligible for the dividends received deduction allowed to corporations or for the reduced rates applicable to certain qualified dividend income received by non-corporate Shareholders. Distributions paid by the Fund shortly after a Shareholder has purchased Shares may be taxable even though they can be considered to be a return on investment in an economic sense. This may be termed buying a dividend.

Distributions will be treated in the manner described above regardless of whether such distributions are paid in cash or invested in additional Shares pursuant to the Plan. Shareholders receiving distributions in the form of additional Shares will generally be treated as receiving a distribution in the amount of cash that they would have received if they had elected to receive the distribution in cash. The additional Shares received by a Shareholder pursuant to the Plan will have a new holding period commencing on the day following the day on which the Shares were credited to the Shareholder’s account.

The Fund may elect to retain its net capital gain or a portion thereof for investment and be taxed at corporate rates on the amount retained. In such case, it may designate the retained amount as undistributed capital gains in a notice to Shareholders, who will be treated as if each received a distribution of his pro rata share of such gain, with the result that each Shareholder will (i) be required to report its pro rata share of such gain on its tax return as long-term capital gain, (ii) receive a refundable tax credit for its pro rata share of tax paid by the Fund on the gain and (iii) increase the tax basis for its Shares by an amount equal to the deemed distribution less the tax credit.

The IRS currently requires that a RIC that has two or more classes of stock allocate to each such class proportionate amounts of each type of its income (such as ordinary income and capital gains) based upon the percentage of total dividends paid to each class for the tax year. Accordingly, if the Fund issues preferred shares, the Fund intends to

allocate capital gain dividends, if any, between its Shares and preferred shares in proportion to the total dividends paid to each class with respect to such tax year. Shareholders will be notified annually as to the U.S. federal tax status of distributions.

### **Sale or Other Taxable Disposition of Shares**

Upon the sale or other taxable disposition of Shares (except pursuant to a repurchase by the Fund, as described below), a Shareholder will generally realize a capital gain or loss in an amount equal to the difference between the amount realized and the Shareholder's adjusted tax basis in the Shares sold. Such gain or loss will be long-term or short-term, depending upon the Shareholder's holding period for the Shares. Generally, a Shareholder's gain or loss will be a long-term gain or loss if the Shares have been held for more than one year. For non-corporate taxpayers, long-term capital gains are currently eligible for reduced rates of taxation.

No loss will be allowed on the sale or other taxable disposition of Shares if the owner acquires (including pursuant to the Plan) or enters into a contract or option to acquire securities that are substantially identical to such Shares within 30 days before or after the disposition. In such a case, the basis of the securities acquired will be adjusted to reflect the disallowed loss. Losses realized by a Shareholder on the sale or other taxable disposition of Shares held for six months or less are treated as long-term capital losses to the extent of any distribution of long-term capital gain received (or amounts designated as undistributed capital gains) with respect to such Shares.

From time to time, the Fund may offer to repurchase its outstanding Shares. Shareholders who tender all Shares held, or considered to be held, by them will be treated as having sold their Shares and generally will realize a capital gain or loss. If a Shareholder tenders fewer than all of its Shares or fewer than all Shares tendered are repurchased, such Shareholder may be treated as having received a taxable dividend upon the tender of its Shares. In such a case, there is a risk that non-tendering Shareholders, and Shareholders who tender some but not all of their Shares or fewer than all of whose Shares are repurchased, in each case whose percentage interests in the Fund increase as a result of such tender, will be treated as having received a taxable distribution from the Fund.

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

### **Nature of Fund's Investments**

Certain of the Fund's hedging and derivatives transactions are subject to special and complex U.S. federal income tax provisions that may, among other things, (i) disallow, suspend, or otherwise limit the allowance of certain losses or deductions, (ii) convert lower-taxed, long-term capital gain into higher-taxed, short-term capital gain or ordinary income, (iii) convert an ordinary loss or a deduction into a capital loss (the deductibility of which is more limited), (iv) cause the Fund to recognize income or gain without a corresponding receipt of cash, (v) adversely affect the time as to when a purchase or sale of stock or securities is deemed to occur, (vi) adversely alter the intended characterization of certain complex financial transactions, and (vii) produce income that will not be treated as qualifying income for purposes of the 90% gross income test described above.

These rules could therefore affect the character, amount, and timing of distributions to Shareholders and the Fund's status as a RIC. The Fund will monitor its transactions and may make certain tax elections in order to mitigate the effect of these provisions.

### **Below Grade Investments**

The Fund may invest a substantial portion of its assets in below investment grade (high-yield) instruments, commonly known as "high-yield" or "junk" instruments. Investments in these types of instruments may present special tax issues for the Fund. U.S. federal income tax rules are not entirely clear about issues such as when the Fund may cease to accrue interest, original issue discount or market discount, when and to what extent deductions may be taken

for bad debts or worthless instruments, how payments received on obligations in default should be allocated between principal and income, and whether exchanges of debt obligations in a bankruptcy or workout context are taxable. These and other issues will be addressed by the Fund, to the extent necessary, to preserve its status as a RIC and to distribute sufficient income to not become subject to U.S. federal income tax.

### **Original Issue Discount**

Investments by the Fund in debt obligations that are treated under applicable tax rules as having original issue discount (such as zero coupon securities, debt instruments with pay-in-kind interest, step-up bonds, or other discount securities) will result in income to the Fund equal to the accrued original issue discount each year during which the Fund holds the securities, even if the Fund receives no corresponding cash interest payments. If the Fund purchases debt instruments as part of a package of investments where the Fund also invests in common stock, other equity securities, or warrants, the Fund might be required to accrue original issue discount in an amount equal to the value of such common stock, other equity securities, or warrants (even if the face amount of such debt instruments does not exceed the Fund's purchase price for such package of investments). Original issue discount is included in determining the amount of income which the Fund must distribute to maintain its qualification for the favorable U.S. federal income tax treatment generally accorded to RICs and to avoid the payment of U.S. federal income tax and the nondeductible 4% U.S. federal excise tax. Because such income may not be matched by a corresponding cash distribution to the Fund, the Fund may be required to borrow money or dispose of other securities to be able to make distributions to Shareholders.

### **Market Discount Securities**

In general, the Fund will be treated as having acquired a security with market discount if its stated redemption price at maturity (or, in the case of a security issued with original issue discount, its revised issue price) exceeds the Fund's initial tax basis in the security by more than a statutory de minimis amount. The Fund will be required to treat any principal payments on, or any gain derived from the disposition of, any securities acquired with market discount as ordinary income to the extent of the accrued market discount, unless the Fund makes an election to accrue market discount on a current basis. If this election is not made, all or a portion of any deduction for interest expense incurred to purchase or carry a market discount security may be deferred until the Fund sells or otherwise disposes of such security.

### **Currency Fluctuations**

Under Section 988 of the Code, gains or losses attributable to fluctuations in exchange rates between the time the Fund accrues income or receivables or expenses or other liabilities denominated in a foreign currency and the time the Fund actually collects such income or receivables or pays such liabilities are generally treated as ordinary income or loss. Similarly, gains or losses on foreign currency, foreign currency forward contracts, certain foreign currency options or futures contracts, and the disposition of debt securities denominated in foreign currency, to the extent attributable to fluctuations in exchange rates between the acquisition and disposition dates, are also treated as ordinary income or loss.

### **Foreign Taxes**

The Fund's investment in non-U.S. securities may be subject to non-U.S. withholding taxes. In that case, the Fund's yield on those securities would be decreased. Shareholders will generally not be entitled to claim a credit or deduction with respect to foreign taxes paid by the Fund.

### **Preferred Shares or Borrowings**

If the Fund utilizes leverage through the issuance of preferred shares or borrowings, it may be restricted by certain covenants with respect to the declaration of, and payment of, dividends on Shares in certain circumstances. Limits on the Fund's payments of dividends on Shares may prevent the Fund from meeting the distribution requirements described above, and may, therefore, jeopardize the Fund's qualification for taxation as a RIC and possibly subject the Fund to the 4% excise tax. The Fund will endeavor to avoid restrictions on its ability to make dividend payments.

## **Backup Withholding**

The Fund may be required to withhold from all distributions and redemption proceeds payable to U.S. Shareholders who fail to provide the Fund with their correct taxpayer identification numbers or to make required certifications, or who have been notified by the IRS that they are subject to backup withholding. Certain shareholders specified in the Code generally are exempt from such backup withholding. This backup withholding is currently imposed at a federal rate of 24% and is not an additional tax. Any amounts withheld may be refunded or credited against the Shareholder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

## **Foreign Shareholders**

U.S. taxation of a shareholder who is not a U.S. shareholder and is not treated as a partnership (or other pass-through entity) for U.S. federal income tax purposes (a "foreign shareholder"), depends on whether the income from the Fund is "effectively connected" with a U.S. trade or business carried on by the shareholder.

If the income from the Fund is not "effectively connected" with a U.S. trade or business carried on by the foreign shareholder, distributions of investment company taxable income will be subject to a U.S. tax of 30% (or lower treaty rate), which tax is generally withheld from such distributions. However, dividends paid by the Fund that are "interest-related dividends" or "short-term capital gain dividends" will generally be exempt from such withholding, in each case to the extent the Fund properly reports such dividends to shareholders. For these purposes, interest-related dividends and short-term capital gain dividends generally represent distributions of interest or short-term capital gains that would not have been subject to U.S. federal withholding tax at the source if received directly by a foreign shareholder, and that satisfy certain other requirements. A foreign shareholder whose income from the Fund is not "effectively connected" with a U.S. trade or business would generally be exempt from U.S. federal income tax on capital gain dividends, any amounts retained by the Fund that are designated as undistributed capital gains, and any gains realized upon the sale or taxable disposition of Shares.

However, a foreign shareholder who is a nonresident alien individual and is physically present in the United States for more than 182 days during the taxable year and/or meets certain other requirements will nevertheless be subject to a U.S. tax of 30% on such capital gain dividends, undistributed capital gains, and gains realized upon the sale or taxable disposition of Shares.

If the income from the Fund is "effectively connected" with a U.S. trade or business carried on by a foreign shareholder, then distributions of investment company taxable income, any capital gain dividends, any amounts retained by the Fund that are designated as undistributed capital gains, and any gains realized upon the sale or other taxable disposition of Shares will be subject to U.S. federal income tax at the graduated rates applicable to U.S. citizens, residents, or domestic corporations. Foreign corporate shareholders may also be subject to the branch profits tax imposed by the Code.

The Fund may be required to withhold from distributions that are otherwise exempt from U.S. federal withholding tax (or taxable at a reduced treaty rate) unless the foreign shareholder certifies his or her foreign status under penalties of perjury or otherwise establishes an exemption.

The tax consequences to a foreign shareholder entitled to claim the benefits of an applicable tax treaty may differ from those described herein. Foreign shareholders are advised to consult their own tax advisers with respect to the particular tax consequences to them of an investment in the Fund.

## **Additional Withholding Requirements**

Under Sections 1471 through 1474 of the Code (such Sections commonly referred to as "FATCA"), a 30% U.S. federal withholding tax may apply to any ordinary dividends and other distributions that the Fund pays to (i) a "foreign financial institution" (as specifically defined in the Code), whether such foreign financial institution is the beneficial owner or an intermediary, unless such foreign financial institution agrees to verify, report, and disclose its U.S. "account" holders (as specifically defined in the Code) and meets certain other specified requirements or (ii) a non-financial foreign entity, whether such non-financial foreign entity is the beneficial owner or an intermediary, unless such entity provides a certification that the beneficial owner of the payment does not have any substantial

U.S. owners or provides the name, address, and taxpayer identification number of each such substantial U.S. owner and certain other specified requirements are met. In certain cases, the relevant foreign financial institution or non-financial foreign entity may qualify for an exemption from, or be deemed to be in compliance with, these rules. In addition, foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules. The Fund will not pay Shareholders any additional amounts in respect of amounts withheld under FATCA. Finally, under proposed Treasury regulations, which may be relied upon until final Treasury regulations are published, there is no FATCA withholding on gross proceeds from the sale or disposition of Shares or on certain capital gains distributions. You should consult your own tax adviser regarding FATCA and whether it may be relevant to your ownership and disposition of Shares.

### **Other Taxation**

Shareholders may be subject to state, local, and foreign taxes on their Fund distributions. Minimizing tax consequences is not a primary purpose in the management of the Fund. The Fund may make taxable distributions during periods in which the share price has declined. Shareholders are advised to consult their own tax advisers with respect to the particular tax consequences to them of an investment in the Fund.

### **CUSTODIAN, TRANSFER AGENT, AND DIVIDEND DISBURSEMENT AGENT**

The primary custodian of the assets of the Fund is U.S. Bank National Association, located at 1555 North Rivercenter Drive, Suite 302, Milwaukee, Wisconsin 53212. The custodian performs custodial and fund accounting services and compliance services on behalf of the Fund. U.S. Bancorp Fund Services, LLC, located at 615 East Michigan Street, Milwaukee, Wisconsin 53202, serves as the Fund's transfer agent and dividend disbursing agent with respect to the Shares.

### **INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Deloitte & Touche LLP is the independent registered public accounting firm of the Fund and audits the financial statements of the Fund. Deloitte & Touche LLP is located at 111 South Wacker Drive, Chicago, Illinois 60606.

### **COUNSEL**

Certain legal matters in connection with the common shares will be passed upon for the Fund by Paul Hastings LLP and, with respect to certain matters of Maryland law, by Venable LLP. Paul Hastings LLP may rely on the opinion of Venable LLP as to certain matters of Maryland law.

### **ADDITIONAL INFORMATION**

A registration statement on Form N-2, including amendments thereto, relating to the Shares offered hereby, has been filed by the Fund with the SEC in Washington, D.C. The Prospectus and this Statement of Additional Information do not contain all of the information set forth in the registration statement, including any exhibits and schedules thereto. For further information with respect to the Fund and the Shares offered hereby, reference is made to the Fund's registration statement. Statements contained in the Prospectus and this Statement of Additional Information as to the contents of any contract or other document referred to are not necessarily complete and in each instance reference is made to the copy of such contract or other document filed as an exhibit to the registration statement, each such statement being qualified in all respects by such reference. Copies of the registration statement may be inspected without charge at the SEC's principal office in Washington, D.C., and copies of all or any part thereof may be obtained from the SEC upon the payment of certain fees prescribed by the SEC or on the SEC's website at <http://www.sec.gov>.

## FINANCIAL STATEMENTS

The financial statements of the Fund as of and for the period ended December 31, 2025, incorporated by reference in this Statement of Additional Information, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report. Such financial statements are incorporated by reference in reliance upon the report of such firm given their authority as experts in accounting and auditing.

The Fund's annual shareholder report is available upon request and without charge by writing to the Fund at Oaktree Asset-Backed Income Fund Inc., 225 Liberty Street, 35<sup>th</sup> Floor, New York, New York 10281, or by visiting <https://privatewealth.brookfield.com/fund/oaktree-asset-backed-income-fund-inc>.

## APPENDIX A

Clients often grant Oaktree Fund Advisors, LLC (“Oaktree”) the authority to vote proxies on their behalf. Proxy statements increasingly contain controversial issues involving shareholder rights and corporate governance, among others, which deserve careful review and consideration. Oaktree has adopted and implemented policies and procedures that are reasonably designed to ensure that proxies are voted in the best interest of investors and clients, in accordance with our fiduciary duties and SEC Rule 206(4)6 under the Advisers Act. Our authority to vote the proxies of our clients is established by the investment management agreements or similar documents.

Oaktree maintains written proxy voting guidelines, which are amended as necessary. The proxy voting guidelines address a broad range of issues, including the selection of directors, executive compensation, proxy contests and tender offer defenses. We generally vote in the manner as noted within the guidelines, unless a different vote is deemed prudent under the specific circumstances, taking into consideration the contractual obligations under any investment management agreement, or other comparable document, and all other relevant facts and circumstances at the time of the vote. It is our policy to perform a detailed review of each proxy statement when considering the voting recommendations of the guidelines.

### **1. Delegation of Voting Responsibility and Account Set Up**

It is the responsibility of the Legal personnel who prepares or reviews an investment management agreement, or other comparable document, to ensure that such agreement, prior to, or at the time of execution, assigns responsibility of voting proxies, whether it be retained by the client or delegated to Oaktree.

There may be certain instances in which Oaktree’s authority to vote proxies may be limited and as such the proxy voting guidelines may not be followed or a vote may not be placed. Such occasions may include, but are not limited to, when (i) the client has mandated that Oaktree vote in accordance with their proxy voting guidelines; or (ii) the client has chosen to participate in a securities lending program that may result in voting authority being lost if a particular security is out on loan on the record date. In the case where a Managed Account client has requested that Oaktree vote proxies in accordance with their guidelines, the Legal personnel reviewing the investment management agreement shall ensure that such guidelines are received from the client prior to funding of the account. Additionally, Oaktree may in its discretion, under certain limited facts and circumstances, abstain from voting proxies on behalf of its clients. Such facts and circumstances are documented and maintained as evidence for abstaining from the proxy vote.

Upon receipt of an investment management agreement, or other comparable document, the Compliance department sends the appropriate proxy voting provisions to the Corporate Actions department. The Corporate Actions department is responsible for preparing the Proxy Account Guidelines Matrix which details the voting responsibility for each Managed Account/Managed Fund and any other relevant details. The Corporate Actions department ensures that, for those Managed Accounts/Managed Funds for which Oaktree has been delegated voting authority, contact is made with the appropriate custodian bank and/or benefit plan trustee in order to receive proxy statements.

### **2. Voting Procedures**

#### **Determination of Vote**

Proxies are generally considered by the investment professional responsible for monitoring the security being voted. The Corporate Actions personnel responsible for proxies (with the exception of the Emerging Markets Equities strategy, which handles the proxies relating to their investments) deliver to such investment professional the proxy statement, the proxy voting guidelines and the Proxy Voting Form. The Proxy Voting Form serve as Oaktree’s record of the following information:

- (i) whether the investment was held as a passive investment or considered a significant holding;
- (ii) whether any material conflict of interest existed in connection with the vote (see further discussion below for description of the procedures to be followed in the instance of such occurrence);
- (iii) documentation of the vote for each proposal, including any additional document created or utilized, if any, that was material to arriving at such a determination; and (iv) documentation of the basis and rationale of the vote when the proxy voting guidelines were not followed, including the reasons why such guidelines were not used.

Once the investment professional has completed his or her analysis, documented the vote, the basis for such vote and signed the form, it should be forwarded to designated Compliance personnel for review. Such personnel ensure that all required documentation has been included, the vote is in accordance with the proxy voting guidelines, or if not, documentation supporting such exception has been created. The information is then sent to Compliance personnel for a final review, which is evidenced in the proxy documentation.

Corporate Actions personnel (with the exception of the Emerging Markets Equities investment strategy, which handles the proxies relating to their investments) then takes the recommended vote from the Proxy Voting Form and submit/transmit such vote(s) online unless the securities are held in physical form. If they are held in physical form, the custodian banks will provide the physical proxy ballots to Oaktree for approval and election. Oaktree will then forward the completed proxy ballots to the agent by mail in a timely manner. Copies of all such documents must be maintained to evidence submission of each proxy vote (see discussion under record-keeping below for additional guidance).

The Emerging Markets Equities investment strategy follows a similar process in which proxies are processed by the relevant Operations personnel and forwarded to the investment professional for consideration. Once the investment professional has completed his or her analysis, documented the vote, the rationale for such vote, and completed the Proxy Voting Form and received approval as necessary, the documentation is forwarded to designated Compliance personnel for review and approval. Once approval is received, the relevant Operations personnel then takes the recommended vote from the approved Proxy Voting Form and submit/transmit such vote(s) online.

Oaktree endeavors, on a best efforts basis, to vote all proxies for which it has proxy voting authority in accordance with the applicable deadlines. Nevertheless, from time to time, proxies may not be voted or are not voted in a timely manner due to various factors, for example receiving proxy notices late or after the cut-off time for voting, not receiving sufficient information regarding proxy matters or certain custodian policies and restrictions.

### **Conflicts of Interest**

Occasions may arise where a person or organization involved in the proxy voting process may have a conflict of interest. A conflict of interest may exist, for example if Oaktree has a business relationship with (or is actively soliciting business from) either the company soliciting the proxy, a third party that has a material interest in the outcome of a proxy vote or that is actively lobbying for a particular outcome of a proxy vote. Any person with knowledge of a personal conflict of interest (*e.g.*, familial relationship with company management) regarding a particular proxy vote must notify Legal or Compliance personnel.

Appropriate members of the Legal and/or Compliance department review such circumstances to determine if a material conflict exists and address any such conflict by: (i) identifying the potential material conflict of interest on the proxy voting form; and (ii) implementing appropriate procedures to address such material conflict of interest. Such procedures may include, but not limited to:

(i) having the investment professional remove him or herself from the voting process to be replaced with another research analyst not directly involved; (ii) disclose the conflict to the client and obtain their consent prior to voting; or (iii) a determination that the conflict is not material as neither Oaktree nor Managed Accounts/Managed Funds owns more than 5% of the outstanding class of securities subject to the vote.

### **3. Tracking Procedures**

The Corporate Actions or Trade Support/Operations personnel in each investment strategy in charge of proxies have been delegated the responsibility of communicating with each Managed Account/Managed Fund custodian bank, prime broker and/or benefit plan trustee to ensure that all proxies are received and for the correct amount of holdings. In addition, such personnel are responsible for ensuring that proxies are responded to in a timely manner and for transmitting appropriate voting instructions to the correct party. Information is documented on a Proxy Tracking Form as follows:

- (i) Matching proxies received with stock holdings on the record date as indicated on the proxy card to internal holding reports;
- (ii) Documenting reasons as to why proxies were not received for any stock holdings; and
- (iii) Recording the dates on which votes were submitted for each Managed Account/Managed Fund.

In addition to the above, Compliance personnel confirms whether the shares subject to the proxy are held by more than one investment strategy. If the position is cross-held, Compliance personnel may instruct coordination of the vote between the various investment strategies where the combined position is material (more than 5% of the outstanding class of securities subject to the vote). The ultimate decision to coordinate voting requires an evaluation of the relevant facts and circumstances with the relevant portfolio managers and Legal personnel.

#### **4. Disclosure to Clients**

Oaktree clients that request additional information regarding our proxy voting policies and procedures, or details on how we have voted specific proxies, can forward their written requests to the attention of the Chief Compliance Officer at Oaktree Capital Management, L.P., 333 South Grand Avenue, Los Angeles, California, 90071, or via facsimile at (213) 830-6296. Disclosure of this option to clients is made through our Form ADV Part 2A. It is Oaktree's policy not to release proxy voting information to third parties.

In the event a request is received, the Compliance department will forward such requests from clients to the appropriate Corporate Actions personnel or Trade Support/Operations personnel in charge of proxies to facilitate and maintain the requested information.

#### **5. Recordkeeping**

Documentation that Oaktree has voted all proxies for Managed Accounts/Managed Funds for which it has proxy voting authority is maintained by the Corporate Actions or Trade Support/Operations personnel responsible for proxies. Such documentation includes for each proxy voted:

- (i) The proxy statement;
- (ii) Proxy Voting Form indicating voting response, the basis and rationale for such vote, and any documentation or materials used in determining the vote;
- (iii) Proxy Tracking Form indicating Managed Accounts/Managed Funds' names, shares owned on record date, date voted, method of voting; and if Oaktree did not vote for a particular Managed Account/Managed Fund the reasons behind such action; and
- (iv) List of client requests for proxy voting information.