

VERSUS CAPITAL INFRASTRUCTURE INCOME FUND

(the “Fund”)

Supplement dated March 8, 2024 to the
Statement of Additional Information, dated February 27, 2024 as amended

Quarterly Repurchases of Shares

The following sub-section is added to the “Repurchases and Transfers of Shares” section of the Statement of Additional Information, immediately above the “Involuntary Repurchases” sub-section:

Quarterly Repurchases of Shares

Shares of the Fund will be continuously offered under the Securities Act and repurchased by the Fund on a quarterly basis in an amount no less than 5% and not more than 25% of the Fund’s outstanding Shares, according to the Fund’s repurchase policy established pursuant to Rule 23c-3 under the Investment Company Act. The Fund’s initial quarterly repurchase offer is expected to occur on or about the third quarter of 2024.

Custodial Services

UMB Bank, n.a. has been added as a custodian for the Fund’s securities and similar investments, effective immediately. In connection with this change, effective immediately, the Fund’s Statement of Additional Information is amended as follows.

The paragraph in the “Custodian” section of the Statement of Additional Information is replaced in its entirety with the following:

UMB Bank, n.a. (the “Custodian”) serves as the primary custodian of the assets of the Fund, and may maintain custody of such assets with domestic and foreign sub-custodians (which may be banks, trust companies, securities depositories and clearing agencies) approved by the Board. The Custodian’s principal business address is 1010 Grand Blvd., Kansas City, Missouri 64106.

Shareholders should retain this Supplement for future reference.

STATEMENT OF ADDITIONAL INFORMATION DATED February 27, 2024

VERSUS CAPITAL INFRASTRUCTURE INCOME FUND

Shares of Beneficial Interest

5050 S. Syracuse Street, Suite 1100
Denver, Colorado 80237
(Address of Principal Executive Offices)

Registrant's Telephone Number, including Area Code: (877) 200-1878

This Statement of Additional Information ("SAI") is not a prospectus. This SAI relates to and should be read in conjunction with the Prospectus of Versus Capital Infrastructure Income Fund (the "Fund"), dated February 27, 2024 (the "Prospectus"). Defined terms used herein, and not otherwise defined herein, have the same meanings as in the Prospectus. You can request a copy of the Prospectus, this SAI and the Fund's annual and semi-annual reports (when available) without charge by writing to the Fund at the address above or by calling (877) 200-1878 or by visiting www.versuscapital.com. This SAI, material incorporated by reference and other information about the Fund are also available on the SEC's website (<http://www.sec.gov>).

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THE FUND

The Fund is a non-diversified, closed-end management investment company that continuously offers its shares and operates as an “interval fund” (as defined below). The Fund offers one class of shares. The Fund was formed on May 11, 2020 as a Massachusetts business trust.

ADDITIONAL INVESTMENT POLICIES

The investment objectives and principal investment strategies of the Fund, as well as the principal risks associated with the Fund’s investment strategies, are set forth in the Prospectus. See “Investment Objectives, Investment Strategies and Investment Features” in the Prospectus. Certain additional investment information is set forth below.

Fundamental Policies

The Fund’s fundamental policies may be changed only by the affirmative vote of a majority of the outstanding shares of beneficial interest of the Fund (collectively, the “Shares”). Fundamental policies of the Fund are listed below. For the purposes of this SAI, “majority of the outstanding Shares of the Fund” means the vote, at an annual or special meeting of shareholders duly called, of (a) 67% or more of the Shares present at such meeting, if the holders of more than 50% of the outstanding Shares of the Fund are present or represented by proxy; or (b) more than 50% of the outstanding Shares of the Fund, whichever is less. As fundamental policies, the Fund may not:

- Invest 25% or more of its total assets (measured at current value at the time of investment) in a particular industry or group of industries (other than securities issued or guaranteed by the U.S. government or its agencies or instrumentalities); provided that the Fund will invest, directly or indirectly, 25% or more of its total assets in infrastructure-related industries.
- Borrow money, except to the extent permitted under the Investment Company Act of 1940, as amended (the “Investment Company Act”).
- Issue senior securities, except to the extent permitted under the Investment Company Act.
- Underwrite securities of other issuers, except to the extent that in connection with the disposition of portfolio securities, it may be deemed to be an underwriter under the federal securities laws.
- Make loans, except to the extent permitted under the Investment Company Act.
- Purchase, sell or hold real estate, except to the extent permitted by applicable law. This restriction shall not prohibit the Fund from purchasing, selling, or holding securities of issuers that invest in real estate, including securities of real estate investment trusts (“REITs”), and securities that are secured by real estate or interests in real estate.
- Purchase and sell commodities, except to the extent permitted by applicable law. This restriction shall not prohibit the Fund from purchasing, selling, or entering into futures contracts, options on futures contracts, forward contracts, or any interest rate, securities-related, or other derivative instrument, including swap agreements and other derivative instruments, subject to compliance with any applicable provisions of the federal securities or commodities laws.

In addition, the Fund has adopted the following fundamental policies with respect to the repurchase of Shares, which shall apply until such time as the Fund’s board of trustees (the “Board”) may approve the Fund’s conversion to an open-end investment company, at which time the Fund will cease to operate under and pursuant to Rule 23c-3 under the Investment Company Act:

- The Fund will make quarterly repurchase offers (each a “Repurchase Offer”) pursuant to Rule 23c-3 under the Investment Company Act, as it may be amended from time to time.
- 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.
- There will be a maximum fourteen (14) calendar day period (or the next business day if the 14th calendar day is not a business day) between the Repurchase Request Deadline and the date on which the Fund’s net asset value applicable to the repurchase offer is determined.

Where applicable, the foregoing investment restrictions shall be interpreted based on the Investment Company Act and the rules and regulations thereunder, and the applicable statutes, rules, regulations, orders, guidance, and

pronouncements of the U.S. Securities and Exchange Commission (the “SEC”) and its staff, as such statutes, rules, regulations, orders, guidance, and pronouncements may be amended from time to time.

Unless otherwise indicated, all limitations applicable to the Fund’s investments apply only at the time of investment. Any subsequent change in the percentage of the Fund’s assets invested in certain securities or other instruments resulting from market fluctuations or other changes in the Fund’s total assets, will not require the Fund to dispose of an investment.

Certain Portfolio Securities and Other Operating Policies

Money Market Instruments

The Fund may invest, for defensive purposes or otherwise, some or all of its assets in high quality fixed-income securities, money market instruments, and money market mutual funds, or hold cash or cash equivalents in such amounts as the Fund or a sub-adviser to the fund (each a “Sub-Adviser” and, collectively, the “Sub-Advisers”) deems appropriate under the circumstances. Money market instruments are high quality, short-term fixed-income obligations, which generally have remaining maturities of one year or less, and may include U.S. Government securities, commercial paper, certificates of deposit and bankers’ acceptances issued by domestic branches of U.S. banks that are members of the Federal Deposit Insurance Corporation, and repurchase agreements.

Collateralized Bond Obligations

The Fund may invest in each of collateralized bond obligations (“CBOs”), collateralized loan obligations (“CLOs”) and other collateralized debt obligations (“CDOs”), as well as other similarly structured securities. CBOs, CLOs and CDOs are types of asset-backed securities. A CBO is a trust which is often backed by a diversified pool of high risk, below investment grade fixed income securities. The collateral can be from many different types of fixed income securities such as high-yield debt, privately-issued mortgage-related securities, trust preferred securities and emerging market debt. A CLO is a trust typically collateralized by a pool of loans, which may include, among others, domestic and foreign senior secured loans, senior unsecured loans and subordinate corporate loans, including loans that may be rated below investment grade or equivalent unrated loans. Other CDOs are trusts backed by other types of assets representing obligations of various parties. CBOs, CLOs and other CDOs may charge management fees and administrative expenses, which would be borne by the Fund.

The cash flows from these investments are split into two or more portions, called tranches, varying in risk and yield. The riskiest portion is the “equity” tranche which bears the bulk of defaults from the bonds or loans in the trust and serves to protect the other, more senior tranches from default in all but the most severe circumstances. Since they are partially protected from defaults, senior tranches from a CBO trust, CLO trust or trust of another CDO typically have higher ratings and lower yields than their underlying securities, and can be rated investment grade. Despite the protection from the equity tranche, CBO, CLO or other CDO tranches can experience substantial losses due to actual defaults, increased sensitivity to defaults due to collateral default and disappearance of protecting tranches, market anticipation of defaults, as well as aversion to these types of securities as a class. The Fund may invest in any tranche, including the equity tranche, of a CBO, CLO or other CDO. The risks of an investment in a CBO, CLO or other CDO depend largely on the type of the collateral securities and the class of the instrument in which the Fund invests.

Normally, CBOs, CLOs and other CDOs are privately offered and sold, and thus, are not registered under the securities laws. As a result, investments in CBOs, CLOs and other CDOs may be characterized by the Fund as illiquid investments; however an active dealer market may exist for CBOs, CLOs and other CDOs allowing them to qualify for Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”). In addition to the normal risks associated with debt instruments discussed in the Prospectus (e.g., prepayment risk, credit risk, liquidity risk, market risk, structural risk, legal risk, interest rate risk and default risk), CBOs, CLOs and other CDOs may carry additional risks including, but not limited to: (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments; (ii) the possibility that the quality of the collateral may decline in value or default; (iii) the possibility that investments in CBOs, CLOs and other CDOs are subordinate to other classes or tranches thereof; and (iv) the fact that the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the issuer or unexpected investment results.

Short Sales

The Fund may, to a limited extent, engage in short sales of securities to the extent consistent with its investment objectives and policies. A short sale is a transaction in which the Fund sells a security it does not own as a means of attractive financing for purchasing other assets or in anticipation that the market price of that security will decline. If the price of the security in the short sale decreases, the Fund will realize a profit to the extent that the short sale price for the security exceeds the market price. If the price of the security increases, the Fund will realize a loss to the extent that the market price exceeds the short sale price.

Short selling involves a number of risks. If a security sold short increases in price, the Fund may have to cover its short position at a higher price than the short sale price, resulting in a loss. Selling securities short runs the risk of losing an amount greater than the initial investment therein. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Short-selling exposes the Fund to unlimited risk with respect to that security due to the lack of an upper limit on the price to which an instrument can rise. In addition, there is the risk that the counterparty to a short sale may fail to honor its contractual terms, causing a loss to the Fund.

Options

The Fund may, to a limited extent, purchase put and call options and write covered call and put option contracts to the extent consistent with its investment objectives and policies. A put option gives the purchaser the right to compel the writer of the option to purchase from the option holder an underlying currency or security or its equivalent at a specified price at any time during the option period. A call option gives the purchaser the right to buy the underlying currency or security covered by the option or its equivalent from the writer of the option at the stated exercise price. A “covered call option” written by the Fund is a call option with respect to which the Fund owns the underlying security. A put option written by the Fund is covered when, among other things, the Fund sets aside assets having a value equal to or greater than the exercise price of the option to fulfill the obligation undertaken or otherwise covers the transaction. The Fund may also seek to terminate its option positions prior to their expiration by entering into closing transactions.

To the extent the Fund invests in options, some, but not all, of the Fund’s options may be traded and listed on an exchange. There is no assurance that a liquid secondary market on an options exchange will exist for any particular option at any particular time, and for some options no secondary market on an exchange or elsewhere may exist. The ability of the Fund to enter into a closing sale transaction depends on the existence of a liquid secondary market. There can be no assurance that a closing purchase or sale transaction can be effected when the Fund so desires.

The hours of trading for options may not conform to the hours during which the underlying securities are traded. To the extent that the options markets close before the markets for the underlying securities, significant price and rate movements can take place in the underlying markets that cannot be reflected in the options markets. The purchase of options is a highly specialized activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. The purchase of options involves the risk that the premium and transaction costs paid by the Fund in purchasing an option will be lost as a result of unanticipated movements in prices of the securities on which the option is based. Imperfect correlation between the options and securities markets may detract from the effectiveness of attempted hedging. Options transactions may result in significantly higher transaction costs and portfolio turnover for the Fund.

TRUSTEES AND OFFICERS

Trustees

The Board has overall responsibility to manage and control the business affairs of the Fund, including the complete and exclusive authority to oversee and to establish policies regarding the management, conduct and operation of the Fund’s business. The Board exercises the same powers, authority and responsibilities on behalf of the Fund as are customarily exercised by the board of trustees of a registered investment company organized as a Massachusetts business trust.

Board’s Oversight Role in Management

The Board’s role in management of the Fund is oversight. Versus Capital Advisors LLC, the Fund’s investment adviser (the “Adviser”), has primary responsibility for the day-to-day management of the Fund, which includes responsibility for risk management (including management of investment performance and investment risk, valuation

risk, issuer and counterparty credit risk, compliance risk and operational risk). As part of its oversight, the Board, acting at its scheduled meetings, or the Chairman of the Board, acting between Board meetings, regularly interacts with and receives risk management reports from senior personnel of the Adviser, including senior managerial and financial officers of the Adviser, the Fund's and the Adviser's Chief Compliance Officer and portfolio management personnel. The Board's Audit Committee (which consists of all of the Independent Trustees, as defined below) holds regularly scheduled meetings, and between meetings the Audit Committee chair maintains contact with the Fund's independent registered public accounting firm and the Adviser's senior personnel. The Board receives periodic presentations from senior personnel of the Adviser regarding risk management, as well as periodic presentations regarding specific operational, compliance or investment risk areas such as business continuity, anti-money laundering, personal trading, valuation and investment research. The Board also receives reports from counsel to the Fund or counsel to the Adviser regarding regulatory compliance and governance matters. The Board will also review any proposals associated with the Adviser entering into sub-advisory relationships with Sub-Advisers. Such relationships may only be entered into upon Board approval and upon the approval of a majority (as defined under the Investment Company Act) of the Fund's outstanding voting securities pursuant to the Investment Company Act.

The Board's oversight role does not make the Board a guarantor of the Fund's investments or activities.

Board Composition and Leadership Structure

The Investment Company Act requires that at least 40% of the Fund's trustees not be "interested persons," as defined in the Investment Company Act, of the Fund, the Adviser, the Sub-Advisers, Foreside Funds Distributors LLC (the "Distributor") or their designees, or any affiliate of the foregoing (such trustees, the "Independent Trustees"). For certain matters, such as the approval of investment advisory agreements or permitted transactions with affiliates, the Investment Company Act and/or the rules thereunder require the approval of a majority of the Independent Trustees. Five (5) of the Fund's six (6) trustees are Independent Trustees. A majority of the Trustees are not "interested persons" of the Fund, the Adviser, the Sub-Advisers, the Distributor or any affiliate of any of the foregoing, as defined by the Investment Company Act. The Fund's trustees, including its five (5) Independent Trustees, interact directly with senior management of the Adviser at scheduled meetings and between meetings as appropriate. Independent Trustees have been designated to chair the Audit Committee, Valuation Committee and the Nominating and Governance Committee. The Board has designated a Lead Independent Trustee to take the lead in addressing with management matters or issues of concern to the Board. In light of the Board's size and structure, and the cooperative working relationship among the Trustees, the Board has determined that it is appropriate to have an Interested Trustee serve as Chairman of the Board.

The address, year of birth, and descriptions of their principal occupations during the past five years are listed below for each trustee of the Fund. The Fund has divided the trustees into two groups: Independent Trustees and a trustee who is an “interested person,” as defined in the Investment Company Act (the “Interested Trustee”):

| Name, Address and Year of Birth ⁽¹⁾ | Position(s) Held with Fund | Term of Office and Length of Time Served ⁽²⁾ | Principal Occupation(s) During Past 5 Years | Number of Funds in Fund Complex ⁽³⁾ Overseen by Trustee | Other Public Company Directorships Held by Trustee |
|--|---|---|---|--|--|
| <i>Independent Trustees</i> | | | | | |
| Richard J. McCready; 1958 | Lead Independent Trustee | Since inception | President of The Davis Companies (2014 – 2022). | 3 | None |
| Robert F. Doherty; 1964 | Independent Trustee | Since inception | Chief Financial Officer of Sustainable Living Partners (2018 – present); Partner of Renova Capital Partners (2010 – present); and Chief Financial Officer of Ensyn Corporation (2013 – 2018). | 3 | None |
| Jeffry A. Jones; 1959 | Independent Trustee | Since inception | Principal of SmithJones (Real Estate) (2008 – present). | 3 | None |
| Paul E. Sveen; 1961 | Independent Trustee | Since inception | Chief Financial Officer of Beam Technologies (February 2020 – present); Chief Financial Officer of Paypal’s merchant lending platform (2018 – 2020); and Chief Financial Officer of Swift Financial (2016 – 2018). | 3 | None |
| Susan K. Wold; 1960 | Independent Trustee | Since inception | Senior Vice President, Global Ombudsman and Head of North American Compliance of Janus Henderson Investors (2017 – 2020); Vice President, Chief Compliance Officer and Anti Money Laundering Officer for Janus Investment Fund, Janus Aspen Series, Janus Detroit Street Trust, and Clayton Street Trust (2017 – 2020). | 3 | None |
| <i>Interested Trustee</i> | | | | | |
| Casey Frazier; 1977 | Chair of the Board, Trustee, Chief Investment Officer | Since inception | Chief Investment Officer of the Adviser (2011 – present); Chief Investment Officer of Versus Capital Multi-Manager Real Estate Income Fund LLC (2011 – present); Chief Investment Officer of Versus Capital Real Assets Fund LLC (2017 – present). | 3 | None |

(1) The address of each member of the Board is: c/o Versus Capital Infrastructure Income Fund, 5050 S. Syracuse Street, Suite 1100, Denver, Colorado 80237.

(2) Each Trustee will serve for the duration of the Fund, or until his or her death, resignation, termination, removal or retirement.

(3) The term “Fund Complex” as used herein includes the Fund, Versus Capital Real Assets Fund LLC and Versus Capital Multi-Manager Real Estate Income Fund LLC.

Additional information about each trustee follows (supplementing the information provided in the table above) that describes certain specific experiences, qualifications, attributes or skills that each trustee possesses and that the Board believes has prepared them to be effective trustees.

Independent Trustees

Robert F. Doherty co-founded Renova Capital Partners, a private equity company focusing on renewable and sustainable investments, in 2010 and has served as the Chief Financial Officer of Sustainable Living Partners since 2018. Prior to founding Renova, Mr. Doherty held the post of Managing Director and Deputy Head of Municipal and Infrastructure Finance at JP Morgan, where he directed the investment banking services to state and local government, water, energy, transport, housing, healthcare, and higher education clients. He also served as the co-head of UBS/Paine's Webber National Infrastructure Group. He was a Managing Director in Merrill Lynch's alternative investment, private equity and municipal finance groups. From 2013-2018, Mr. Doherty served as Chief Financial Officer for Ensyn Corporation, one of Renova's joint venture partners. One of Renova's initial investments was Main Street Power Company, Inc., a commercial solar developer and owner/operator of solar assets in the U.S. Mr. Doherty served on the Board of Directors of Main Street Power prior to its sale to AES Corporation in 2015. He also serves on the management committee for Sustainable Living Partners. Mr. Doherty has a Bachelor of Science degree in Foreign Services from Georgetown University Edmund A. Walsh School of Foreign Service, and a Master of Business Administration from the University of Chicago Graduate School of Business Chicago.

Jeffry A. Jones has over thirty-five years of real estate investment experience in multiple real estate product types in markets throughout the U.S. Mr. Jones is currently a Principal at SmithJones Partners. Mr. Jones was President and Executive Director of Ameriton Properties Inc. ("Ameriton"), as well as Executive Vice President of Archstone-Smith in Denver, Colorado from 2000 to November of 2007, where he had overall investment, management and asset management responsibility for more than \$2.3 billion of apartment investments. Prior to joining Ameriton, Mr. Jones was Senior Vice President with Archstone-Smith in Austin, Texas where he was responsible for Archstone's multifamily acquisition and development activities throughout the central U.S. From 1995 to 1999, Mr. Jones was Senior Vice President of Homestead Village Inc. ("Homestead"), where he directed acquisition and development activities for its limited service extended-stay hotel product throughout the central part of the U.S. Prior to Homestead, Mr. Jones held development or investment positions with Sentre Partners, Stark Companies International, Maclachlan Investment Company and Trammell Crow Company. Mr. Jones received his Bachelor of Arts degree in Economics from Stanford University.

Richard J. McCready has been involved in commercial real estate investment and finance for over 30 years, gaining experience in capital markets, raising debt and equity capital, innovative transaction structuring, organization building, asset/risk management and value creation in a variety of real estate-related businesses. Mr. McCready recently retired in December 2022 from his full-time role as President of The Davis Companies, a Boston-based commercial real estate investment, development and management company, where he was responsible for firm-wide strategy and oversaw day-to-day management of all aspects of the firm's investment and asset management functions and operations. Prior to joining The Davis Companies, Mr. McCready was the Chief Operating Officer and Executive Vice President of NorthStar Realty Finance Corp (NYSE: NRF), formerly a publicly-traded commercial real estate finance company with over \$10 billion in assets under management, prior to the company's merger with Colony Capital. He served as the President, Chief Operating Officer and Director of NRF's predecessor company, NorthStar Capital Investment Corp., a private equity fund business specializing in opportunistic investments in real estate assets and operating companies, where he spearheaded and managed the IPO spin-off of NRF. Prior to NorthStar, Mr. McCready served as the President, Chief Operating Officer and Director of Winthrop Financial Associates. From 1984 to 1990, he practiced law at Mintz Levin in Boston. In addition, Mr. McCready has served on numerous real estate company boards and has a broad knowledge of multiple real estate property types and strategies. Mr. McCready is a Phi Beta Kappa graduate of The University of New Hampshire and received his law degree, magna cum laude, from Boston College Law School.

Paul E. Sveen has over 35 years of experience in financial services across investment banking, structured finance, real estate investments, mortgage lending/servicing and small business lending. Since February 2020, Mr. Sveen has served as CFO of Beam Technologies Inc., a Columbus-based insurtech company that is seeking to blend innovative technology with traditional insurance policies to bring a differentiated value proposition to the employee benefits market and disrupt the traditional dental insurance market. He also was engaged in the fintech lending arena as CFO of Swift Financial, a leading alternative technology-enabled small business lender, which was acquired by PayPal in September 2017. After the merger, he was CFO of PayPal's merchant lending platform, where he focused on developing strategies to drive growth through strategic partnerships and a broader use of financial capital markets.

Prior to Swift, Mr. Sveen spent a decade focused in the real estate investment sector, leading several businesses providing mortgage lending, default services and rental home investment opportunities. From 2013-2016, he served as Managing Partner of Pantelan Real Estate Services LLC. Pantelan, whose clients included institutional investors such as private equity firms and hedge funds, invested in single family residential portfolios and provided a suite of services to support the residential asset class across all phases of the investment life cycle. For two years prior, Mr. Sveen served as CEO and Chief Restructuring Officer for Integrated Asset Services, a mortgage default services provider. Since 2007, Mr. Sveen had been engaged by several private equity firms to advise on existing portfolio investments, and to lead the evaluation of investments in several new business ventures in the mortgage, structured finance and real estate industries. He has also worked extensively with banks on capital and liquidity enhancement initiatives, negotiating facility terminations, assignments, restructurings and sales. Mr. Sveen is a 19-year veteran of Lehman Brothers, where he was integral in building the structured finance business into one of Wall Street's leading securitization franchises. While a Managing Director at Lehman, he led several groups including asset-backed finance, principal finance, asset-backed commercial paper and structured finance client solutions. In 2004, Mr. Sveen was appointed CAO of Aurora Loan Services, a wholly-owned subsidiary of Lehman Brothers and one of the leading Alt-A mortgage originators and servicers in the US at that time. Mr. Sveen holds a BA in Economics from St. Lawrence University and attended The University of Oslo, Norway.

Susan K. Wold has over 30 years of experience in financial services with broad expertise in global securities regulations, corporate governance and ethics, third party oversight, and mutual funds, exchange traded funds and private fund formation and oversight. Ms. Wold leverages her years in the asset management industry to navigate governance, regulation and risk, set strategic direction and enhance revenue growth. She was formerly the Senior Vice President, Global Ombudsman, Head of North American Compliance and interim Head of Risk for Janus Henderson Investors (2017-2020). She was also Vice President, Chief Compliance Officer and Anti Money Laundering Officer for Janus Investment Fund, Janus Aspen Series, Janus Detroit Street Trust and Clayton Street Trust (2017-2020). Prior to that, Ms. Wold was Vice President and Head of Global Corporate Compliance and Chief Compliance Officer of Janus Capital Management LLC and Vice President of Compliance for Janus Capital Group and Janus Capital Management LLC (2005-2017). Prior to Janus Capital Group, Ms. Wold held a variety of positions in the asset management industry including Vice President, Deputy General Counsel and Chief Compliance Officer for National Planning Holdings (2003-2005). Ms. Wold was also Vice President and Group Counsel for American Express and American Express Financial Advisers (1993-2003). Ms. Wold started her career in private practice with a Minneapolis/St. Paul law firm and focused on advising both private and public businesses and business litigation. Ms. Wold holds a Juris Doctor from the University of Minnesota Sturm College of Law, a Business Administration degree from Colorado College and a Diversity, Equity, and Inclusion in the Workplace certificate from the University of South Florida MUMA College of Business. Ms. Wold's key board skills include strategic planning; corporate governance and regulatory issues; risk management; senior leadership experience; and mergers and acquisitions.

Interested Trustee

Casey Frazier joined the Adviser as the Chief Investment Officer in 2011. Previously, Mr. Frazier was a Senior Vice President of NRF Capital Markets LLC from 2010 to 2011, where he was responsible for product development and due diligence for the firm including helping to develop products to be sold in the retail broker-dealer channel, managing the due diligence process for existing products and overseeing the marketing efforts of the firm. Prior to that Mr. Frazier acted as the Chief Investment Officer for Welton Street Investments, LLC and Welton Street Advisors LLC from 2005 to 2010. In this capacity he reviewed and monitored all prospective securities offerings and investments. This included the review of over \$7 billion in private real estate transactions. From 2004 to 2005 he was an Assistant Vice President, Asset Management of Curian Capital LLC ("Curian"), a registered investment adviser. In this capacity, Mr. Frazier helped supervise the asset allocation and money manager selection for Curian's turnkey asset management program. Mr. Frazier helped develop over 300 multi-disciplinary account portfolios. During his tenure he helped the firm grow assets from \$200 million to over \$1 billion. Previously, Mr. Frazier managed the due diligence process for the National Planning Holdings' ("NPH") broker/dealer network from 2003 to 2004. NPH is an organization with four separate broker dealers and over 3,000 registered representatives. This process included analyzing all potential investments to be sold within the broker dealer network including; mutual funds, variable annuities, private placements, REITs, hedge funds and derivative products. Mr. Frazier received a Bachelor of Arts degree in American Political Economy from The Colorado College, and has earned the CFA (Chartered Financial Analyst) designation. The Board is aided by Mr. Frazier's strong investment management skills.

Board Participation and Committees

The Board believes that each Trustee's experience, qualifications, attributes and skills give each Trustee the ability to critically review, evaluate, question and discuss information provided to them, and to interact effectively with Fund management, service providers and counsel, in order to exercise effective business judgment in the performance of their duties. The charter for the Board's Nominating and Governance Committee contains factors considered by the Nominating and Governance Committee in identifying and evaluating potential Board member nominees. To assist them in evaluating matters under federal and state law, the Trustees may benefit from information provided by counsel to the Independent Trustees or counsel to the Fund; both Board and Fund counsel have significant experience advising funds and fund board members. The Board and its committees have the ability to engage other experts as appropriate. The Board evaluates its performance on an annual basis.

Each Trustee serves on the Board for the duration of the Fund until his or her death, resignation or removal from office, or if sooner, until the next meeting of shareholders, if any, called for the purpose of electing Trustees, and until the election and qualification of his or her successor. A Trustee may resign or retire by an instrument in writing signed by him or her and delivered to the President or Secretary or a Trustee of the Trust, and such resignation or retirement shall be effective ninety (90) days or more after the receipt of such notice (or such lesser period agreeable to the other Trustees). Any Trustee may be removed from office with or without cause (i) by action of at least seventy-five percent (75%) of the outstanding Shares of the classes or series of Shares entitled to vote for the election of such Trustee, or (ii) by written instrument, signed by at least two-thirds (66 2/3%) of the Trustees not subject to the removal. In the event of any vacancy in the position of a Trustee, the remaining Trustees may by a majority vote appoint an individual to serve as a Trustee, so long as immediately after such appointment at least two-thirds (66 2/3%) of the Trustees then serving would have been elected by the shareholders, as required by the Investment Company Act. If there are no remaining Trustees elected by the shareholders, a majority of the entire Board may fill any such vacancy, provided that the Trustees shall call a shareholder meeting within 120 calendar days of such an appointment to elect a Trustee to fill such Board seat.

The Chairman of the Board is Mr. Frazier . The standing committees of the Board include the Audit Committee, Nominating and Governance Committee, Investment Committee, and Valuation Committee.

The Audit Committee is comprised of all of the Independent Trustees . The current Chairman of the Audit Committee is Mr. Doherty. The purpose of the Audit Committee, pursuant to its adopted written charter, is to (1) oversee the Fund's accounting and financial reporting processes, the audits of the Fund's financial statements and the Fund's internal controls over, among other things, financial reporting and disclosure controls and procedures, (2) oversee or assist in Board oversight of the integrity of the Fund's financial statements and the Fund's compliance with legal and regulatory requirements and (3) approve prior to appointment the engagement of the Fund's independent registered public accounting firm and review the independent registered public accounting firm's qualifications and independence and the performance of the independent registered public accounting firm.

The Nominating and Governance Committee is comprised of all of the Independent Trustees . The current Chairman of the Nominating and Governance Committee is Mr. Sveen. The purpose of the Nominating and Governance Committee, pursuant to its adopted written charter, is to (1) evaluate the suitability of potential candidates for election or appointment to the Board and recommend candidates for nomination; (2) recommend the appointment of members and chairs of each Board committee; (3) develop and recommend to the Board a set of corporate nominating principles applicable to the Fund and monitor corporate nominating matters; and (4) oversee periodic evaluations of the Board and its committees. The Nominating and Governance Committee reviews nominations of potential Trustees made by Fund management and by Fund shareholders, which includes all information relating to the recommended nominees that is required to be disclosed in solicitations or proxy statements for the election of trustees, including without limitation the biographical information and the qualifications of the proposed nominees. The Nominating and Governance Committee will consider nominations as it deems appropriate after taking into account, among other things, the factors listed in the charter. Nomination submissions by Fund shareholders must be accompanied by a written consent of the individual to stand for election if nominated by the Board and to serve if elected by the shareholders, and such additional information must be provided regarding the recommended nominee as reasonably requested by the Nominating and Governance Committee. The Nominating and Governance Committee meets as is necessary or appropriate.

The Investment Committee is comprised of all of the Trustees, the majority of which are Independent Trustees. The current Chairman of the Investment Committee is Mr. Frazier. The purpose of the Investment Committee, pursuant to its adopted written charter, is to (1) oversee the Adviser's determination of, implementation of, and ongoing monitoring of investment strategies and objectives of the Fund, which include the Adviser's process for the selection

and ongoing due diligence of Private Funds, Sub-Advisers, and other direct investments of the Fund; and (2) review and make recommendations to the Board regarding the initial approval and periodic renewal of advisory contracts between the Fund, the Adviser and the Sub-Advisers as required by Section 15 of the Investment Company Act.

The Valuation Committee is comprised of all of the Trustees, the majority of which are Independent Trustees. The current Chairman of the Valuation Committee is Mr. Jones. The purpose of the Valuation Committee, pursuant to its adopted written charter, is to oversee the development of Fund policies and procedures and the Adviser’s implementation of those policies and procedures, for the calculation of the Fund’s net asset value (“NAV”) per Share NAV. The Valuation Committee reviews and oversees the policies and reporting of underlying asset values of the Private Funds as well as the portion of the Fund’s assets that are sub-advised by Sub-Advisers and invested directly by the Adviser.

Officers

The address, year of birth, and a description of principal occupations during the past five years are listed below for each officer of the Fund:

| Name, Address and Year of Birth ⁽¹⁾ | Position(s) Held with Fund | Term of Office and Length of Time Served ⁽²⁾ | Principal Occupation(s) During Past 5 Years |
|--|------------------------------------|---|---|
| Mark D. Quam; 1970 | Chief Executive Officer | Since inception | Chief Executive Officer of the Adviser (2010 to present); Chief Executive Officer of Versus Capital Real Assets Fund LLC (2017 to present); and Chief Executive Officer of Versus Capital Multi-Manager Real Estate Income Fund LLC (2011 to present). |
| William R. Fuhs, Jr.; 1968 | President | Since inception | President of the Adviser (2010 to present); President of Versus Capital Real Assets Fund LLC (2017 to present); and President of Versus Capital Multi-Manager Real Estate Income Fund LLC (2016 to present). |
| Casey Frazier; 1977 | Chief Investment Officer | Since inception | Chief Investment Officer of the Adviser (2011 to present); Chief Investment Officer of Versus Capital Real Assets Fund LLC (2017 to present); and Chief Investment Officer of Versus Capital Multi-Manager Real Estate Income Fund LLC (2011 to present). |
| Becca Edil; 1989 | Deputy Chief Investment Officer | Since inception | Director of Investments of the Adviser (August 2023 to present); Vice President of JP Morgan Asset Management (July 2022 to August 2023); Associate Director of IFM Investors (June 2019 to July 2022); Associate of BNP Paribas (April 2018 to May 2019). |
| Brian Petersen; 1970 | Chief Financial Officer, Treasurer | Since inception | Chief Financial Officer and Chief Operating Officer of the Adviser (January 2022 to present); Managing Director, Fund Financial Operations of the Adviser (July 2019 to December 2021); Chief Financial Officer and Treasurer of Versus Capital Real Assets Fund LLC (August 2019 to present); Chief Financial Officer and Treasurer of Versus Capital Multi-Manager Real Estate Income Fund LLC (August 2019 to present); and Senior Vice President of OFI Global Asset Management, Inc. (January 2017 to May 2019). |

| Name, Address and Year of Birth ⁽¹⁾ | Position(s) Held with Fund | Term of Office and Length of Time Served ⁽²⁾ | Principal Occupation(s) During Past 5 Years |
|--|--|---|--|
| Dustin C. Rose; 1983 | Assistant Treasurer | Since inception | Assistant Treasurer of Versus Capital Real Assets Fund LLC (November 2021 to Present); Assistant Treasurer of Versus Capital Multi-Manager Real Estate Income Fund LLC (November 2021 to Present); Director of Fund Financial Operations of the Adviser (2020 to present); and Assistant Vice President of OFI Global Asset Management, Inc. (2016 to 2020). |
| Kelly McEwen; 1984 | Assistant Treasurer | Since inception | Director, Fund Financial Operations of the Adviser (January 2022 to present); Assistant Treasurer of Versus Capital Real Assets Fund LLC (November 2022 to present); Assistant Treasurer of Versus Capital Multi-Manager Real Estate Income Fund LLC (November 2022 to present); Vice President of SS&C ALPS and Treasurer/Principal Financial Officer of various investment companies (April 2020 to May 2021); Fund Controller of SS&C ALPS (August 2019 to May 2021); and Assistant Vice President of OFI Global Asset Management, Inc. (2015 to August 2019). |
| Jillian Varner; 1990 | Chief Compliance Officer and Secretary | Since inception | Chief Compliance Officer of Versus Capital Real Assets Fund LLC, Versus Capital Multi-Manager Real Estate Income Fund LLC and the Adviser (July 2023 to present); Secretary of Versus Capital Real Assets Fund LLC (July 2023 to present); Secretary of Versus Capital Multi-Manager Real Estate Income Fund LLC (July 2023 to present); Deputy Chief Compliance Officer of the Adviser (February 2022 to July 2023); Assistant Secretary of Versus Capital Real Assets Fund LLC (August 2020 to July 2023); Assistant Secretary of Versus Capital Multi-Manager Real Estate Income Fund LLC (August 2020 to July 2023); Director of Compliance and Operations of the Adviser (August 2019 to February 2022); Compliance Manager at Janus Henderson Investors (January 2019 to July 2019). |

(1) The address of each Officer of the Fund is: c/o Versus Capital Infrastructure Income Fund, 5050 S. Syracuse Street, Suite 1100, Denver, Colorado 80237.

(2) Each Officer will serve for the duration of the Fund, or until his or her death, resignation, termination, removal or retirement.

Trustee Ownership of Securities

The following table shows the dollar range of equity securities owned by the Trustees in the Fund and in other investment companies overseen by the Trustee within the same family of investment companies as of December 31, 2023. Investment companies are considered to be in the same family if they share the same investment adviser or principal underwriter and hold themselves out to investors as related companies for purposes of investment and investor services.

| Name of Trustee | Dollar Range of Equity Securities in the Fund* | Aggregate Dollar Range of Equity Securities in All Registered Investment Companies Overseen by Trustee in Family of Investment Companies |
|-----------------------------|--|--|
| <i>Independent Trustees</i> | | |
| Robert F. Doherty | None | Over \$100,000 |
| Jeffry A. Jones | None | \$50,001 to \$100,000 |
| Richard J. McCready | None | Over \$100,000 |
| Paul E. Sveen | None | \$50,001 to \$100,000 |
| Susan K. Wold | None | \$0 |
| <i>Interested Trustee</i> | | |
| Casey Frazier | None | Over \$1,000,000 |

* As of the date of this SAI, none of the Trustees owned shares of the Fund because the Fund had not yet begun investment operations.

To the best of their knowledge, none of the Independent Trustees (nor or any of their immediate family members) have or hold any securities of the Adviser, the Sub-Advisers, the Distributor, nor any entities controlling or controlled by or under common control with the Adviser, the Sub-Advisers, or the Distributor.

Compensation

The Fund Complex (as defined below) will pay each Independent Trustee a per annum fee of \$165,000 to be allocated as follows: fifty percent (50%) of such compensation will be allocated equally among the funds in the Fund Complex and fifty percent (50%) of such compensation will be allocated pro rata annually to each Fund on the basis of each Fund's assets under management as of December 31 of the preceding year (except that, for the 2024 calendar year, such allocation will take into account the Fund's average expected assets under management). Until the Fund is operational, the per annum fee owed by the Fund will be borne by the Adviser. For the Fund's initial fiscal year ending March 31, 2024, each of the Independent Trustees received an additional retainer of \$10,000, borne by the Adviser, in connection with the organization of the Fund. In addition, the Fund reimburses each of the Independent Trustees for travel and other expenses incurred in connection with attendance at meetings. The Chairman of the Audit Committee will receive an additional, per annum retainer of \$30,000 from the Fund Complex to be allocated under the same methodology as described above for the per annum Independent Trustee fee. The Nominating and Governance Committee of the Board evaluates the compensation of the Board members on an ongoing basis and may increase or decrease such compensation based upon market factors and the ongoing responsibilities and commitment of the members, all of which will be subject to Board approval, including a majority of the Independent Trustees.

The following table summarizes the compensation expected to be paid by the Adviser, on behalf of the Fund, to the Independent Trustees, including Committee fees, and certain executive officers of the Fund for the Fund's initial fiscal year ending March 31, 2024. The Interested Trustee and executive officers of the Fund receive no compensation from the Fund, other than as noted in the table below. Compensation paid to the Trustees will continue to be evaluated by the Board on an ongoing basis.

| Name of Person, Position | Aggregate Compensation from the Fund ⁽¹⁾ | Pension or Retirement Benefits Accrued as Part of Fund Expenses | Estimated Annual Benefits Upon Retirement | Total Compensation From Fund and Fund Complex ⁽²⁾ Paid to Trustees/Officers |
|----------------------------------|---|---|---|--|
| <i>Independent Trustees</i> | | | | |
| Robert F. Doherty ⁽³⁾ | \$19,441 | N/A | N/A | \$171,250 |
| Jeffry A. Jones | \$17,988 | N/A | N/A | \$148,750 |
| Richard T. McCready | \$17,988 | N/A | N/A | \$148,750 |

| Name of Person, Position | Aggregate Compensation from the Fund ⁽¹⁾ | Pension or Retirement Benefits Accrued as Part of Fund Expenses | Estimated Annual Benefits Upon Retirement | Total Compensation From Fund and Fund Complex ⁽²⁾ Paid to Trustees/Officers |
|--|---|---|---|--|
| Paul E. Sveen | \$17,988 | N/A | N/A | \$148,750 |
| Susan K. Wold | \$17,988 | N/A | N/A | \$148,750 |
| <i>Officers</i> | | | | |
| Jillian Varner as Chief Compliance Officer | \$0 ⁽⁴⁾ | N/A | N/A | \$90,000 |

- (1) For the Fund's initial fiscal year ending March 31, 2024, each of the Independent Trustees received a prorated portion of the per annum fee for the period of January 1, 2024 to March 31, 2024 and an additional retainer of \$10,000 in connection with the organization of the Fund, both of which were borne by the Adviser.
- (2) The term "Fund Complex" as used herein includes the Fund, Versus Capital Real Assets Fund LLC and Versus Capital Multi-Manager Real Estate Income Fund LLC.
- (3) As Chairman of the Audit Committee, Mr. Doherty received the prorated portion of the additional retainer described above for the period of January 1, 2024 to March 31, 2024, which was borne by the Adviser.
- (4) The Fund will pay \$45,000 annually to the Adviser as reimbursement for a portion of the compensation that it pays to the Fund's Chief Compliance Officer. No reimbursement was incurred by the Fund during the fiscal year ended March 31, 2024.

CONTROL PERSONS AND PRINCIPAL HOLDERS

A principal shareholder is any person who owns (either of record or beneficially) 5% or more of the outstanding shares of a fund. A control person is one who owns, either directly or indirectly more than 25% of the voting securities of a company or acknowledges the existence of control. A control person may be able to determine the outcome of a matter put to a shareholder vote.

As of the date of this SAI, the Adviser, a Delaware limited liability company located at 5050 S. Syracuse Street, Suite 1100, Denver, Colorado 80237, controlled the Fund through record and beneficial ownership of 100% of the outstanding Shares of the Fund. As of the date of this SAI, Colliers VS Holdings, Inc., a wholly-owned indirect subsidiary of Colliers International Group Inc. (together, "Colliers"), owned, directly and indirectly, approximately 75% of the outstanding securities of the Adviser, with the Adviser's co-founders (who are also officers of the Fund) and other employees directly and indirectly owning the balance of the Adviser's outstanding securities.

INVESTMENT ADVISORY AND OTHER SERVICES

The Adviser

The Fund's investment adviser is Versus Capital Advisors LLC, a registered adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). The Adviser's offices are located at 5050 S. Syracuse Street, Suite 1100, Denver, Colorado 80237. The Adviser is a Delaware limited liability company originally formed in March of 2007. Colliers owns, directly and indirectly, approximately 75% of the outstanding securities of the Adviser. The Adviser's co-founders, Mark D. Quam, William R. Fuhs, Jr. and Casey R. Frazier, along with certain other employees, own the remaining balance. Mr. Frazier also serves as Interested Trustee to the Fund.

The Fund has engaged the Adviser to provide investment advice to, and manage the day-to-day business and affairs of, the Fund, in each case under the ultimate supervision of and subject to any policies established by the Board, pursuant to an investment management agreement entered into between the Fund and the Adviser. The Adviser may manage the Fund's assets directly and/or may delegate the management of all or any portion of the Fund's assets to one or more Sub-Advisers. The Adviser has the responsibility of selecting any Sub-Advisers and/or Private Funds. In selecting Private Funds and Sub-Advisers, the Adviser evaluates each Private Fund and Sub-Adviser to determine whether their respective investment programs are consistent with the Fund's investment objectives and strategies. The Adviser monitors the Private Funds and Sub-Advisers on an ongoing basis and may, at its discretion, subject to the repurchase policies of the Private Funds, reallocate the Fund's assets among the Private Funds and Sub-Advisers, terminate or redeem investments from existing Private Funds or Sub-Advisers, and select additional Sub-Advisers subject to review and approval of the Board. The Adviser also provides certain administrative services to the Fund, including: providing office space, handling shareholder inquiries regarding the Fund, providing shareholders with

information concerning their investment in the Fund, coordinating and organizing meetings of the Board and providing other support services. The Adviser will perform its duties subject to any policies established by the Board.

The Adviser intends to claim the relief provided to fund-of-funds operators pursuant to U.S. Commodity Futures Trading Commission (“CFTC”) No-Action Letter 12-38 and is therefore not subject to registration or regulation as a pool operator under the Commodity Exchange Act with respect to the Fund. For the Adviser to remain eligible for the relief, the Fund must comply with certain limitations, including limitations on its ability to gain exposure to certain financial instruments such as futures, options on futures, and certain swaps (“commodity interests”). These limitations may restrict the Fund’s ability to pursue its investment objectives and strategies, increase the costs of implementing its strategies, result in higher expenses, and/or adversely affect its total return. In the event the Adviser believes that the Fund may no longer be able to comply with, or that it may no longer be desirable for it to comply with, these limitations, the Adviser may register as a commodity pool operator with the CFTC with respect to the Fund. Any such registration could adversely affect the Fund’s total return by subjecting it to increased costs and expenses. If the Adviser registers as a commodity pool operator with the CFTC with respect to the Fund, the commodity pool operators of any shareholders that are pooled investment vehicles may be unable to rely on certain commodity pool operator registration exemptions.

In consideration for its investment management services, the Fund pays the Adviser an investment management fee (the “Investment Management Fee”) equal to 1.00 % annually of the average daily NAV of the Fund. The Investment Management Fee is accrued daily and payable quarterly in arrears. The Investment Management Fee will be paid to the Adviser out of the Fund’s assets. Because the Investment Management Fee is calculated based on the Fund’s average daily NAV and is paid out of the Fund’s assets, it reduces the NAV of the Shares.

The Sub-Advisers

The Adviser has responsibility, subject to oversight by the Board, for overseeing any Sub-Advisers and for recommending their hiring, termination and replacement. The Adviser has entered into such sub-advisory agreements with the following Sub-Advisers:

Brookfield

The Adviser has engaged Brookfield Public Securities Group LLC (“Brookfield”), a registered adviser under the Advisers Act, to act as an independent sub-adviser to the Fund. Brookfield has been managing real asset related securities for 33 years. Brookfield is an indirect subsidiary of Brookfield Corporation (“BN”) and Brookfield Asset Management Ltd (“BAM”), each a publicly traded Canadian company. Brookfield focuses on investments in publicly traded real asset securities including both equity and debt investments across the globe. Brookfield is located at Brookfield Place, 225 Liberty Street, New York, New York 10281 and maintains offices in Chicago, Dubai, Houston, London, Singapore and Toronto.

The Adviser pays Brookfield a sub-advisory fee that decreases as assets under management increases. The fee is assessed on a sliding scale ranging from 0.35% down to 0.20% based on assets under management.

Lazard

The Adviser has engaged Lazard Asset Management, LLC (“Lazard”), a registered adviser under the Advisers Act, to act as an independent sub-adviser to the Fund. Lazard has been managing multi-asset portfolios since 2007 and is a wholly-owned, indirect subsidiary of Lazard Ltd., a public company listed on the NYSE. Lazard is located at 30 Rockefeller Plaza, New York, NY 10112.

The Adviser pays Lazard a sub-advisory fee equal to 0.30% based on assets under management.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Grant Thornton LLP (“Grant Thornton”), located at principal business address 171 N. Clark Street, Chicago, Illinois 60601, serves as the independent registered public accounting firm of the Fund.

CUSTODIAN

The Bank of New York Mellon (the “Custodian”) serves as the primary custodian of the assets of the Fund, and may maintain custody of such assets with domestic and foreign sub-custodians (which may be banks, trust companies, securities depositories and clearing agencies) approved by the Board. The Custodian’s principal business address is 240 Greenwich Street, New York, NY 10286.

LEGAL COUNSEL

Ropes & Gray LLP, Prudential Tower, 800 Boylston Street, Boston, Massachusetts 02199, acts as legal counsel to the Fund.

PORTFOLIO MANAGERS

The following tables identify, as of December 31, 2023 : (i) the number of other registered investment companies, other pooled investment vehicles and other accounts managed by the Fund’s portfolio managers (collectively, “Other Accounts”); (ii) the total assets of such Other Accounts; and (iii) the number and total assets of Other Accounts with respect to which the management fee charged is based on performance.

Versus Capital Advisors LLC

| Portfolio Manager | Other Registered Investment Companies | | Other Pooled Investment Vehicles | | Other Accounts | |
|---|---------------------------------------|---|----------------------------------|---------------|----------------|--------------------------------|
| | Number | Total Assets of Other Registered Investment Companies | Number | Total Assets | Number | Total Assets of Other Accounts |
| Casey Frazier, CFA | 2 | \$5.3 billion | 3 | \$1.4 million | 0 | 0 |
| Becca Edil | 0 | 0 | 0 | 0 | 0 | 0 |
| Philip Eichhorn, CFA | 0 | 0 | 0 | 0 | 0 | 0 |
| Performance Fee Based Accounts (The number of accounts and the total assets in the accounts managed by each portfolio manager with respect to which the advisory fee is based on the performance of the account.) | | | | | | |
| Casey Frazier, CFA | 0 | 0 | 0 | 0 | 0 | 0 |
| Becca Edil | 0 | 0 | 0 | 0 | 0 | 0 |
| Philip Eichhorn, CFA | 0 | 0 | 0 | 0 | 0 | 0 |

Conflicts of Interest

In addition to the Fund, the Adviser provides investment advisory services to the Versus Capital Real Assets Fund LLC and Versus Capital Multi-Manager Real Estate Income Fund LLC, each a continuously offered registered closed-end management investment company that has elected to be treated as an interval fund, as well as three charitable pooled income funds, as defined under section 642(c)(5) of the Internal Revenue Code of 1986, as amended (the “Code”), and may provide investment advisory services to other funds and accounts in the future (collectively with the Fund, “Client Accounts”). Because there are different fee structures for each Client Account and because the Adviser’s portfolio managers may have investments in one Client Account but not another (or they may invest different amounts in each Client Account), the Adviser’s portfolio managers may have an incentive to dedicate more time and resources or to otherwise favor one Client Account over another. The Adviser anticipates that the Fund and another Client Account could have overlapping portfolio holdings or that an investment opportunity would be appropriate for multiple portfolios. As such, the Adviser has policies and procedures designed to allocate investment opportunities

among the Client Accounts on a fair and equitable basis over time. Additional controls are in place to monitor the investment decisions and performance of Client Accounts and to address these and other conflicts of interest. See “Conflicts of Interest” below for an additional discussion of the Adviser’s conflicts of interest.

Compensation

A team approach is used by the Adviser to manage the Fund. The Investment Committee of the Adviser is chaired by Casey Frazier. Mr. Frazier is a founding member of the Adviser and is paid a base salary and a discretionary bonus and is entitled to receive distributions of available cash flow from the profits of the Adviser, if any, due to his holdings of equity interests in the Adviser. Ms. Edil and Mr. Eichhorn are each paid a base salary and a discretionary bonus.

Ownership of Securities

The following table discloses the dollar range of equity securities beneficially owned by the portfolio managers of the Fund as of the date of this SAI .

| Name of Portfolio Manager | Dollar Range of Equity Securities in the Fund* |
|---------------------------|--|
| Casey Frazier | \$0 |
| Becca Edil | \$0 |
| Phil Eichhorn | \$0 |

* As of the date of this SAI, none of the portfolio managers owned shares of the Fund because the Fund had not yet begun investment operations.

Brookfield Public Securities Group LLC (“Brookfield”)

As of December 31, 2023, in addition to the Fund, Brookfield’s portfolio managers were responsible for the day-to-day management of certain other accounts, as follows:

| Portfolio Manager | Other Registered Investment Companies | | Other Pooled Investment Vehicles | | Other Accounts | |
|---|---------------------------------------|---|----------------------------------|--|----------------|--------------------------------|
| | Number | Total Assets of Other Registered Investment Companies | Number | Total Assets of Other Pooled Investment Vehicles | Number | Total Assets of Other Accounts |
| Larry Antonatos | 3 | \$1,105.5 million | 7 | \$1,284.9 million | 3 | \$156.8 million |
| Gaal Surugeon | 3 | \$1,105.5 million | 7 | \$1,284.9 million | 3 | \$156.8 million |
| Performance Fee Based Fee Accounts (The number of accounts and the total assets in the accounts managed by each portfolio manager with respect to which the advisory fee is based on the performance of the account.) | | | | | | |
| Larry Antonatos | 0 | \$0 | 1 | \$68.1 million | 1 | \$0 |
| Gaal Surugeon | 0 | \$0 | 1 | \$68.1 million | 1 | \$0 |

Conflicts of Interest

In the course of our normal business, Brookfield may encounter situations where Brookfield faces a conflict of interest or could be perceived to be in a conflict-of-interest situation. A conflict of interest occurs whenever the interests of Brookfield or its personnel diverge from those of a client or when Brookfield or its personnel have obligations to more than one party whose interests are different. In order to preserve its reputation and comply with applicable legal and regulatory requirements, Brookfield believes managing perceived conflicts is as important as managing actual conflicts.

A list of potential conflicts can be found in the Brookfield Public Securities Group LLC’s Form ADV, Part 2A, which is publicly available at <https://adviserinfo.sec.gov/firm/summary/110497>.

Compensation

Brookfield incentivizes its professionals by providing competitive compensation packages designed to strategically align employee, client and firm interests. Compensation packages typically include an attractive and appropriate balance of base salary and cash bonus; investment personnel also receive incentive-oriented compensation tied to client-generated performance fees for certain strategies.

Specifically, investment team member compensation is assessed over an appropriate time horizon (up to three years) and is based on an employee’s investment decisions relative to the performance of his or her respective area of sector/geographical coverage, in addition to the team’s performance relative to the benchmark and on an absolute basis. Team members are incentivized by an annual discretionary bonus, which is largely derived from their long-only product investment decisions. Investment team members share in an additional bonus pool to the extent that the team generates incentive fees in certain strategies.

To aid in retention, portfolio managers, senior analysts and other key personnel receive a portion of their bonus in the form of deferred compensation through Brookfield’s Long-Term Incentive Plan (“LTIP”). LTIP compensation is invested in PSG’s funds with a multi-year vesting schedule. LTIP deferred compensation amounts are approved annually by Brookfield’s Board of Directors. To securely align Brookfield professionals’ interests with those of its clients, the primary factor influencing compensation amount is achievement of client objectives. Relative performance of all strategies and clients is also taken under serious consideration.

Ownership of Securities

As of the date of this SAI, Brookfield’s portfolio managers did not beneficially own any shares of the Fund.

Lazard Asset Management (“Lazard”)

As of December 31, 2023, in addition to the Fund, Lazard’s portfolio managers were responsible for the day-to-day management of certain other accounts, as follows:

| Portfolio Manager | Other Registered Investment Companies | | Other Pooled Investment Vehicles | | Other Accounts | |
|---|---------------------------------------|---|----------------------------------|--|----------------|--------------------------------|
| | Number | Total Assets of Other Registered Investment Companies | Number | Total Assets of Other Pooled Investment Vehicles | Number | Total Assets of Other Accounts |
| Kim Tilley | 6 | \$176,157,920 | 15 | \$6,728,563,940 | 126 | \$478,898,243 |
| Dan McGoey | 1 | \$14,089,630 | 2 | \$7,279,490 | 2 | \$283,806 |
| John R. Senesac, Jr. | 5 | \$280,846,372 | 2 | \$ 267,428,942 | 109 | \$5,281,693,806 |
| Performance Fee-Based Accounts (The number of accounts and the total assets in the accounts managed by each portfolio manager with respect to which the advisory fee is based on the performance of the account.) | | | | | | |
| Kim Tilley | 0 | \$0 | 0 | \$0 | 1 | \$52,634 |
| Dan McGoey | 0 | \$0 | 0 | \$0 | 0 | \$0 |
| John R. Senesac, Jr. | 0 | \$0 | 0 | \$0 | 0 | \$0 |

Conflicts of Interest

Although the potential for conflicts of interest exists when an investment adviser and portfolio managers manage other accounts that invest in securities in which the Fund may invest or that may pursue a strategy similar to the Fund’s investment strategies implemented by Lazard (collectively, “Similar Accounts”), Lazard has procedures in place that are designed to ensure that all accounts are treated fairly and that the Fund is not disadvantaged, including procedures regarding trade allocations and “conflicting trades” (e.g., long and short positions in the same or similar securities). In addition, the Fund is subject to different regulations than certain of the Similar Accounts, and, consequently, may not be permitted to engage in all the investment techniques or transactions, or to engage in such techniques or transactions to the same degree, as the Similar Accounts. Potential conflicts of interest may arise because of Lazard’s management of the Fund and Similar Accounts, including the following:

Similar Accounts may have investment objectives, strategies and risks that differ from those of the Fund. In addition, the Fund may be subject to different regulations than certain of the Similar Accounts and, consequently, may not be permitted to invest in the same securities, exercise rights to exchange or convert securities or engage in all the investment techniques or transactions, or to invest, exercise or engage to the same degree, as the Similar Accounts. For these or other reasons, the portfolio managers may purchase different securities for the Fund and the corresponding Similar Accounts, and the performance of securities purchased for the Fund may vary from the performance of securities purchased for Similar Accounts, perhaps materially.

Conflicts of interest may arise with both the aggregation and allocation of securities transactions and allocation of limited investment opportunities. Lazard may be perceived as causing accounts it manages to participate in an offering to increase Lazard's overall allocation of securities in that offering, or to increase Lazard's ability to participate in future offerings by the same underwriter or issuer. Allocations of bunched trades, particularly trade orders that were only partially filled due to limited availability, and allocation of investment opportunities generally, could raise a potential conflict of interest, as Lazard may have an incentive to allocate securities that are expected to increase in value to preferred accounts. Initial public offerings, in particular, are frequently of very limited availability. A potential conflict of interest may be perceived to arise if transactions in one account closely follow related transactions in a different account, such as when a purchase increases the value of securities previously purchased by the other account, or when a sale in one account lowers the sale price received in a sale by a second account.

Portfolio managers may be perceived to have a conflict of interest because of the large number of Similar Accounts, in addition to the Fund, that they are managing on behalf of Lazard. Although Lazard does not track each individual portfolio manager's time dedicated to each account, Lazard periodically reviews each portfolio manager's overall responsibilities to ensure that he or she is able to allocate the necessary time and resources to manage the Fund effectively. As illustrated in the table above, most of the portfolio managers manage a significant number of Similar Accounts in addition to the Fund.

Generally, Lazard and/or its portfolio managers have investments in Similar Accounts. This could be viewed as creating a potential conflict of interest, since certain of the portfolio managers do not invest in the Fund.

The table above notes the portfolio managers who manage Similar Accounts with respect to which the advisory fee is based on the performance of the account, which could give the portfolio managers and Lazard an incentive to favor such Similar Accounts over the Fund.

Portfolio managers may place transactions on behalf of Similar Accounts that are directly or indirectly contrary to investment decisions made for the Fund, which could have the potential to adversely impact the Fund, depending on market conditions. In addition, if the Fund's investment in an issuer is at a different level of the issuer's capital structure than an investment in the issuer by Similar Accounts, in the event of credit deterioration of the issuer, there may be a conflict of interest between the Fund's and such Similar Accounts' investments in the issuer. If Lazard sells securities short, including on behalf of a Similar Account, it may be seen as harmful to the performance of the Fund to the extent it invests "long" in the same or similar securities whose market values fall as a result of short-selling activities.

Investment decisions are made independently from those of the Similar Accounts. If, however, such Similar Accounts desire to invest in, or dispose of, the same securities as the Fund, available investments or opportunities for sales will be allocated equitably to each. In some cases, this procedure may adversely affect the size of the position obtained for or disposed of by the Fund or the price paid or received by the Fund.

Under Lazard's trade allocation procedures applicable to domestic and foreign initial and secondary public offerings and Rule 144A transactions (collectively herein a "Limited Offering"), Lazard will generally allocate Limited Offering shares among client accounts, including the Fund, pro rata based upon the aggregate asset size (excluding leverage) of the account. Lazard may also allocate Limited Offering shares on a random basis, as selected electronically, or other basis. It is often difficult for the Adviser to obtain a sufficient number of Limited Offering shares to provide a full allocation to each account. Lazard's allocation procedures are designed to allocate Limited Offering securities in a fair and equitable manner.

Compensation

Lazard compensates portfolio managers by a competitive salary and bonus structure, which is determined both quantitatively and qualitatively. Salary and bonus are paid in cash, stock and restricted interests in funds managed by Lazard or its affiliates. Portfolio managers are compensated on the performance of the aggregate group of portfolios managed by the teams of which they are a member rather than for a specific fund or account. Various factors are considered in the determination of a portfolio manager's compensation. All of the portfolios managed by a portfolio manager are comprehensively evaluated to determine his or her positive and consistent performance contribution over time. Further factors include the amount of assets in the portfolios as well as qualitative aspects that reinforce Lazard's investment philosophy.

Total compensation is generally not fixed, but rather is based on the following factors: (i) leadership, teamwork and commitment, (ii) maintenance of current knowledge and opinions on companies owned in the portfolio; (iii) generation and development of new investment ideas, including the quality of security analysis and identification of appreciation catalysts; (iv) ability and willingness to develop and share ideas on a team basis; and (v) the performance results of the portfolios managed by the investment teams of which the portfolio manager is a member.

Variable bonus is based on the portfolio manager's quantitative performance as measured by his or her ability to make investment decisions that contribute to the pre-tax absolute and relative returns of the accounts managed by the teams of which the portfolio manager is a member, by comparison of each account to a predetermined benchmark, generally as set forth in the Prospectus or other governing document, over the current fiscal year and the longer-term performance of such account, as well as performance of the account relative to peers. The portfolio manager's bonus also can be influenced by subjective measurement of the manager's ability to help others make investment decisions. A portion of a portfolio manager's variable bonus is awarded under a deferred compensation arrangement pursuant to which the portfolio manager may allocate certain amounts awarded among certain Portfolios, in shares that vest in two to three years. Certain portfolio managers' bonus compensation may be tied to a fixed percentage of revenue or assets generated by the accounts managed by such portfolio management teams.

Ownership of Securities

As of the date of this SAI, Lazard's portfolio managers did not beneficially own any shares of the Fund.

REPURCHASES AND TRANSFERS OF SHARES

Involuntary Repurchases

The Fund may, pursuant to the Declaration of Trust and in accordance with the Investment Company Act, including Rules 23c-2 and 23c-3 thereunder, and other applicable law, in connection with the Fund's quarterly Repurchase Offers, repurchase at NAV of a shareholder's Shares or Shares of any person acquiring Shares from or through a shareholder in the event that the Board determines or has reason to believe such repurchase would be in the best interest of the Fund, including in circumstances where, among other things: (a) all or part of such Shares have been transferred in violation of the Fund's Declaration of Trust, or such Shares have vested in any person by operation of law as the result of the death, dissolution, bankruptcy or incompetency of a shareholder; (b) ownership of Shares by a shareholder or other person will cause the Fund to be in violation of, or subject the Fund or any shareholder to additional registration or regulation under, the securities, commodities or other laws of the United States or any other relevant jurisdiction; (c) continued ownership of such Shares may be harmful or injurious to the business or reputation of the Fund, or may subject the Fund or any shareholders to an undue risk of adverse tax or other fiscal consequences; or (d) any of the representations and warranties made by a shareholder in connection with the acquisition of Shares thereof was not true when made or has ceased to be true.

Transfers of Shares

Except pursuant to the Declaration of Trust, no person may become a substituted shareholder without the written consent of the Board, which consent may be withheld for any reason in the Board's sole and absolute discretion. Shares may be transferred only (i) by operation of law pursuant to the death, bankruptcy, insolvency or dissolution of a shareholder or (ii) with the written consent of the Board, which may be withheld in its sole and absolute discretion. The Board may, in its discretion, delegate to the Adviser its authority to consent to transfers of Shares.

Each shareholder and transferee is required to pay all expenses, including attorneys' and accountants' fees, incurred by the Fund in connection with such transfer.

CONVERSION TO OPEN-END FUND OR EXCHANGE-LISTED FUND

The Fund's Board may from time to time consider converting the Fund to an open-end investment company. In determining whether to exercise its sole discretion to submit this issue to shareholders, the Board would consider all factors then relevant, including the size of the Fund, the extent to which shareholders have adequate liquidity through repurchase offers, the extent to which the Fund's capital structure is leveraged and the possibility of re-leveraging if any, and general market and economic conditions. The Declaration of Trust requires the affirmative vote or consent of at least a majority (>50%) of the Fund's shares outstanding and entitled to vote on the matter to authorize a conversion of the Fund from a closed-end to an open-end investment company, unless the majority of Trustees and a majority of the Continuing Trustees (as defined below) entitled to vote on the matter approve such conversion and related actions. In the event that a conversion is approved by the Trustees as referred to in the preceding sentence, the Investment Company Act shall govern whether and to what extent a shareholder vote shall be required to approve such conversion and related actions. A "Continuing Trustee" is a Trustee who either (a) has been a member of the Board since the date when Shares are first sold pursuant to a public offering or (b) was nominated to serve as a member of the Board of Trustees, or designated as a Continuing Trustee, by a majority of the Continuing Trustees then members of the Board.

Shareholders of an open-end investment company may require the company to redeem their shares on any business day (except in certain circumstances as authorized by or under the Investment Company Act) at their net asset value, less such redemption charge, if any, as might be in effect at the time of redemption, whereas the Fund currently makes only quarterly offers to repurchase its Shares (typically 5% per quarter), and shareholders do not have the right to otherwise have shares redeemed. Open-end companies are thus subject to more frequent periodic out-flows that can complicate portfolio management in comparison to the Fund. The Fund, like an open-end company, engages in a continuous offering of its Shares.

The Fund's Shares are not currently listed for trading on any national securities exchange, and the Fund may or may not list its Shares for trading on any national securities exchange in the future. Unless the Fund lists its Shares for trading on a national securities exchange, it is not expected that there will be any secondary market for the Fund's Shares. Shares of closed-end investment companies that trade on a national securities exchange may trade at a discount from their NAV per Share.

CODE OF ETHICS

The Fund and the Adviser have each adopted a Joint Code of Ethics, and each Sub-Adviser has adopted a code of ethics, pursuant to Rule 17j-1 under the Investment Company Act, that permits its personnel, subject to the codes, to invest in securities, including securities that may be purchased or held by the Fund. Foreside Funds Distributors LLC, acting as Distributor, is exempt from Rule 17j-1. These codes of ethics are available on the Electronic Data-Gathering, Analysis, and Retrieval system (EDGAR) on the SEC's website at <http://www.sec.gov>, and also may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov.

PROXY VOTING POLICIES AND PROCEDURES

The Fund invests in Private Funds, which have investors other than the Fund. The Fund may invest some of its assets in non-voting securities of Private Funds.

The Fund has delegated voting of proxies in respect of portfolio holdings to the Adviser, to vote the Fund's proxies in accordance with the Adviser's proxy voting guidelines and procedures. For assets sub-advised by Sub-Advisers, the Adviser has delegated its authority to vote proxies to those Sub-Advisers. The proxy voting policies and procedures of the Adviser and Sub-Advisers are set forth on Appendix A to this SAI. Private Funds typically do not submit matters to investors for vote; however, if a Private Fund submits a matter to the Fund for vote (and the Fund holds voting interests in the Private Fund), the Adviser will vote on the matter in a way that it believes is in the best interest of the Fund and in accordance with the following proxy voting guidelines (the "Voting Guidelines"):

- In voting proxies, the Adviser is guided by general fiduciary principles. The Adviser's goal is to act prudently, solely in the best interest of the Fund.

- The Adviser attempts to consider all factors of its vote that could affect the value of the investment and will vote proxies in the manner that it believes will be consistent with efforts to maximize shareholder value.
- The Adviser, absent a particular reason to the contrary, generally will vote with management's recommendations on routine matters. Other matters will be voted on a case-by-case basis.
- The Adviser applies its Voting Guidelines in a manner designed to identify and address material conflicts that may arise between the Adviser's interests and those of its clients before voting proxies on behalf of such clients. The Adviser relies on the following to seek to identify conflicts of interest with respect to proxy voting and assess their materiality:
 - The Adviser's employees are under an obligation (i) to be aware of the potential for conflicts of interest on the part of the Adviser with respect to voting proxies on behalf of client accounts both as a result of an employee's personal relationships and due to special circumstances that may arise during the conduct of the Adviser's business, and (ii) to bring conflicts of interest of which they become aware to the attention of certain designated persons.
 - Such designated persons work with appropriate personnel of the Adviser to determine whether an identified conflict of interest is material. A conflict of interest will be considered material to the extent that it is determined that such conflict has the potential to influence the Adviser's decision-making in voting the proxy. All materiality determinations will be based on an assessment of the particular facts and circumstances. The Adviser shall maintain a written record of all materiality determinations.
 - If it is determined that a conflict of interest is not material, the Adviser may vote proxies notwithstanding the existence of the conflict.
 - If it is determined that a conflict of interest is material, the Adviser may seek legal assistance from appropriate counsel for the Adviser to determine a method to resolve such conflict of interest before voting proxies affected by the conflict of interest. Such methods may include:
 - disclosing the conflict to the Board and obtaining the consent of the Board before voting;
 - engaging another party on behalf of the Fund to vote the proxy on its behalf;
 - engaging a third party to recommend a vote with respect to the proxy based on application of the policies set forth herein; or
 - such other method as is deemed appropriate under the circumstances given the nature of the conflict.

The Adviser shall maintain a written record of the method used to resolve a material conflict of interest. Information regarding how the Adviser and Sub-Advisers voted the Fund's proxies related to the Fund's portfolio holdings during the most recent 12-month period will be available without charge, upon request, by calling (877) 200-1878, and will be available on the SEC's website at <http://www.sec.gov>.

CONFLICTS OF INTEREST

The Adviser, the Sub-Advisers and the Private Fund Managers

The Adviser, the Sub-Advisers, and the managers of the Private Funds (collectively referred to herein as “Managers”) and their respective affiliates are actively engaged in transactions and in rendering discretionary or non-discretionary investment advice on behalf of the Fund, the Private Funds and other registered investment companies, private investment funds, and individual accounts (collectively, “Adviser Clients”). Each Manager will evaluate a variety of factors that may be relevant in determining whether a particular investment opportunity or strategy is appropriate and feasible for the Fund and other Adviser Clients at a particular time. Because these considerations may differ, the investment activities of the Fund, on the one hand, and other Adviser Clients, on the other hand, may differ considerably from time to time. In addition, the fees and expenses of the Fund may differ from those of the other Adviser Clients.

Other Adviser Clients may have investment objectives and strategies that are similar to those of the Fund and may involve the same types of investments as the Fund and/or the Private Funds. As a result, a Manager’s other Adviser Clients may compete with the Fund and/or the Private Funds for appropriate investment opportunities and conflicts of interest may arise with respect to the allocation of the investment opportunities, particularly with respect to capacity constrained opportunities. It is the policy of each of the Adviser and Sub-Advisers, to the extent possible, to allocate investment opportunities to the Fund over a period of time on a fair and equitable basis relative to other Adviser Clients. Investment decisions for the Fund are made independently from those of other Adviser Clients. Neither the Adviser nor any Sub-Adviser has any obligation to invest on behalf of the Fund in any investment opportunity that the Adviser or Sub-Adviser invests in on behalf of other Adviser Clients if, in its opinion, such investment appears to be unsuitable, impractical, or undesirable for the Fund.

Conversely, certain portfolio strategies of the Managers and/or their respective affiliates used for other Adviser Clients could conflict with the strategies employed by the Managers in managing the Fund or the Private Funds, as applicable, particularly where a Manager has limited the capacity for a particular strategy or the number of accounts it will manage. As a result, the Fund may invest in a manner opposite to that of a Manager’s other Adviser Clients – i.e., the Fund buying an investment when other Adviser Clients are selling, and vice-versa. The Managers and/or their respective affiliates may give advice or take action with respect to any of their Adviser Clients that may differ in the nature or timing of any advice or action taken with respect to the Fund or the Private Funds. The Adviser may have relationships with certain Managers described herein for certain of its other Adviser Clients and the Adviser will have discretion in determining the Fund’s level of participation with such Managers. In some cases, such relationships for other Adviser Clients may be on terms different from, and sometimes more favorable than, the terms for the Fund. The Adviser, the Managers, and/or their respective affiliates may have investments or other business relationships with each other or with the Private Funds, including acting as broker, prime broker, lender, counterparty, shareholder or financial adviser. These other relationships could be more valuable than the Adviser’s or Manager’s relationships with the Fund, either due to compensation arrangements or otherwise. In addition, the Adviser, the Sub-Advisers and/or their respective affiliates may receive research products and services in connection with the brokerage services that the Adviser, the Sub-Advisers, and/or their respective affiliates may provide from time to time. For these reasons, the Managers may have financial incentives to favor certain Adviser Clients over the Fund may be conflicted in providing services to the Fund relative to its other Adviser Clients, and the Adviser will face a conflict in evaluating such Managers. Due to the prohibitions contained in the Investment Company Act regarding certain transactions between a registered investment company and its affiliated persons, or affiliated persons of those affiliated persons, the Fund may not be able to invest in Private Funds and other Adviser Clients managed by certain Managers, even if the investment would be appropriate for the Fund.

The Adviser and the Sub-Advisers may have an incentive to favor certain accounts over the Fund to the extent they have proprietary investments in those accounts or receive greater compensation for managing them than they do for managing the Fund. The proprietary activities or portfolio strategies of the Adviser, the Sub-Advisers and their respective affiliates, and the activities or strategies used for accounts managed by the Adviser, the Sub-Advisers, and/or their respective affiliates for themselves or other Adviser Clients, could conflict with the transactions and strategies employed by the Fund, and could affect the prices and availability of the securities and instruments in which the Fund invests. Issuers of securities held by the Fund or a Private Fund may have publicly or privately traded securities in which the Adviser, the Managers, and/or their respective affiliates are investors or market makers. The trading activities of the Adviser, the Managers and their respective affiliates generally are carried out without reference to positions held directly or indirectly by the Fund or the Private Funds and may have an effect on the value of the positions so held. Any

of their proprietary accounts and other customer accounts may compete with the Fund for specific trades, or may hold positions opposite to positions maintained on behalf of the Fund. The Sub-Advisers may give advice and recommend securities to, or buy or sell securities for the Fund, which advice or securities may differ from advice given to, or securities recommended or bought or sold for, other accounts and customers even though their investment objectives may be the same as, or similar to, those of the Fund. The managers of the Private Funds may have conflicts of interest with respect to the Private Funds that are similar to the conflicts of interest that the Sub-Advisers have with the Fund, which therefore indirectly impact the Fund.

As a diversified global real estate and investment management firm, Colliers, the parent company of the Adviser, engages in a broad spectrum of real estate and investment activities. In the ordinary course of its business, Colliers engages in activities where Colliers's interests or the interests of its clients may conflict with the interests of the Fund. Colliers holds ownership interests in, and is otherwise affiliated with, certain other investment managers ("Affiliated Managers"). Colliers and the Affiliated Managers advise clients with a wide variety of investment objectives that in some instances may overlap or conflict with the Fund's investment objectives and present conflicts of interest. The conflicts of interest described above apply to Colliers and the Affiliated Managers as "Managers." In addition, Colliers's financial interests in the Affiliated Managers may create an affiliation between the Adviser and the Affiliated Managers and will give rise to conflicts of interest between the Fund and other investment vehicles managed by other asset managers. For example, such financial interests create an incentive for the Adviser to invest in funds managed by an Affiliated Manager or hire an Affiliated Manager as a sub-adviser to the Fund or other funds sponsored by the Adviser. Further, if the Fund is invested in funds managed by an Affiliated Manager, there is a conflict between the Adviser's obligations to the Fund, on the one hand, and the Adviser's (or Colliers's) interest in the success of the Affiliated Manager, on the other hand.

The nature of the Adviser's and Colliers's relationship with the Affiliated Managers means that, due to the prohibitions contained in the Investment Company Act on certain transactions between a registered investment company and affiliated persons of it, or affiliated persons of those affiliated persons, the Fund may not be able to invest in Private Funds or other vehicles managed by Affiliated Managers, even if the investment would be appropriate for the Fund. These prohibitions are designed to prevent affiliates and insiders from using a registered investment company (such as the Fund) to benefit themselves to the detriment of the registered investment company and its shareholders. For investments in Private Funds managed by Affiliated Managers that predate Colliers's acquisition of the Adviser, or to the extent the Fund is invested in a Private Fund sponsored or managed by an entity that subsequently becomes an Affiliated Manager (e.g., due to Colliers' acquisition of such entity), the Fund may not be able to make further investments in such Private Funds or redeem existing interests back to such Private Funds, even if the additional investment or redemption would be beneficial to the Fund. The Adviser and its affiliates will endeavor to manage these potential conflicts in a fair and equitable manner, subject to legal, regulatory, contractual, or other applicable considerations. There is no assurance that conflicts of interest will be resolved in favor of the Fund's shareholders, and, in fact, they may not be. Conflicts of interest not described herein may also exist.

The Distributor and Intermediaries

Foreside Funds Distributors LLC serves as the Fund's "statutory underwriter," within the meaning of the Securities Act and "principal underwriter," within the meaning of the Investment Company Act, and facilitates the distribution of the Shares. The Fund, the Adviser and/or the Distributor may authorize one or more financial intermediaries (e.g., banks, broker/dealers, investment advisers, trusts, financial industry professionals, etc., collectively referred to as "Intermediaries" and individually as "Intermediary") to receive orders and provide certain related services on behalf of the Fund. Additionally, the Adviser has entered into distribution and/or servicing agreements to compensate Intermediaries for distribution-related activities and/or for providing ongoing services in respect of clients to whom they have distributed Shares of the Fund. Such compensation to the Intermediaries is paid by the Adviser out of the Adviser's own resources and is not an expense of the Fund or Fund shareholders. These payments may create a conflict of interest for the Intermediaries by providing an incentive to recommend the Fund's Shares over other potential investments that may also be appropriate for the clients of such Intermediaries. Such professionals and Intermediaries may provide varying investment products, programs, platforms and accounts through which investors may purchase or participate in a repurchase of Shares of the Fund. Platform fees, administration fees, shareholder services fees and sub-transfer agent fees paid to Intermediaries are not paid by the Fund.

Any Intermediaries or their respective affiliates may provide distribution, shareholder servicing, brokerage, placement, investment banking, or other financial or advisory services from time to time to one or more other funds, accounts, or entities managed by the Managers or their affiliates, including the Private Funds, and receive compensation for providing these services.

TAX ASPECTS

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

Taxation of the Fund

The Fund intends to elect and to qualify and be eligible to be treated each year as a regulated investment company (“RIC”) under Subchapter M of the Code. In order to qualify for the special tax treatment accorded regulated investment companies and their shareholders, the Fund must, among other things: (a) derive at least 90% of its gross income for each taxable year from (i) dividends, interest, payments with respect to certain securities loans, and gains from the sale or other disposition of stock, securities or foreign currencies, or other income (including but not limited to gains from options, futures, or forward contracts) derived with respect to its business of investing in such stock, securities, or currencies and (ii) net income derived from interests in “qualified publicly traded partnerships” (as defined below); (b) diversify its holdings so that, at the end of each quarter of the Fund’s taxable year, (i) at least 50% of the value of the Fund’s total assets consists of cash and cash items, U.S. government securities, securities of other regulated investment companies, and other securities limited in respect of any one issuer to a value not greater than 5% of the value of the Fund’s total assets and not more than 10% of the outstanding voting securities of such issuer, and (ii) not more than 25% of the value of the Fund’s total assets is invested, including through corporations in which the Fund owns a 20% or more voting stock interest, (x) in the securities (other than those of the U.S. government or other regulated investment companies) of any one issuer or of two or more issuers that the Fund controls and that are engaged in the same, similar, or related trades or businesses, or (y) in the securities of one or more qualified publicly traded partnerships (as defined below); and (c) distribute with respect to each taxable year at least 90% of the sum of its investment company taxable income (as that term is defined in the Code without regard to the deduction for dividends paid—generally, taxable ordinary income and the excess, if any, of net short-term capital gains over net long-term capital losses) and any net tax-exempt interest income for such year.

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

For purposes of the diversification test in (b) above, the term “outstanding voting securities of such issuer” will include the equity securities of a qualified publicly traded partnership. Also, for purposes of the diversification test in (b) above, the identification of the issuer (or, in some cases, issuers) of a particular Fund investment can depend on the terms and conditions of that investment. In some cases, identification of the issuer (or issuers) is uncertain

under current law, and an adverse determination or future guidance by the Internal Revenue Service (“IRS”) with respect to issuer identification for a particular type of investment may adversely affect the Fund’s ability to meet the diversification test in (b) above.

If the Fund qualifies as a RIC that is accorded special tax treatment, the Fund will not be subject to U.S. federal income tax on income or gains distributed in a timely manner to shareholders in the form of dividends (including Capital Gain Dividends, as defined below). If the Fund were to fail to meet the income, diversification, or distribution tests described above, the Fund could in some cases cure such failure, including by paying a Fund-level tax, paying interest, making additional distributions, or disposing of certain assets. If the Fund were ineligible to or otherwise did not cure such failure for any year, or were otherwise to fail to qualify as a RIC accorded special tax treatment for such year, the Fund would be subject to tax on its taxable income at corporate rates, and all distributions from earnings and profits, including any distributions of net tax-exempt income and net long-term capital gains, would be taxable to Shareholders as ordinary income. Some portions of such distributions may be eligible for the dividends-received deduction in the case of corporate shareholders and may be eligible to be treated as “qualified dividend income” in the case of shareholders taxed as individuals, provided, in both cases, that the shareholder meets certain holding period and other requirements in respect of the Fund’s Shares (as described below). In addition, the Fund could be required to recognize unrealized gains, pay substantial taxes and interest and make substantial distributions before re-qualifying as a RIC that is accorded special tax treatment.

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

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

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

If the Fund were to fail to distribute in a calendar year at least an amount equal to the sum of 98% of its ordinary income for such year and 98.2% of its capital gain net income recognized for the one-year period ending on October 31 of such year (or November 30 or December 31 of that year if the Fund is permitted to elect and so elects), plus any such amounts retained from the prior year, the Fund would be subject to a nondeductible 4% excise tax on the undistributed amounts. For purposes of the required excise tax distribution, a RIC’s ordinary gains and losses from the sale, exchange, or other taxable disposition of property that would otherwise be taken into account after October 31 (or November 30 of that year if the RIC makes the election described above) generally are treated as arising on January

1 of the following calendar year; in the case of a RIC with a December 31 year end that makes the election described above, no such gains or losses will be so treated. Also, for these purposes, the Fund will be treated as having distributed any amount on which it is subject to corporate income tax for the taxable year ending within the calendar year. The Fund intends generally to make distributions sufficient to avoid imposition of the 4% excise tax, although there can be no assurance that it will be able to or will do so.

Fund Distributions

The Fund intends to distribute dividends to Shareholders quarterly. All distributions paid by the Fund will be reinvested in additional Shares of the Fund unless a shareholder “opts out” (elects not to reinvest in additional Shares), as described in the Prospectus. A shareholder whose distributions are so reinvested in Shares will be treated for U.S. federal income tax purposes as having received an amount in distribution equal to the fair market value of the Shares issued to the shareholder, which amount will also be equal to the net asset value of such shares. For U.S. federal income tax purposes, all distributions are generally taxable in the manner described herein, whether a shareholder takes them in cash or they are reinvested in additional shares of the Fund.

Fund distributions generally 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. See the discussion below regarding distributions declared in October, November or December for further information. Distributions received by tax-exempt shareholders generally will not be subject to U.S. federal income tax to the extent permitted under applicable tax law.

For U.S. federal income tax purposes, distributions of investment income are generally taxable as ordinary income. Taxes on distributions of capital gains are determined by how long the Fund owned (or is deemed to have owned) the investments that generated the gains, rather than how long a shareholder has owned his or her Shares. In general, the Fund will recognize long-term capital gain or loss on investments it has owned (or is deemed to have owned) for more than one year, and short-term capital gain or loss on investments it has owned (or is deemed to have owned) for one year or less. Tax rules can alter the Fund’s holding period in investments and thereby affect the tax treatment of gain or loss in respect of such investments. Distributions of net capital gain that are properly reported by the Fund as capital gain dividends (“Capital Gain Dividends”) will be taxable to shareholders as long-term capital gains includible in net capital gain and taxed to individuals at reduced rates relative to ordinary income. Distributions of net short-term capital gain (as reduced by any net long-term capital loss for the taxable year) will be taxable to shareholders as ordinary income. The IRS and the Department of the Treasury have issued regulations that impose special rules in respect of Capital Gain Dividends received through partnership interests constituting “applicable partnership interests” under Section 1061 of the Code. Distributions of investment income reported by the Fund as derived from “qualified dividend income” will be taxed in the hands of individuals at the rates applicable to net capital gain, provided holding period and other requirements are met at both the shareholder and Fund levels. The Fund does not expect a significant portion of distributions to be derived from qualified dividend income.

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

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

The Code generally imposes a 3.8% Medicare contribution tax on the net investment income of certain individuals, trusts and estates to the extent their income exceeds certain threshold amounts. For these purposes, “net investment income” generally includes, among other things, (i) distributions paid by the Fund of net investment income and capital gains as described above, and (ii) any net gain from the sale, exchange or other taxable disposition of Fund shares. Shareholders are advised to consult their tax advisors regarding the possible implications of this additional tax on their investment in the Fund.

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

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

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

Sales, Exchanges or Repurchases of Shares

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

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

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

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

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

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

Issuer Deductibility of Interest

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

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

Some debt obligations with a fixed maturity date of more than one year from the date of issuance (and zero-coupon debt obligations with a fixed maturity date of more than one year from the date of issuance) will be treated as debt obligations that are issued originally at a discount ("OID"). Generally, the amount of the OID is treated as interest income and is included in the Fund's income and required to be distributed over the term of the debt obligation, even though payment of that amount is not received until a later time, upon partial or full repayment or disposition of the debt obligation. Increases in the principal amount of an inflation-indexed bond will generally be treated as OID.

Some debt obligations with a fixed maturity date of more than one year from the date of issuance that are acquired by the Fund in the secondary market may be treated as having "market discount." Very generally, market discount is the excess of the stated redemption price of a debt obligation (or in the case of an obligation issued with OID, its "revised issue price") over the purchase price of such obligation. Generally, any gain recognized on the disposition of, and any partial payment of principal on, a debt obligation having market discount is treated as ordinary income to the extent the gain, or principal payment, does not exceed the "accrued market discount" on such debt obligation. Alternatively, the Fund may elect to accrue market discount currently, in which case the Fund will be required to include the accrued market discount on such debt obligation in the Fund's income (as ordinary income) and thus distribute it over the term of the debt obligation, even though payment of that amount is not received until a later time, upon partial or full repayment or disposition of the debt obligation. The rate at which the market discount accrues, and thus is included in the Fund's income, will depend upon which of the permitted accrual methods the Fund elects. The Fund reserves the right to revoke such an election at any time pursuant to applicable IRS procedures. In the case of higher-risk securities, the amount of market discount may be unclear. See "Higher-Risk Securities" below.

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

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

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

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

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

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

Higher-Risk Securities

Any investments in debt obligations that are at risk of or in default may present special tax issues. Tax rules are not entirely clear about issues such as whether or to what extent the Fund should recognize market discount on such a debt obligation, when the Fund may cease to accrue interest, OID or market discount, when and to what extent the Fund may take deductions for bad debts or worthless securities and how the Fund should allocate payments received on obligations in default between principal and income. These and other related issues will be addressed by the Fund when, as and if it invests in such securities, in order to seek to ensure that it distributes sufficient income to preserve its status as a RIC and does not become subject to federal income or excise tax.

Securities Purchased at a Premium

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

Passive Foreign Investment Companies

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

Controlled Foreign Corporations

If the Fund were to invest in a controlled foreign corporation (“CFC”) in which it is a “U.S. Shareholder” under the Code, the Fund would be required to include in gross income for United States federal income tax purposes the Fund’s share of the CFC’s “subpart F income” whether or not such income is distributed by the CFC. “Subpart F income” generally includes interest, original issue discount, dividends, net gains from the disposition of stocks or securities, receipts with respect to securities loans and net payments received with respect to equity swaps and similar derivatives. “Subpart F income” is generally treated as ordinary income, regardless of the character of the CFC’s underlying income. Under final Treasury Regulations, such subpart F inclusions by the Fund would constitute “qualifying income” for the purposes of the 90% gross income requirement to the extent such income is either (i) timely and currently repatriated or (ii) derived with respect to the Fund’s business of investing in stock, securities or currencies.

Municipal Bonds

The interest on municipal bonds is generally exempt from U.S. federal income tax. The Fund does not expect to invest 50% or more of its assets in municipal bonds on which the interest is exempt from U.S. federal income tax. As a result, it does not expect to be eligible to pay “exempt-interest dividends” to its shareholders under the applicable tax rules. As a result, interest on municipal bonds is taxable to shareholders of the Fund when received as a distribution from the Fund. In addition, gains realized by the Fund on the sale or exchange of municipal bonds are taxable to shareholders of the Fund when distributed to shareholders.

Foreign Currency Transactions

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

Forward Contracts

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

Private Funds

The Fund may invest in Private Funds that are classified as partnerships for U.S. federal income tax purposes.

An entity that is properly classified as a partnership, rather than an association or publicly traded partnership taxable as a corporation, is not itself subject to federal income tax. Instead, each partner of the partnership must take into account its distributive share of the partnership’s income, gains, losses, deductions and credits (including all such items allocable to that partnership from investments in other partnerships) for each taxable year of the partnership ending with or within the partner’s taxable year, without regard to whether such partner has received or will receive corresponding cash distributions from the partnership. As such, the Fund may be required to recognize items of taxable income and gain prior to the time that the Fund receives corresponding cash distributions from the Private Fund. In such case, the Fund might have to borrow money or dispose of investments, including interests in other Private Funds, including when it is disadvantageous to do so, in order to make the distributions required in order to maintain its status as a RIC and to avoid the imposition of a federal income or excise tax.

In addition, the character of a partner’s distributive share of items of partnership income, gain and loss generally will be determined as if the partner had realized such items directly. Private Funds classified as partnerships for federal

income tax purposes may therefore generate income allocable to the Fund that is not qualifying income for purposes of the 90% gross income test described above. In order to meet the 90% gross income test, the Fund may structure its investments in a way potentially increasing the taxes imposed thereon or in respect thereof.

Because the Fund may not have timely or complete information concerning the amount and sources of such a Private Fund's income until such income has been earned by the Private Fund or until a substantial amount of time thereafter, it may be difficult for the Fund to satisfy the 90% gross income test.

Furthermore, it may not always be clear how the asset diversification rules for RIC qualification will apply to the Fund's investments in Private Funds that are classified as partnerships for federal income tax purposes. In the event that the Fund believes that it is possible that it will fail the asset diversification requirement at the end of any quarter of a taxable year, it may seek to take certain actions to avert such failure, including by acquiring additional investments to come into compliance with the asset diversification test or by disposing of non-diversified assets. Although the Code affords the Fund the opportunity, in certain circumstances, to cure a failure to meet the asset diversification test, including by disposing of non-diversified assets within six months, there may be constraints on the Fund's ability to dispose of its interest in a Private Fund that limit utilization of this cure period.

As a result of the considerations described in the preceding paragraphs, the Fund's intention to qualify and be eligible for treatment as a RIC can limit its ability to acquire or continue to hold positions in Private Funds that would otherwise be consistent with its investment strategy or can require it to engage in transactions in which it would otherwise not engage, resulting in additional transaction costs and reducing the Fund's return to shareholders. The Fund's investment in Private Funds may also adversely bear on the Fund's ability to qualify as a RIC under Subchapter M of the Code.

Unless otherwise indicated, references in this discussion to the Fund's investments, activities, income, gain, and loss include, as applicable, the investments, activities, income, gain, and loss attributable to the Fund as result of the Fund's investment in any Private Fund or other entity that is properly classified as a partnership or disregarded entity for U.S. federal income tax purposes (and not an association or publicly traded partnership taxable as a corporation).

Investments in Other RICs

The Fund's investment in shares of other mutual funds, ETFs or other companies that qualify as regulated investment companies (each, an "underlying RIC"), can cause the Fund to be required to distribute greater amounts of net investment income or net capital gain than the Fund would have distributed had it invested directly in the securities held by the underlying RIC, rather than in shares of the underlying RIC. Further, the amount or timing of distributions from the Fund qualifying for treatment as a particular character (e.g., long-term capital gain, exempt interest, eligible for dividends-received deduction, etc.) will not necessarily be the same as it would have been had the Fund invested directly in the securities held by the underlying RIC.

Derivatives, Hedging, and Other Transactions

In addition to the special rules described above in respect of futures transactions, the Fund's transactions in other derivatives instruments (e.g., forward contracts), as well as any of its hedging transactions, may be subject to one or more special tax rules. These rules may affect whether gains and losses recognized by the Fund are treated as ordinary or capital, accelerate the recognition of income or gains to the Fund, defer losses to the Fund, and cause adjustments in the holding periods of the Fund's securities, thereby affecting, among other things, whether capital gains and losses are treated as short-term or long-term. These rules could, therefore, affect the amount, timing and/or character of distributions to shareholders. Because these and other tax rules applicable to these types of transactions are in some cases uncertain under current law, an adverse determination or future guidance by the IRS with respect to these rules (which determination or guidance could be retroactive) may affect whether the Fund has made sufficient distributions, and otherwise satisfied the relevant requirements, to maintain its qualification as a RIC and avoid a fund-level tax.

Book-Tax Differences

Certain of the Fund's investments in derivative instruments and foreign currency-denominated instruments, and any of the Fund's transactions in foreign currencies and hedging activities, are likely to produce a difference between its book income and the sum of its taxable income and net tax-exempt income (if any). If such a difference arises, and the Fund's book income is less than the sum of its taxable income and net tax-exempt income (if any), the Fund could be required to make distributions exceeding book income to qualify as a RIC that is accorded special tax treatment

and to avoid an entity-level tax. In the alternative, if the Fund's book income exceeds the sum of its taxable income (including realized capital gains) and net tax-exempt income (if any), the distribution (if any) of such excess generally will be treated as (i) a dividend to the extent of the Fund's remaining earnings and profits, (ii) thereafter, as a return of capital to the extent of the recipient's basis in its shares, and (iii) thereafter as gain from the sale or exchange of a capital asset.

Mortgage-Related Securities

The Fund may invest directly or indirectly in real estate mortgage investment conduits ("REMICs") (including by investing in residual interests in collateralized mortgage obligations ("CMOs") with respect to which an election to be treated as a REMIC is in effect) or equity interests in taxable mortgage pools ("TMPs"). Under a notice issued by the IRS in October 2006 and Treasury regulations that have yet to be issued but may apply retroactively, a portion of the Fund's income (including income allocated to the Fund from a REIT or other pass-through entity) that is attributable to a residual interest in a REMIC or an equity interest in a TMP — referred to in the Code as an "excess inclusion"— will be subject to U.S. federal income tax in all events. This notice also provides, and the regulations are expected to provide, that excess inclusion income of a RIC, such as the Fund, will be allocated to shareholders of the RIC in proportion to the dividends received by such shareholders, with the same consequences as if the shareholders held the related interest directly. As a result, the Fund may not be a suitable investment for charitable remainder trusts ("CRTs"), as noted below.

In general, excess inclusion income allocated to shareholders (i) cannot be offset by net operating losses (subject to a limited exception for certain thrift institutions), (ii) will constitute unrelated business taxable income ("UBTI") to entities (including a qualified pension plan, an IRA, a 401(k) plan, a Keogh plan or other tax-exempt entity) subject to tax on UBTI, thereby potentially requiring such an entity that is allocated excess inclusion income and otherwise might not be required to file a U.S. federal income tax return, to file such a tax return and pay tax on such income, and (iii) in the case of a non-U.S. shareholder, will not qualify for any reduction in U.S. federal withholding tax. A shareholder will be subject to U.S. federal income tax on such inclusions notwithstanding any exemption from such income tax otherwise available under the Code.

Foreign (Non-U.S.) Taxation

Income, proceeds and gains received by the Fund from sources within foreign countries may be subject to withholding and other taxes imposed by such countries, which will reduce the return on those investments. Tax treaties between certain countries and the United States may reduce or eliminate such taxes.

The Fund does not expect that shareholders will be entitled to claim a credit or deduction for U.S. federal income tax purposes with respect to foreign taxes paid by the Fund; in that case the foreign tax will nonetheless reduce the Fund's taxable income. Even if the Fund were eligible to and did elect to pass through to its shareholders foreign tax credits or deductions, tax-exempt shareholders and those who invest in the Fund through tax-advantaged accounts such as IRAs would not benefit from any such tax credit or deduction.

Tax-exempt Shareholders

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

In addition, special tax consequences apply to CRTs that invest in regulated investment companies that invest directly or indirectly in residual interests in REMICs or equity interests in TMPs. Under legislation enacted in December 2006, if a CRT, as defined in Section 664 of the Code, realizes any UBTI for a taxable year, a 100% excise tax is imposed on such UBTI. Under IRS guidance issued in October 2006, a CRT will not recognize UBTI solely as a result of investing in a RIC that recognizes "excess inclusion income." Rather, if at any time during any taxable year a CRT (or one of certain other tax-exempt shareholders, such as the United States, a state or political subdivision, or an agency or instrumentality thereof, and certain energy cooperatives) is a record holder of a share in a RIC that

recognizes “excess inclusion income,” then the RIC will be subject to a tax on that portion of its “excess inclusion income” for the taxable year that is allocable to such shareholders at the highest federal corporate income tax rate. The extent to which this IRS guidance remains applicable in light of the December 2006 legislation is unclear. To the extent permitted under the Investment Company Act, the Fund may elect to specially allocate any such tax to the applicable CRT, or other shareholder, and thus reduce such shareholder’s distributions for the year by the amount of the tax that relates to such shareholder’s interest in the Fund. CRTs and other tax-exempt shareholders are urged to consult their tax advisors concerning the consequences of investing in the Fund.

Non-U.S. Shareholders

Distributions by the Fund to shareholders that are not “United States persons” within the meaning of the Code (“foreign shareholders”) properly reported by the Fund as (1) Capital Gain Dividends, (2) short-term capital gain dividends, or (3) interest-related dividends, each as defined and subject to certain conditions described below generally are not subject to withholding of U.S. federal income tax.

In general, the Code defines (1) “short-term capital gain dividends” as distributions of net short-term capital gains in excess of net long-term capital losses and (2) “interest-related dividends” as distributions from U.S. source interest income of types similar to those not subject to U.S. federal income tax if earned directly by an individual foreign shareholder, in each case to the extent such distributions are properly reported as such by the Fund in a written notice to shareholders. The exceptions to withholding for Capital Gain Dividends and short-term capital gain dividends do not apply to (A) distributions to an individual foreign shareholder who is present in the United States for a period or periods aggregating 183 days or more during the year of the distribution and (B) distributions attributable to gain that is effectively connected with the conduct by the foreign shareholder of a trade or business within the United States under special rules regarding the disposition of U.S. real property interests as described below. The exception to withholding for interest-related dividends does not apply to distributions to a foreign shareholder (A) that has not provided a satisfactory statement that the beneficial owner is not a United States person, (B) to the extent that the dividend is attributable to certain interest on an obligation if the foreign shareholder is the issuer or is a 10% shareholder of the issuer, (C) that is within certain foreign countries that have inadequate information exchange with the United States, or (D) to the extent the dividend is attributable to interest paid by a person that is a related person of the foreign shareholder and the foreign shareholder is a controlled foreign corporation.

If the Fund invests in a RIC that pays such distributions to the Fund, such distributions retain their character as not subject to withholding if properly reported when paid by the Fund to foreign shareholders. The Fund is permitted to report such part of its dividends as interest-related or short-term capital gain dividends as are eligible, but is not required to do so. In the case of shares held through an intermediary, the intermediary may withhold even if the Fund reports all or a portion of a payment as an interest-related or short-term capital gain dividend to shareholders.

Foreign shareholders should contact their intermediaries regarding the application of withholding rules to their accounts.

Distributions by the Fund to foreign shareholders other than Capital Gain Dividends, short-term capital gain dividends, and interest-related dividends (e.g., dividends attributable to dividend and foreign-source interest income or to short-term capital gains or U.S. source interest income to which the exception from withholding described above does not apply) are generally subject to withholding of U.S. federal income tax at a rate of 30% (or lower applicable treaty rate).

A foreign shareholder is not, in general, subject to U.S. federal income tax on gains (and is not allowed a deduction for losses) realized on the sale of shares of the Fund unless (i) such gain is effectively connected with the conduct by the foreign shareholder of a trade or business within the United States, (ii) in the case of a foreign shareholder that is an individual, the shareholder is present in the United States for a period or periods aggregating 183 days or more during the year of the sale and certain other conditions are met, or (iii) the special rules relating to gain attributable to the sale or exchange of “U.S. real property interests” (“USRPIs”) apply to the foreign shareholder’s sale of shares of the Fund (as described below).

Foreign shareholders with respect to whom income from the Fund is effectively connected with a trade or business conducted by the foreign shareholder within the United States will in general be subject to U.S. federal income tax on the income derived from the Fund at the graduated rates applicable to U.S. citizens, residents or domestic corporations, whether such income is received in cash or reinvested in shares of the Fund and, in the case of a foreign corporation, may also be subject to a branch profits tax. If a foreign shareholder is eligible for the benefits of a tax treaty, any effectively connected income or gain will generally be subject to U.S. federal income tax on a net basis only if it is also

attributable to a permanent establishment maintained by the shareholder in the United States. More generally, foreign shareholders who are residents in a country with an income tax treaty with the United States may obtain different tax results than those described herein, and are urged to consult their tax advisors.

Special rules would apply if the Fund were a qualified investment entity (“QIE”) because it is either a “U.S. real property holding corporation” (“USRPHC”) or would be a USRPHC but for the operation of certain exceptions to the definition thereof. Very generally, a USRPHC is a domestic corporation that holds USRPIs the fair market value of which equals or exceeds 50% of the sum of the fair market values of the corporation’s USRPIs, interests in real property located outside the United States, and other trade or business assets. USRPIs are generally defined as any interest in U.S. real property and any interest (other than solely as a creditor) in a USRPHC or, very generally, an entity that has been a USRPHC in the last five years. A RIC that holds, directly or indirectly, significant interests in REITs may be a USRPHC. Interests in domestically controlled QIEs, including REITs and regulated investment companies that are QIEs, not-greater-than-10% interests in publicly traded classes of stock in REITs and not-greater-than-5% interests in publicly traded classes of stock in regulated investment companies generally are not USRPIs, but these exceptions do not apply for purposes of determining whether the Fund is a QIE.

If an interest in the Fund were a USRPI, the Fund would be required to withhold U.S. tax on the proceeds of a share redemption by a greater-than-5% foreign shareholder or any foreign shareholder if shares of the Fund are not considered regularly traded on an established securities market, in which case such foreign shareholder generally would also be required to file a U.S. tax return and pay any additional taxes due in connection with the redemption.

If the Fund were a QIE, under a special “look-through” rule, any distributions by the Fund to a foreign shareholder (including, in certain cases, distributions made by the Fund in redemption of its shares) attributable directly or indirectly to (i) distributions received by the Fund from a lower-tier RIC or REIT that the Fund is required to treat as USRPI gain in its hands, or (ii) gains realized by the Fund on the disposition of USRPIs would retain their character as gains realized from USRPIs in the hands of the Fund’s foreign shareholders, and would be subject to U.S. withholding tax. In addition, such distributions could result in the foreign shareholder being required to file a U.S. tax return and pay tax on the distributions at regular U.S. federal income tax rates. The consequences to a foreign shareholder, including the rate of such withholding and character of such distributions (e.g., as ordinary income or USRPI gain), would vary depending upon the extent of the foreign shareholder’s current and past ownership of the Fund.

Foreign shareholders should consult their tax advisers and, if holding shares through intermediaries, their intermediaries, concerning the application of these rules to their investment in the Fund.

Foreign shareholders also may be subject to “wash sale” rules to prevent the avoidance of the tax-filing and -payment obligations discussed above through the sale and repurchase of Fund shares.

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

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

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

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

Backup Withholding

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

Tax Shelter Reporting Regulations

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

Other Reporting and Withholding Requirements

Sections 1471-1474 of the Code and the U.S. Treasury and IRS guidance issued thereunder (collectively, "FATCA") generally require the Fund to obtain information sufficient to identify the status of each of its shareholders under FATCA or under an applicable intergovernmental agreement (an "IGA") between the United States and a foreign government. If a shareholder fails to provide the requested information or otherwise fails to comply with FATCA or an IGA, the Fund may be required to withhold under FATCA at a rate of 30% with respect to that shareholder on ordinary dividends it pays. The IRS and Department of Treasury have issued proposed regulations providing that these withholding rules will not be applicable to the gross proceeds of share redemptions or Capital Gain Dividends the Fund pays. If a payment by the Fund is subject to FATCA withholding, the Fund is required to withhold even if such payment would otherwise be exempt from withholding under the rules applicable to foreign shareholders described above (e.g., short-term capital gain dividends and interest-related dividends).

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

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

Shares Purchased Through Tax-Qualified Plans

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

BROKERAGE

When effecting portfolio transactions on behalf of the Fund, the Adviser seeks to obtain the best overall terms available for the Fund. While the Adviser generally seeks reasonably competitive spreads or commissions, the Fund will not necessarily be paying the lowest spread or commission available. In assessing the best overall terms available for any transaction, the Adviser considers factors deemed relevant, including: (i) the nature, size and type of the security being traded and the character of the markets for which the security will be purchased or sold; (ii) the activity, existing and expected, in the market for the particular security and the desired timing of the trade; (iii) the proposed transaction price as compared to the current carrying cost of the investment; (iv) the speed and likelihood of execution; (v) the liquidity profile of the investment; (vi) the ability of a broker-dealer to maintain confidentiality, including trade anonymity; (vii) the quality of the execution, clearance, and settlement services of a broker-dealer; (viii) the liquidity needs, allocation requirements and investment guidelines of the broader Fund portfolio; and (ix) the ability to redeem or purchase shares directly from the issuer.

The Adviser and each Sub-Adviser is directly responsible for the execution of its portfolio investment transactions on behalf of the Fund and the allocation of brokerage. Transactions on U.S. stock exchanges and on some foreign stock exchanges involve the payment of negotiated brokerage commissions. On the great majority of foreign stock exchanges, commissions are fixed. No stated commission is generally applicable to securities traded in over-the-counter markets, but the prices of those securities include undisclosed commissions or mark-ups.

In executing transactions, the Adviser and each Sub-Adviser will seek to obtain the best execution for the transactions, and may take into account factors such as price, size of order, difficulty of execution and operational facilities of a brokerage firm and, in the case of transactions effected by the Adviser and each Sub-Adviser with unaffiliated brokers, the firm's risk in positioning a block of securities. Although the Adviser and the Sub-Advisers generally will seek reasonably competitive commission rates, the Adviser and the Sub-Advisers will not necessarily pay the lowest commission available on each transaction. The Adviser and the Sub-Advisers will have no obligation to deal with any broker or group of brokers in executing transactions in portfolio securities.

Following the principle of seeking best execution, the Adviser and the Sub-Advisers may place brokerage business on behalf of the Fund with brokers that provide the Adviser, the Sub-Advisers and their affiliates with supplemental research, market and statistical information ("soft dollars"), including advice as to the value of securities, the advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities, and furnishing analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy and the performance of accounts. The expenses of the Adviser and the Sub-Advisers are not necessarily reduced as a result of the receipt of this supplemental information, which may be useful to the Adviser and the Sub-Advisers or their affiliates in providing services to clients other than the Fund. In addition, not all of the supplemental information is used by the Adviser and the Sub-Advisers in connection with the Fund. Conversely, the information provided to the Adviser and the Sub-Advisers by brokers and dealers through which other clients of the Adviser or the Sub-Advisers and their affiliates effect securities transactions may be useful to the Adviser and the Sub-Advisers in providing services to the Fund.

Each Sub-Adviser may execute portfolio brokerage transactions through its affiliates and affiliates of the Adviser, in each case subject to compliance with the Investment Company Act.

Regular Broker Dealers

The Fund is required to identify the securities of its regular brokers or dealers (as defined in Rule 10b-1 under the Investment Company Act) or their parent companies held by the Fund as of the close of its most recent fiscal year and state the value of such holdings. As of the date of this SAI, the Fund did not hold any securities of its regular brokers or dealers or their parent companies because the Fund had not yet begun investment operations.

FINANCIAL STATEMENTS

Appendix B to this SAI provides financial information regarding the Fund. The Fund's financial statements have been audited by Grant Thornton. Additional information about the Fund's investments will be available in the Fund's annual and semi-annual reports, when available, upon request and free of charge by contacting the Fund at (877) 200-1878.

APPENDIX A – PROXY VOTING POLICIES AND PROCEDURES

VERSUS CAPITAL ADVISORS - PROXY VOTING POLICY

Most Recently Revised: September 20, 2019

Background

Rules 206(4)-6 and 204-2 under the Investment Advisers Act of 1940 (the “Adviser’s Act”) help regulate proxy voting by investment advisers with authority to vote their clients’ proxies. Under the Advisers Act, an adviser is a fiduciary that owes each of its clients the duties of care and loyalty with respect to all services undertaken on the client’s behalf. To satisfy its duty of loyalty, the adviser should cast proxy votes in a way that will advance the best interest of its client. The adviser should not put its own interests ahead of the client’s. Under Rule 206(4)-6, it is a fraudulent, deceptive, or manipulative act, practice or course of business for investment advisers to exercise voting authority over client proxies unless they:

- Adopt and implement written policies and procedures that are reasonably designed to ensure that the adviser votes proxies in the client’s best interest;
- Disclose to clients how they may obtain information regarding how their proxies were voted; and
- Describe proxy voting policies and procedures and furnish a copy of the policies and procedures to the client when requested to do so.

Policies and Procedures

Voting Guidelines

Versus Capital (the “Company”) may be delegated the authority to vote proxies on behalf of its clients, which as of the date of this policy include four private charitable trusts established as pooled income funds (“PIFs”) under Section 642(c)(5) of the Internal Revenue Code of 1986, as amended, and two closed-end interval funds registered under the Investment Company Act of 1940 (“Registered Funds”, and collectively with the PIFs referred herein as “Clients”). The PIFs are managed for the benefit of a single non-profit entity (the “Non-Profit”), and the Non-Profit votes all proxies of the underlying mutual funds held by each PIF. For the Registered Funds, the Company is delegated the authority to vote proxies and in turn delegates its authority to vote proxies of publicly traded securities managed by sub-advisers to each respective sub-adviser, subject to Board approval and ongoing oversight of the proxy voting policies and procedures of each Sub-Adviser. If an issuer of a direct investment or a private institutional investment fund held by a Registered Fund submits a matter for a vote, the Company will vote on the matter in a way that it believes is in the best interest of the Registered Fund and in accordance with the following proxy voting guidelines (the “Voting Guidelines”):

- In voting proxies, the Company is guided by general fiduciary principles. The Company’s goal is to act prudently, solely in the best interest of its Clients.
- The Company attempts to consider all factors of its vote that could affect the value of the investment and will vote proxies in the manner that it believes will be consistent with efforts to maximize shareholder value.
- The Company, absent particular reason, will generally vote with management’s recommendations on routine matters. Other matters will be voted on a case-by-case basis.

The Company applies its Voting Guidelines in a manner designed to identify and address material conflicts that may arise between the Company’s interests and those of its Clients before voting proxies on behalf of such Clients. Versus Capital relies on the following to seek to identify conflicts of interest with respect to proxy voting and assess their materiality:

- The Company’s employees are under an obligation (i) to be aware of the potential for conflicts of interest on the part of the Company with respect to voting proxies on behalf of Clients, both as a result of an employee’s personal relationships and due to special circumstances that may arise during the conduct of the Company’s business, and (ii) to bring conflicts of interest of which they become aware to the attention of certain designated persons.
- Such designated persons work with appropriate personnel of the Company to determine whether an identified

conflict of interest is material. A conflict of interest will be considered material to the extent that it is determined that such conflict has the potential to influence the Company's decision making in voting the proxy. All materiality determinations will be based on an assessment of the particular facts and circumstances. The Company shall maintain a written record of all materiality determinations.

- If it is determined that a conflict of interest is not material, the Company may vote proxies notwithstanding the existence of the conflict.
- If it is determined that a conflict of interest is material, the Company may seek legal assistance from appropriate counsel for the Company to determine a method to resolve such conflict of interest before voting proxies affected by the conflict of interest. Such methods may include:
 - disclosing the conflict to a Client's Board and obtaining the consent from a Client's Board before voting;
 - engaging another party on behalf of a Client to vote the proxy on its behalf;
 - engaging a third-party to recommend a vote with respect to the proxy based on application of the policies set forth herein; or
 - such other method as is deemed appropriate under the circumstances given the nature of the conflict.

Books and Records

The Company's Chief Compliance Officer is responsible for ensuring the appropriate books and records are maintained for each proxy voted on behalf of a client when the Company has proxy voting authority. As the Registered Funds' investments in publicly traded securities are generally the responsibility of each Fund's sub-advisers, all sub-advisers will be contractually required to maintain the necessary books and records and will be asked to certify to this fact on a periodic basis. In the event the Company directly votes a proxy, appropriate records will be maintained in accordance with Rule 204-2, including:

- Copies of all policies and procedures required by Rule 206(4)-6.
- A copy of each proxy statement that the investment adviser receives regarding a Client's securities. (An adviser may satisfy this requirement by relying on a third-party, such as a proxy voting service, or the SEC's Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system.)
- A record of each vote cast by the Company on behalf of a Client. (The Company may satisfy this requirement by relying on a third-party service to provide these records. The third party should be capable of providing documents promptly upon request.)
- A copy of any document created by the Company that was material in making a decision on how to vote proxies on a Client's behalf or that articulates the basis for that decision.
- A copy of each written Client request for information on how the Company voted proxies on the Client's behalf, as well as a copy of any written response by the Company to any written or oral client request for information.

Lazard Asset Management LLC

Global Proxy Voting Policy

A. Introduction

Lazard Asset Management LLC and its investment advisory subsidiaries (“Lazard” or the “firm”) provide investment management services for client accounts, including proxy voting services. As a fiduciary, Lazard is obligated to vote proxies in the best interests of its clients over the long-term. Lazard has developed a structure that is designed to ensure that proxy voting is conducted in an appropriate manner, consistent with clients’ best interests, and within the framework of this Proxy Voting Policy (the “Policy”).

Lazard manages assets for a variety of clients worldwide, including institutions, financial intermediaries, sovereign wealth funds, and private clients. To the extent that proxy voting authority is delegated to Lazard, Lazard’s general policy is to vote proxies on a given issue in the same manner for all of its clients. This Policy is based on the view that Lazard, in its role as investment adviser, must vote proxies based on what it believes (i) will maximize sustainable shareholder value as a long-term investor; (ii) is in the best interest of its clients; and (iii) the votes that it casts are intended in good faith to accomplish those objectives.

This Policy recognizes that there may be times when meeting agendas or proposals may create the appearance of a material conflict of interest for Lazard. Lazard will look to alleviate the potential conflict by voting according to pre-approved guidelines. In conflict situations where a pre-approved guideline is to vote case-by-case, Lazard will vote according to the recommendation of one of the proxy voting services Lazard retains to provide independent analysis. More information on how Lazard handles material conflicts of interest in proxy voting is provided in Section F of this Policy.

B. Responsibility to Vote Proxies

Generally, Lazard is willing to accept delegation from its clients to vote proxies. Lazard does not delegate that authority to any other person or entity, but retains complete authority for voting all proxies on behalf of its clients. Not all clients delegate proxy-voting authority to Lazard, however, and Lazard will not vote proxies, or provide advice to clients on how to vote proxies, in the absence of a specific delegation of authority or an obligation under applicable law. For example, securities that are held in an investment advisory account for which Lazard exercises no investment discretion are not voted by Lazard, nor are shares that a client has authorized their custodian bank to use in a stock loan program which passes voting rights to the party with possession of the shares.

C. General Administration

1. Overview and Governance

Lazard’s proxy voting process is administered by members of its Operations Department (“the Proxy Administration Team”). Oversight of the process is provided by Lazard’s Legal & Compliance Department and by a Proxy Committee comprised of senior investment professionals, members of the Legal & Compliance Department, the firm’s Co-Heads of Sustainable Investment & Environmental, Social and Corporate Governance (“ESG”) and other personnel. The Proxy Committee meets regularly, generally on a quarterly basis, to review this Policy and other matters relating to the firm’s proxy voting functions. Meetings may be convened more frequently (for example, to discuss a specific proxy agenda or proposal) as needed. A representative of Lazard’s Legal & Compliance Department will participate in all Proxy Committee meetings.

A quorum for the conduct of any meeting will be met if a majority of the Proxy Committee’s members are in attendance by phone or in person. Decisions of the Proxy Committee will be made by consensus and minutes of each meeting will be taken and maintained by the Legal & Compliance Department. The Proxy Committee may, upon consultation with Lazard’s Chief Compliance Officer, General Counsel or his/her designee, take any action that it believes to be necessary or appropriate to carry out the purposes of the Policy. The Chief Compliance Officer, General Counsel or his/her designee, is responsible for updating this Policy, interpreting this Policy, and may act on behalf of the Proxy Committee in circumstances where a meeting of the members is not feasible.

2. Role of Third Parties

Lazard currently subscribes to advisory and other proxy voting services provided by Institutional Shareholder Services Inc. (“ISS”) and Glass, Lewis & Co. (“Glass Lewis”). These proxy advisory services provide independent analysis and recommendations regarding various companies’ proxy proposals. While this research serves to help improve our understanding of the issues surrounding a company’s proxy proposals, Lazard’s Portfolio

Manager/Analysts and Research Analysts (collectively, “Portfolio Management”) are responsible for providing the vote recommendation for a given proposal except when the Conflicts of Interest policy applies (see Section F).

ISS provides additional proxy-related administrative services to Lazard. ISS receives on Lazard’s behalf all proxy information sent by custodians that hold securities on behalf of Lazard’s clients and sponsored funds. ISS posts all relevant information regarding the proxy on its password-protected website for Lazard to review, including meeting dates, all agendas and ISS’ analysis. The Proxy Administration Team reviews this information on a daily basis and regularly communicates with representatives of ISS to ensure that all agendas are considered and proxies are voted on a timely basis. ISS also provides Lazard with vote execution, recordkeeping and reporting support services. Members of the Proxy Committee, along with members of the Legal & Compliance Team, conducts periodic due diligence of ISS and Glass Lewis consisting of an annual questionnaire and, as appropriate, on site visits.

The Proxy Committee believes that the Policy is consistent with the firm’s Corporate Governance Principals and ESG and Climate Change Policies at <https://www.lazardassetmanagement.com/about/esg>.

3. Voting Process

The Proxy Committee has approved proxy voting guidelines applicable to specific types of common proxy proposals (the “Approved Guidelines”). As discussed more fully below in Section D of this Policy, depending on the proposal, an Approved Guideline may provide that Lazard should vote for or against the proposal, or that the proposal should be considered on a case-by-case basis.

For each shareholder meeting the Proxy Administration Team provides Portfolio Management with the agenda and proposals, the Approved Guidelines, independent vote recommendations from Glass Lewis and ISS and supporting analyses for each proposal. Unless Portfolio Management disagrees with the Approved Guideline for a specific proposal, or where a potential material conflict of interest exists, the Proxy Administration Team will generally vote the proposal according to the Approved Guideline. In cases where Portfolio Management recommends a vote contrary to the Approved Guideline, a member of the Proxy Administration Team will contact a member of the Legal & Compliance Department advising the Proxy Committee. Such communication, which may be in the form of an e-mail, shall include: the name of the issuer, a description of the proposal, the Approved Guideline, any potential conflict of interest presented and the reason(s) Portfolio Management believes a proxy vote in this manner is in the best interest of clients. In such cases, the Proxy Committee and the Legal & Compliance Department will review the proposal and make a determination.

Where the Approved Guideline for a particular type of proxy proposal is to vote on a case-by-case basis, Lazard believes that Portfolio Management is best able to evaluate the potential impact to shareholders resulting from a particular proposal. Similarly, with respect to certain Lazard strategies, as discussed more fully in Sections F and G below, the Proxy Administration Team will consult with Portfolio Management to determine when it would be appropriate to abstain from voting. The Proxy Administration Team seeks Portfolio Management’s recommendation on how to vote all such proposals. The Proxy Administration Team may also consult with Lazard’s Chief Compliance Officer, General Counsel or his/her designee, and may seek the final approval of the Proxy Committee regarding a recommendation by Portfolio Management.

As a global firm, we recognize that there are differing governance models adopted in various countries and that local laws and practices vary widely. Although the Approved Guidelines are intended to be applied uniformly world-wide, where appropriate, Lazard will consider regional/local law and guidance in applying the Policy.

D. Specific Proxy Items

Shareholders receive proxies involving many different proposals. Many proposals are routine in nature, such as a change in a company’s name. Others are more complicated, such as items regarding corporate governance and shareholder rights, changes to capital structure, stock option plans and other executive compensation/ issues, election of directors, mergers and other significant transactions and social or political issues. Lazard’s Approved Guidelines for certain common agenda items are outlined below. The Proxy Committee will also consider any other proposals presented and determine whether to implement a new Approved Guideline.

Certain strategy-specific considerations may result in Lazard voting proxies other than according to the Approved Guidelines, not voting shares at all, issuing standing instructions to ISS on how to vote certain proxy matters on

behalf of Lazard, or taking other action where unique circumstances require special voting efforts or considerations. These considerations are discussed in more detail in Section G, below.

1. Routine Items

Lazard generally votes routine items as recommended by the issuer's management and board of directors, based on the view that management is generally in a better position to assess these matters. Lazard considers routine items to be those that do not change the structure, charter, bylaws, or operations of an issuer in any way that is material to long-term shareholder value. Routine items generally include:

- issues relating to the timing or conduct of annual meetings;
- provisional financial budgets and strategy for the current year;
- proposals that allow votes submitted for the first call of the shareholder meeting to be considered in the event of a second call;
- proposals to receive or approve of variety of routine reports (Lazard will generally vote FOR the approval of financial statements and director and auditor reports unless there are concerns about the accounts presented or audit procedures used or the company is not responsive to shareholder questions about specific items that should be publicly disclosed); and
- changes to a company's name.

2. Amendments to Board Policy/Charter/Regulation:

Proposals to amend a company's Articles of Association and other bylaws are commonly seen at shareholder meetings. Companies usually disclose what is being amended, or the amended bylaws, or both in their meeting circulars. Amendments are nearly always bundled together as a single voting resolution, and Lazard's general approach is to review these amendments on a case-by-case basis and to oppose article amendments as a whole when they include changes Lazard opposes.

Lazard has Approved Guidelines generally to vote FOR bylaw amendments that are driven by regulatory changes and are technical in nature or meant to update company-specific information such as address and/or business scope.

Lazard has Approved Guidelines generally to vote AGAINST bylaw amendments if

- there is no disclosure on the proposed amendments or full text of the amended bylaw; or
- the amendments include increase in the decision authority of what is considered "excessive" and the company fails to provide a compelling justification.

3. Corporate Governance and Shareholder Rights

Many proposals address issues related to corporate governance and shareholder rights. These items often relate to a board of directors and its committees, anti-takeover measures, and the conduct of the company's shareholder meetings.

a. Board of Directors and its Committees

Lazard votes in favor of provisions that it believes will increase the effectiveness of an issuer's board of directors.

Lazard has Approved Guidelines generally to vote FOR the following:

- the establishment of an independent nominating committee, audit committee or compensation committee of a board of directors¹;
- a requirement that a substantial majority (e.g., 2/3) of a company's directors be independent;
- a proposal that a majority of the entirety of the board's committees be comprised of independent directors;
- proposals seeking to de-classify a board;

¹ However, Lazard will vote against proposals to elect or appoint such committee if the company is on the MSCI-EAFE or local main index and (1) a member of executive management would be a member of the committee; (2) more than one board member who is dependent on a major shareholder would be on the committee or (3) the chair of the board would also be the chair of the committee.

- the implementation of director stock retention/holding periods;
- proposals relating to the establishment of directors' mandatory retirement age and age restrictions for directors especially where such proposals seek to facilitate the improvement of the diversity of the board; and
- changes to the articles of association and other relevant documents which are in the long-term interests of shareholders;
- the appointment or (re)election of internal statutory auditors/fiscal council members **unless** (a) the name of the management nominees are not disclosed in a timely manner prior to the meeting, (b) there are serious concerns about statutory reports presented or the audit procedures used, (c) questions exist concerning any of the auditors, (d) the auditors have previously served the company in an executive capacity (or are otherwise considered affiliated) or (e) minority shareholders have presented timely disclosure of minority fiscal council nominee(s) to be elected under separate elections.

Lazard has Approved Guidelines generally to vote on a CASE by CASE Basis for the following:

- proposals to require an independent board chair or the separation of chairman and CEO; and
- establishment of shareholder advisory committees.

Lazard has Approved Guidelines generally to vote AGAINST the following:

- proposals seeking to classify a board
 - the election of directors where the board does not have independent "key committees" or sufficient board independence;
 - non-independent directors who serve on key committees that are not sufficiently independent;
 - proposals relating to cumulative voting;
 - proposals where the names of the candidates (in the case of an election) or the principles for the establishment of a committee (where a new committee is being created) have not been disclosed in a timely manner;
 - release of restrictions on competitive activities of directors² if (a) there is a lack of disclosure on the key information including identities of directors in question, current position in the company and outside boards they are serving on or (b) the non-nomination system is employed by the company for the director election; and
 - the discharge of directors, including members of the management board and/or supervisory board and auditors, unless there is reliable information about significant and compelling concerns that the board is not fulfilling its fiduciary duties³.
- b. Anti-takeover Measures

Certain proposals are intended to deter outside parties from taking control of a company. Such proposals could entrench management and adversely affect shareholder rights and the value of the company's shares.

Consequently, Lazard has adopted Approved Guidelines to vote AGAINST:

- proposals to adopt supermajority vote requirements or increase vote requirements;
- proposals seeking to adopt fair price provisions and on a case-by-case basis regarding proposals seeking to rescind them; and
- "blank check" preferred stock.

Lazard has adopted Approved Guidelines to vote on a CASE by CASE basis regarding other provisions seeking to amend a company's by-laws or charter regarding anti-takeover provisions or shareholder rights plans (also known as "poison pill plans").

² This is intended to cover instances where directors engage in commercial transactions with the company and/or are involved with other companies (outside board memberships).

³ For example, a lack of oversight or actions by board members which invoke shareholder distrust, legal issues aiming to hold the board responsible for breach of trust or egregious governance issues.

Lazard has adopted an Approved Guideline to vote FOR proposals that ask management to submit any new poison pill plan to shareholder vote.

c. Conduct of Shareholder Meetings

Lazard generally opposes any effort by management to restrict or limit shareholder participation in shareholder meetings, and is in favor of efforts to enhance shareholder participation. **Lazard has therefore adopted Approved Guidelines to vote AGAINST:**

- proposals to adjourn US meetings;
- proposals seeking to eliminate or restrict shareholders' right to call a special meeting;
- efforts to eliminate or restrict right of shareholders to act by written consent; and
- proposals to adopt supermajority vote requirements, or increase vote requirements.

Lazard has adopted Approved Guidelines to vote on a CASE by CASE basis on changes to quorum requirements and FOR proposals providing for confidential voting.

4. Changes to Capital Structure

Lazard receives many proxies that include proposals relating to a company's capital structure. These proposals vary greatly, as each one is unique to the circumstances of the company involved, as well as the general economic and market conditions existing at the time of the proposal. A board and management may have many legitimate business reasons in seeking to effect changes to the issuer's capital structure, including investing in financial products and raising additional capital for appropriate business reasons, cash flow and market conditions. Lazard generally believes that these decisions are best left to management but will monitor these proposals closely to ensure that they are aligned with the long-term interests of shareholders.

Lazard has adopted Approved Guidelines to vote FOR:

- management proposals to increase or decrease authorized common or preferred stock (unless it is believed that doing so is intended to serve as an anti-takeover measure);
- stock splits and reverse stock splits;
- investments in financial products unless the company fails to provide meaningful shareholder vote or there are significant concerns with the company's previous similar investments;⁴
- requests to reissue any repurchased shares unless there is clear evidence of abuse of authority in the past;
- management proposals to adopt or amend dividend reinvestment plans; and
- dividend distribution policies unless (a) the dividend payout ratio has been consistently below 30% without adequate explanation or (b) the payout is excessive given the company's financial position.

Lazard has adopted Approved Guidelines to vote on a CASE by CASE basis for:

- matters affecting shareholder rights, such as amending votes-per-share;
- management proposals to issue a new class of common or preferred shares (unless covered by an Approved Guideline relating to the disapplication of pre-emption rights);
- the use of proceeds and the company's past share issuances⁵;
- proposals seeking to approve or amend stock ownership limitations or transfer restrictions; and
- loan and financing proposals. In assessing requests for loan financing provided by a related party the following factors will be considered: (a) use of proceeds, size or specific amount of loan requested, interest rate and relation of the party providing the loan.

4 Evaluate (a) any known concerns with previous investments, (b) amount of the proposed investment relative to the company's assets and (c) disclosure of the nature of products in which the company proposed to invest and associated risks of the investment.

5 Specifically, with respect to the issuance of shares to raise funds for general financing purposes, Lazard will consider the Measures for the Administration of the Issuance of Securities by Listed Companies 2006 and the Detailed Rules for Private Placement by Listed Companies, the China Securities Regulatory Commission.

Lazard has adopted Approved Guidelines to vote AGAINST

- changes in capital structure designed to be used in poison pill plans or which seeks to disregard pre-emption rights in a way that does not follow guidance set by the UK Pre-Emption Group’s Statement of Principles;
- the provision of loans to clients, controlling shareholders and actual controlling persons of the company; and
- the provision of loans to an entity in which the company’s ownership stake is less than 75% and the financing provision is not proportionate to the company’s equity stake.

5. Executive Compensation Issues

Lazard supports efforts by companies to adopt compensation and incentive programs to attract and retain the highest caliber management possible, and to align the interests of a board, management and employees with those of long-term shareholders. Lazard generally favors programs intended to reward management and employees for positive and sustained, long-term performance but will take into account various considerations such as whether compensation appears to be appropriate for the company after an analysis of the totality of the circumstances (including the company’s time in history and evolution).

Lazard has Approved Guidelines generally to vote FOR

- employee stock purchase plans, deferred compensation plans, stock option plans and stock appreciation rights plans that are in the long-term interests of shareholders;
- proposals to submit severance agreements to shareholders for approval;
- annual advisory votes on compensation outcomes where the outcomes are considered to be aligned with the interest of shareholders; and
- annual compensation policy votes where the policy structures are considered to be aligned with the interest of shareholders.

Lazard has Approved Guidelines generally to vote on a CASE by CASE basis regarding:

- restricted stock plans that do not define performance criteria; and
- proposals to approve executive loans to exercise options.

Lazard has Approved Guidelines generally to vote AGAINST:

- proposals to re-price underwater options;
- annual advisory votes on remuneration outcomes where the outcomes are considered not to be in the interests of shareholders; and
- annual remuneration policy vote where the policy structures are considered not to be in the interests of shareholders.

6. Mergers and Other Significant Transactions

Shareholders are asked to consider a number of different types of significant transactions, including mergers, acquisitions, sales of all or substantially all of a company’s assets, reorganizations involving business combinations and liquidations. Each of these transactions is unique. Therefore, Lazard’s Approved Guideline is to vote on a case by case basis for these proposals.

7. Environmental, Social, and Corporate Governance

Proposals involving environmental, social, and corporate governance issues take many forms and cover a wide array of issues. Some examples may include: proposals to have a company increase its environmental disclosure; adoption of principles to limit or eliminate certain business activities; adoption of certain conservation efforts; adoption of proposals to improve the diversity of the board, the senior management team and the workforce in general; adoption of proposals to improve human capital management or the adoption of certain principles regarding employment practices or discrimination policies. These items are often presented by shareholders and are often opposed by the company’s management and its board of directors.

As set out in Lazard’s separate ESG Policy, Lazard is committed to an investment approach that incorporates ESG considerations in a comprehensive manner in order to safeguard the long-term interests of our clients and to manage more effectively long-term investment risks and opportunities related to ESG matters. Lazard generally supports the notion that corporations should be expected to act as good citizens. Lazard generally votes on environmental, social and corporate governance proposals in a way that it believes will most increase long-term shareholder value.

Lazard’s Approved Guidelines are structured to evaluate many environmental, social and corporate governance proposals on a case-by-case basis.

However, as a guide, **Lazard will generally vote FOR proposals:**

- asking for a company to increase its environmental/social disclosures (e.g., to provide a corporate sustainability report);
- seeking the approval of anti-discrimination policies;
- which are considered socially responsible agenda items;
- which improve an investee company’s ESG risk management and related disclosures; and
- deemed to be in the long-term interests of shareholders.

8. Shareholder Proposals

Lazard believes in the ability of shareholders to leverage their rights related to the use of shareholder proposals to address deficits in best practices and related disclosures by companies. Many ESG issues are improved through such use of shareholder proposals. For example, some companies are collaborating with shareholders on such proposals by voicing their support and recommending that shareholders vote in-line with such proposals.

Lazard has Approved Guidelines generally to vote FOR shareholder proposals which:

- seek improved disclosure of an investee company’s ESG practices over an appropriate timeframe;
- seek improved transparency over how the investee company is supporting the transition to a low carbon economy;
- seek to improve the diversity of the board;
- seek improved disclosures on the diversity of the board and the wider workforce;
- seek to establish minimum stock-ownership requirements for directors over an appropriate time frame;
- seek to eliminate or restrict severance agreements, or
- are deemed to be in the long-term interests of shareholders including Lazard’s clients.

Lazard has Approved Guidelines generally to vote AGAINST shareholder proposals which:

- seek to infringe excessively on management’s decision-making flexibility;
- seek to establish additional board committees (absent demonstrable need);
- seek to establish term limits for directors if this is unnecessary;
- seek to change the size of a board (unless this facilitates improved board diversity);
- seek to require two candidates for each board seat; or
- are considered not to be in the long-terms interests of shareholders.

E. Voting Securities in Different Countries

Laws and regulations regarding shareholder rights and voting procedures differ dramatically across the world. In certain countries, the requirements or restrictions imposed before proxies may be voted may outweigh any benefit that could be realized by voting the proxies involved. For example, certain countries restrict a shareholder’s ability to sell shares for a certain period of time if the shareholder votes proxies at a meeting (a practice known as “share blocking”). In other instances, the costs of voting a proxy (i.e., by being routinely required to send a representative to the meeting) may simply outweigh any benefit to the client if the proxy is voted. Generally, the Proxy Administration Team will consult with Portfolio Management in determining whether to vote these proxies.

There may be other instances where Portfolio Management may wish to refrain from voting proxies (See Section G.1. below).

F. Conflicts of Interest

1. Overview

This Policy and related procedures implemented by Lazard are designed to address potential conflicts of interest posed by Lazard's business and organizational structure. Examples of such potential conflicts of interest are:

- Lazard Frères & Co. LLC ("LF&Co."), Lazard's parent company and a registered broker-dealer, or a financial advisory affiliate, has a relationship with a company the shares of which are held in accounts of Lazard clients, and has provided financial advisory or related services to the company with respect to an upcoming significant proxy proposal (i.e., a merger or other significant transaction);
- Lazard serves as an investment adviser for a company the management of which supports a particular proposal;
- Lazard serves as an investment adviser for the pension plan of an organization that sponsors a proposal; or
- A Lazard employee who would otherwise be involved in the decision-making process regarding a particular proposal has a material relationship with the issuer or owns shares of the issuer.

2. General Policy

All proxies must be voted in the best long-term interest of each Lazard client, without consideration of the interests of Lazard, LF&Co. or any of their employees or affiliates. The Proxy Administration Team is responsible for all proxy voting in accordance with this Policy after consulting with the appropriate member or members of Portfolio Management, the Proxy Committee and/or the Legal & Compliance Department. No other employees of Lazard, LF&Co. or their affiliates may influence or attempt to influence the vote on any proposal. Violations of this Policy could result in disciplinary action, including letter of censure, fine or suspension, or termination of employment. Any such conduct may also violate state and Federal securities and other laws, as well as Lazard's client agreements, which could result in severe civil and criminal penalties being imposed, including the violator being prohibited from ever working for any organization engaged in a securities business. Every officer and employee of Lazard who participates in any way in the decision-making process regarding proxy voting is responsible for considering whether they have a conflicting interest or the appearance of a conflicting interest on any proposal. A conflict could arise, for example, if an officer or employee has a family member who is an officer of the issuer or owns securities of the issuer. If an officer or employee believes such a conflict exists or may appear to exist, he or she should notify the Chief Compliance Officer immediately and, unless determined otherwise, should not continue to participate in the decision-making process.

3. Monitoring for Conflicts and Voting When a Material Conflict Exists

The Proxy Administration Team monitors for potential conflicts of interest that could be viewed as influencing the outcome of Lazard's voting decision. Consequently, the steps that Lazard takes to monitor conflicts, and voting proposals when the appearance of a material conflict exists, differ depending on whether the Approved Guideline for the specific item is clearly defined to vote for or against, or is to vote on a case-by-case basis. Any questions regarding application of these conflict procedures, including whether a conflict exists, should be addressed to Lazard's Chief Compliance Officer or General Counsel.

a. Where Approved Guideline Is For or Against

Lazard has an Approved Guideline to vote for or against regarding most proxy agenda/proposals. Generally, unless Portfolio Management disagrees with the Approved Guideline for a specific proposal, the Proxy Administration Team votes according to the Approved Guideline. It is therefore necessary to consider whether an apparent conflict of interest exists when Portfolio Management disagrees with the Approved Guideline. The Proxy Administration Team will use its best efforts to determine whether a conflict of interest or potential conflict of interest exists. If conflict appears to exist, then the proposal will be voted according to the Approved Guideline. In situations where the Approved Guideline is to vote Case by Case, Lazard will vote in accordance with the recommendations of one of the proxy voting services Lazard retains to provide independent analysis.

In addition, in the event of a conflict that arises in connection with a proposal for Lazard to vote shares held by Lazard clients in a Lazard mutual fund, Lazard will typically vote each proposal for or against proportion to the shares voted by other shareholders.

b. Where Approved Guideline Is Case-by-Case

In situations where the Approved Guideline is to vote case-by-case and a material conflict of interest appears to exist, Lazard's policy is to vote the proxy item according to the majority recommendation of the independent proxy services to which we subscribe.

G. Other Matters

1. Issues Relating to Management of Specific Lazard Strategies

Due to the nature of certain strategies managed by Lazard, there may be times when Lazard believes that it may not be in the best interests of its clients to vote in accordance with the Approved Guidelines, or to vote proxies at all. In certain markets, the fact that Lazard is voting proxies may become public information, and, given the nature of those markets, may impact the price of the securities involved. Lazard may simply require more time to fully understand and address a situation prior to determining what would be in the best interests of shareholders. In these cases the Proxy Administration Team will look to Portfolio Management to provide guidance on proxy voting rather than vote in accordance with the Approved Guidelines, and will obtain the Proxy Committee's confirmation accordingly.

Additionally, Lazard may not receive notice of a shareholder meeting in time to vote proxies for or may simply be prevented from voting proxies in connection with a particular meeting. Due to the compressed time frame for notification of shareholder meetings and Lazard's obligation to vote proxies on behalf of its clients, Lazard may issue standing instructions to ISS on how to vote on certain matters.

Different strategies managed by Lazard may hold the same securities. However, due to the differences between the strategies and their related investment objectives, one Portfolio Management team may desire to vote differently than the other, or one team may desire to abstain from voting proxies while the other may desire to vote proxies. In this event, Lazard would generally defer to the recommendation of the Portfolio Management teams to determine what action would be in the best interests of its clients. The Chief Compliance Officer or General Counsel, in consultation with members of the Proxy Committee will determine whether it is appropriate to approve a request to split votes among one or more Portfolio Management teams.

2. Stock Lending

As noted in Section B above, Lazard does not generally vote proxies for securities that a client has authorized their custodian bank to use in a stock loan program, which passes voting rights to the party with possession of the shares. Under certain circumstances, Lazard may determine to recall loaned stocks in order to vote the proxies associated with those securities. For example, if Lazard determines that the entity in possession of the stock has borrowed the stock solely to be able to obtain control over the issuer of the stock by voting proxies, or if the client should specifically request Lazard to vote the shares on loan, Lazard may determine to recall the stock and vote the proxies itself. However, it is expected that this will be done only in exceptional circumstances. In such event, Portfolio Management will make this determination and the Proxy Administration Team will vote the proxies in accordance with the Approved Guidelines.

H. Reporting

Separately managed account clients of Lazard who have authorized Lazard to vote proxies on their behalf will receive information on proxy voting with respect to that account. Additionally, the US mutual funds managed by Lazard will disclose proxy voting information on an annual basis on Form N-PX which is filed with the SEC.

I. Recordkeeping

Lazard will maintain records relating to the implementation of the Approved Guidelines and this Policy, including a copy of the Approved Guidelines and this Policy, proxy statements received regarding client securities, a record of votes cast and any other document created by Lazard that was material to a determination regarding the voting of proxies on behalf of clients or that memorializes the basis for that decision. Such proxy voting books and records shall be maintained in the manner and for the length of time required in accordance with applicable regulations.

J. Review of Policy and Approved Guidelines

The Proxy Committee will review this Policy at least annually to consider whether any changes should be made to it or to any of the Approved Guidelines. The Proxy Committee will make revisions to its Approved Guidelines when it determines it is appropriate or when it sees an opportunity to materially improve outcomes for clients. Questions or concerns regarding the Policy should be raised with Lazard's General Counsel or Chief Compliance Officer.

Revised As Of April 1, 2022

**Brookfield Public Securities Group LLC (“PSG”)
Brookfield BHS Advisors LLC (“BHS”)
Proxy Voting
Policy and Procedures**

**Effective and Approved as of August 23, 2018
Updated November 1, 2021**

Brookfield Public Securities Group LLC and Brookfield BHS Advisors LLC and affiliates (collectively referred to as “PSG”) have adopted this policy and procedures to guide PSG’s voting of proxies related to securities for the client accounts over which PSG has been delegated and/or granted proxy voting authority. Both PSG and BHS are registered Investment Advisers registered with the U.S. Securities Exchange Commission. Both PSG and BHS are wholly owned affiliates of Brookfield Asset Management. References to PSG below apply equally to BHS.

Policy & Procedures

It is the policy and practice of Brookfield Public Securities Group (“PSG”) and affiliates to vote proxies consistent with its: fiduciary duty, the PSG Proxy Voting Policy and Procedures, and the best interests of clients, in compliance with Rule 206(4)-6 under the Advisers Act. In most, if not all cases, the best interest of clients will mean that the proposals which maximize the value of portfolio securities will be approved.

While economic benefit is of primary concern when voting proxies, PSG recognizes the increasing role of ESG issues in maximizing long-term shareholder value. Both ISS and PSG consider Environmental Social & Governance (“ESG”) issues. Please see Exhibit A herewith for a more complete discussion of ESG and proxy voting.

PSG Clients generally grant PSG the authority to vote proxies. In meeting its fiduciary duty to Clients, PSG will monitor corporate and regulatory events and to vote proxies consistent with the best interests of its Clients. In this regard, PSG seeks to ensure that all votes are free from unwarranted and inappropriate influences. Accordingly, PSG generally votes proxies in a uniform manner for its Clients and in accordance with this Policy and Procedures.

Proxy Voting Working Group

PSG has established a cross-functional Proxy Voting Working Group. The Proxy Voting Working Group is responsible for overseeing the proxy voting process and ensuring that PSG meets its regulatory and corporate governance obligations in voting of proxies relating to securities held in client accounts.

The PSG Proxy Voting Working Group meets regularly with representatives of the: Legal, Compliance, Operations, and Investment Teams. Meeting minutes are distributed and kept for books & records.

Proxy Voting Controls

PSG has engaged Institutional Shareholder Services Inc. (“ISS”), an independent, third party, subject matter expert to act as our agent to vote proxies. PSG has adopted ISS’ Proxy Voting Guidelines and believe that having an independent third party’s framework and analysis help to ensure that all proxy voting decisions are made in the best interest of PSG’s clients. Unless otherwise specifically provided in the agreement between the client and PSG, ISS will generally be responsible for evaluating and voting on proxy ballot issues.

There may be instances in which a PSG investment professional may cast a vote different from ISS if PSG has identified it would be in the best interest of its clients to do so. Such instances receive scrutiny from the Proxy Voting Working Group and are recorded for books and records.

The “ISS Proxy Voting Guidelines” are opened to comment period annually, allowing the PSG Proxy Voting Working Group an opportunity to review and incorporate current views and thinking with respect to ESG and other matters and enables PSG to follow industry best practices. After such comment period ISS makes its Guidelines available to the public on their web site.

Control of Possible Conflicts

PSG votes proxies without regard to any other business relationship between PSG and the company to which the proxy relates.

PSG will seek to identify material conflicts of interest that may arise between a company for which it votes proxies (“Company”) and PSG, such as the following relationships:

- PSG serves as an investment advisor to the pension or other investment account of the Company or PSG is seeking to serve in that capacity; or
- PSG provides or is seeking to provide material investment advisory or other services to a portfolio company or its affiliates whose management is soliciting proxies; or
- PSG and the Company have a lending or other financial relationship.

PSG will recuse itself from any voting of proxies in the event a conflict is identified. PSG will instruct ISS to prohibit PSG to vote and will rely entirely on ISS to vote.

PSG must identify and assess material conflicts of interest which may arise between ISS and any company to which ISS provides services. This includes both initial and ongoing assessments (as ISS’s business and/or policies and procedures regarding conflicts of interest may change over time). For the ongoing assessment, PSG will establish and implement measures reasonably designed to identify and address conflicts that may arise, such as by requiring ISS to update PSG of changes to ISS conflict policies and procedures or business changes including ownership of ISS.

Periodically, the Compliance Department will review for conflicts of interest that may exist between its Clients and Companies in its investment universe and ISS . If such conflicts are identified, voting records will be reviewed to determine that votes were cast independently, as outlined in the PSG Proxy Voting Policy and Procedures.

Special Controls

Proxies relating to **foreign securities** held by Clients are also subject to the PSG Proxy Voting Policy and Procedures. In certain foreign jurisdictions, however, the voting of proxies can result in additional restrictions that have an economic impact to the security, such as “share-blocking.”

If PSG votes on the proxy, share-blocking may prevent PSG from selling the shares of the foreign security for a period. In determining whether to vote proxies subject to such restrictions, PSG, in consultation with the PSG Proxy Voting Working Group, considers whether the vote, either or together with the votes of other shareholders, is expected to affect the value of the security that outweighs the cost of voting. If PSG votes a proxy, and during the “share-blocking period” PSG would like to sell the affected foreign security, PSG, in consultation with the PSG Proxy Voting Working Group, will attempt to recall the shares (as allowable within the market time-frame and practices).

Proxy Voting Testing and Oversight

Representatives of the PSG Proxy Voting Working Group monitor the actions taken by the third-party proxy voting agent through the ISS web portal.

PSG will, on an annual basis, perform due diligence of ISS. Cross functional representatives from both PSG and ISS participate to:

- Address any material deficiencies in the execution of ISS’ duties on behalf of PSG and its client accounts.
- Discuss or propose any changes or additions to the services provided.
- Discuss any material business issues of ISS which may impact the services it provides to PSG including any possible conflicts.
- Discuss regulatory changes that impact both ISS and PSG and corresponding steps leading to compliance.
- Review independent audit reports.

Special Considerations for Reporting to Fund Boards

PSG will prepare periodic reports for submission to the Boards of Directors of its affiliated funds (the “Funds”) describing:

- Any issues arising under the PSG Proxy Voting Policy and Procedures since the last report to the Funds’ Boards of Directors/Trustees and the resolution of such issues, including but not limited to, information about conflicts of interest not addressed in the PSG Proxy Voting Policy and Procedures;

- any proxy votes made by PSG on behalf of the Funds since the last report to such Funds' Boards of Directors/ Trustees that deviated from the PSG Proxy Voting Policy and Procedures, with reasons for any such deviations.
- In addition, no less frequently than annually, PSG will provide the Boards of Directors/Trustees of the Funds with a written report of any recommended changes based upon PSG's experience under the PSG Proxy Voting Policy and Procedures, evolving industry practices and developments in the applicable laws or regulations.
- The PSG Proxy Voting Working Group shall periodically review and update the PSG Proxy Voting Policies and Procedures as necessary. Any material amendments to the PSG Proxy Voting Policy and Procedures (including the material changes to the ISS Proxy Voting Guidelines) shall be provided to the Boards of Directors of the Brookfield Funds for review and approval.

Special Considerations for Books & Records

- PSG will maintain all records that are required under, and in accordance with, all applicable regulations, including the Investment Company Act of 1940, as amended, and the Investment Advisers Act of 1940, which include, but not limited to:
- The PSG Proxy Voting Policy and Procedures, as amended from time to time;
- records of votes cast with respect to proxies, reflecting the information required to be included in Form N-PX, as applicable;
- records of written client requests for proxy voting information and any written responses of PSG to such requests; and any written materials prepared by PSG that were material to making a decision in how to vote, or that memorialized the basis for the decision.
- PSG maintains a separate "PSG Books and Records Policy and Procedures" which is available upon request.

Exhibit A

Proxy Voting on Environmental, Social and Governance ("ESG") Issues

PSG believes that well-governed companies with a demonstrated commitment, not only to their shareholders and creditors, but also to other stakeholders are better positioned to realize long-term value and generate sustainable returns for investors. As such, PSG considers ESG issues to be an important consideration for both investment decision-making and evaluating proxy proposals as prominently reflected in PSG adoption of ISS' Proxy Voting Guidelines.

ESG can cover a broad range of issues under PSG's Proxy Voting Guidelines. PSG's approach is to focus on what is in the best interest of PSG's clients and client accounts, assessing how the proxy voting proposal may enhance or protect shareholder value in both the short and/or long term, within the context of the regulatory environment, the history of the company in addressing the issue, and the company's approach when compared to its peers. PSG will also consider if additional disclosure is required, and whether doing so would place the company at a competitive disadvantage by revealing proprietary or confidential information.

Due to the nature and complexity of each issue under ESG, PSG generally votes on a case-by-case basis following an analysis of the proxy proposal provided by ISS to the PSG operations team who in turn seek the opinion of the appropriate PSG portfolio management team. Based on a review of ISS's recommendations, and PSG's internal analysis, a decision will be made by PSG's Investment Professionals to either vote based on ISS's voting recommendations or cast a different vote if PSG has identified it would be in the best interest of its clients or client accounts to do so.

ISS' "Proxy Voting Guidelines" include the following ESG categories for US companies *:

*Animal welfare, *Charitable contributions, *Climate change including GHG emissions, *Consumer Issues including potentially controversial business practices, *Data security, privacy and internet issues, *Diversity on Board of Directors, *Energy efficiency reporting and use of renewable energy, *Equality of opportunity, *ESG compensation related proposals, *Facility and workplace safety, *Gender identity, sexual orientation and domestic partner benefits, *General environmental proposals and community impact assessments, *Genetically modified ingredients, *Human rights proposals, including trafficking and slavery, *Hydraulic fracturing, *Lobbying, *Operations in high-risk markets/ areas, *Operations on environmentally protected areas, *Outsourcing and offshoring, *Pharmaceutical pricing and access, *Political contributions, *Political ties, *Product safety, toxic/hazardous materials, *Recycling, *Sustainability reporting, *Tobacco related proposals, *Water issues, *Weapons and military sales.

* ISS has developed Proxy Voting Guidelines for over 18 other global jurisdictions.

APPENDIX B – FINANCIAL STATEMENTS

Versus Capital Infrastructure Income Fund
Statement of Assets and Liabilities
January 31, 2024

| | <u>January 31, 2024</u> |
|---|-------------------------|
| Assets | |
| Cash | \$ 100,000 |
| Total Assets | <u>100,000</u> |
| Liabilities | |
| Total Liabilities | - |
| Net Assets | <u>\$ 100,000</u> |
| Net Assets consist of | |
| Paid in Capital | <u>\$ 100,000</u> |
| Shares of Beneficial Interest Outstanding, \$0.00001 par value, unlimited shares authorized | <u>10,000</u> |
| Net asset value per share (Net Assets/Shares Outstanding) | <u>\$ 10.00</u> |

See Notes to Financial Statement

Versus Capital Infrastructure Income Fund

Notes to Financial Statement

As of January 31, 2024

NOTE 1. ORGANIZATION

Versus Capital Infrastructure Income Fund (the “Fund”) is a Massachusetts business trust registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as a non-diversified, closed-end investment management company that is operated as an interval fund. The Fund’s primary investment objective is to seek consistent current income, and the Fund’s secondary objective is capital preservation. The Fund is authorized to issue an unlimited number of shares of beneficial interest with \$0.00001 par value and has registered an indefinite number of shares under the Securities Act of 1933. The Fund’s investment adviser is Versus Capital Advisors LLC (the “Adviser”).

Under normal market conditions, the Fund seeks to achieve its investment objectives by allocating at least 80% of its net assets (plus the amount of any borrowings for investment purposes) to income-oriented investments that provide exposure to infrastructure assets. The Fund will seek to obtain exposure to infrastructure assets primarily through (i) Infrastructure Loans that are originated by banks or non-bank lenders, including asset management firms, insurance companies and specialty finance companies; (ii) asset-backed securities representing ownership or participation in a pool of Infrastructure Loans or other infrastructure assets, including leasehold and fee simple interests in such assets; (iii) private funds and other investment vehicles that primarily invest in Infrastructure Loans; (iv) preferred equity securities of entities that own or operate infrastructure assets; (v) originating and syndicating Infrastructure Loans directly with infrastructure companies or with projects focused on the management, development, construction, renovation, enhancement, maintenance and/or operation of infrastructure assets; and (vi) publicly-traded equity and debt securities of infrastructure companies or securities backed by infrastructure assets. The Fund defines an “infrastructure company” as a company that directly or indirectly derives at least 50% of its revenues from, or devotes at least 50% of its assets to, the ownership, management, development, construction, renovation, enhancement, maintenance and/or operation of infrastructure assets. The Fund considers infrastructure assets to include, but not be limited to: (a) regulated assets (such as electricity transmission and distribution facilities, gas distribution systems, water distribution and waste water collection and processing facilities); (b) power and renewable energy assets (such as gas-fired power plants, wind, hydroelectric, and solar facilities); (c) transportation assets (such as toll roads, airports, seaports and railway lines); (d) communications and digital infrastructure assets (such as broadcast and wireless towers, fiber optic networks and providers, satellite networks and data storage centers); and (e) social infrastructure assets (such as schools, universities, hospitals and municipalities). The Fund may focus its investment strategy on, and its portfolio of investments may be focused in, a subset of one or more of these types of investments or more focused on a specific segment of infrastructure assets. This 80% policy is not a fundamental policy of the Fund and may be changed by the Board without shareholder approval upon 60 days’ prior notice to shareholders.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The Fund is an investment company that follows the accounting and reporting guidance of Accounting Standards Codification Topic 946 applicable to investment companies.

U.S. Federal Income Tax Status – The Fund intends to elect and to qualify and be eligible to be treated each year as a Regulated Investment Company under the Internal Revenue Code of 1986 (the “Code”). Provided the Fund so qualifies and is eligible for such treatment, the Fund will not be subject to U.S. federal income tax on its taxable income and gains that it timely distributes to shareholders in accordance with the requirements of the Code. The Fund intends to distribute its income and gains in a way that it will not be subject to a federal excise tax on certain undistributed amounts.

Dividends and Distributions to Shareholders – The Fund intends to make regular quarterly distributions to the shareholders of all or a portion of any dividends or investment income it earns on investments. In addition, the Fund will make regular distributions to the shareholders of all or a portion of capital gains distributed to the Fund by Private Funds and capital gains earned by the Fund from the disposition of Private Funds or other investments, together with any dividends or interest income earned from such investments, in accordance with the requirements of the Investment Company Act and the Code. Distributions by the Fund may include returns of capital for U.S. federal income tax purposes. The Fund will establish reasonable cash reserves to meet Fund cash payment obligations prior to making distributions.

Quarterly Repurchase of shares – The Fund has adopted a fundamental policy that it will make quarterly Repurchase Offers for no less than 5% of its Shares outstanding nor more than 25% of the Shares outstanding on the Repurchase Request Deadline. The Repurchase Offer amount will be determined by the Board before each Repurchase Offer. Each quarterly Repurchase Offer will be at the Net Asset Value (“NAV”) per Share determined as of the Repurchase Pricing Date. Because this policy is “fundamental,” it may not be changed without the vote of the holders of a majority of the Fund’s outstanding voting securities. Shares will be repurchased at the NAV per Share determined as of the close of regular trading on the New York Stock Exchange (“NYSE”) on the Repurchase Pricing Date. The Fund’s initial repurchase offer is expected to occur on or about the second quarter of 2024.

Shareholders will be notified in writing about each quarterly Repurchase Offer, how they may request that the Fund repurchase their Shares and the Repurchase Request Deadline, which is the date the Repurchase Offer ends. The Repurchase Request Deadline will be determined by the Board and will be based on factors such as market conditions, liquidity of the Fund’s assets and shareholder servicing conditions. The time between the notification to shareholders and the Repurchase Request Deadline may vary from no more than 42 days to no less than 21 days and is expected to be approximately 30 days. Certain authorized institutions, including custodians and clearing platforms, may set times prior to the Repurchase Request Deadline by which they must receive all shareholder repurchase requests and may require certain additional information. In addition, certain clearing houses may require shareholders to submit repurchase requests only on the Repurchase Request Deadline. The repurchase price of the Shares will be the NAV as of the close of regular trading on the NYSE on the Repurchase Pricing Date. Payment pursuant to the repurchase will be made by checks to the shareholder’s address of record, or credited directly to a predetermined bank account on the Repurchase Payment Date, which is within seven days of the Repurchase Pricing Date. The Board may establish other policies for repurchases of Shares that are consistent with the Investment Company Act and other applicable laws. Shares tendered for repurchase by shareholders prior to any Repurchase Request Deadline will be repurchased subject to the aggregate repurchase amounts established for that Repurchase Request Deadline. Repurchase proceeds will be paid to shareholders prior to the Repurchase Payment Date.

Use of Estimates – The preparation of financial statement in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (disclosure of contingent assets and liabilities) at the date of the financial statement and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

NOTE 3. FEES AND OTHER TRANSACTIONS WITH AFFILIATES

In consideration for its investment management services, the Fund pays the Adviser an investment management fee (the “Investment Management Fee”) equal to 1.00% annually of the average daily NAV of the Fund. The Investment Management Fee is accrued daily and payable quarterly in arrears. The Investment Management Fee will be paid to the Adviser out of the Fund’s assets. Because the Investment Management Fee is calculated based on the Fund’s average daily NAV and is paid out of the Fund’s assets, it reduces the NAV of the Shares. The Investment Manager has agreed to voluntarily waive 50% of the Investment Management Fee paid by the Fund until the date on which 70% or more of the Fund’s net assets first become invested in privately issued infrastructure debt, asset-backed securities, and Private Funds and other investment vehicles that invest in Infrastructure Loans and other infrastructure assets

The Adviser has entered into a sub-advisory agreement with each Sub-Adviser and pays the Sub-Advisers out of the Investment Management Fee it receives from the Fund. Pursuant to the sub-advisory agreements, the sub-advisory fee for each Sub-Adviser is based on the average daily NAV of the Fund’s assets allocated to that Sub-Adviser.

The Fund pays each Independent Trustee a fee per annum. In addition, the Fund reimburses each of the Independent Trustees for travel and other expenses incurred in connection with attendance at meetings. The Chairman of the Audit Committee receives an additional fee. Other members of the Board and executive officers of the Fund are compensated directly by the Adviser and receive no compensation from the Fund. The Fund also reimburses the Adviser for a portion of the compensation that it pays to the Fund’s Chief Compliance Officer.

NOTE 4. OTHER SERVICE PROVIDERS

Bank of New York Mellon serves as the Funds' Administrator, Custodian, Accounting Agent and Transfer Agent.

Forside Funds Distributors LLC, the Fund's Distributor, serves as the Fund's "statutory underwriter," within the meaning of the Securities Act, and "principal underwriter," within the meaning of the Investment Company Act, and facilitates the distribution of the Shares.

NOTE 5. ORGANIZATION AND OFFERING COSTS

The Adviser will absorb, and not seek reimbursement from the Fund, expenses incurred in connection with the Fund's organizational expenses and initial offering costs. Total costs absorbed by the Adviser were \$1,607,286.

NOTE 6: SUBSEQUENT EVENTS

Management has evaluated the impact of all subsequent events on the Fund through the date the financial statement was issued, and has determined that there were no subsequent events requiring recognition or disclosure in the financial statement.

Report of Independent Registered Public Accounting Firm

Board of Trustees and Shareholders
Versus Capital Infrastructure Income Fund

Opinion on the financial statements

We have audited the accompanying statement of assets and liabilities of Versus Capital Infrastructure Income Fund (the “Fund”) as of January 31, 2024, and the related notes (collectively referred to as the “financial statement”). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Fund as of January 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

Basis for opinion

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

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

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

/s/ GRANT THORNTON LLP

We have served as the Fund’s auditor of one or more investment companies in the Fund’s investment company group since 2011.

Chicago, Illinois
February 20, 2024