LibreMax Asset-Backed Income Fund (the "Fund")

Supplement dated August 6, 2026 to
the Statement of Additional Information ("SAI") dated April 20, 2026

The following table and disclosure replaces and supersedes the corresponding table and disclosure in the Fund's SAI in the section titled "MANAGEMENT OF THE FUND":

Officers

Name and Year of Birth	Position(s) Held with Fund	Term of Office and Length of Time Served[1]	Principal Occupation(s) During the Past 5 Years
Benjamin J. Eirich Year of Birth: 1981	President and Principal Executive Officer	Indefinite Term; Since June 2025	Vice President, U.S. Bank Global Fund Services (2005–present)
Alyssa M. Bernard Year of Birth: 1988	Secretary	Indefinite Term; Since June 2025	Vice President, U.S. Bank Global Fund Services (2025–present and 2021–2023); General Counsel, Empowered Funds, LLC (2023–2025); Assistant Vice President, U.S. Bank Global Fund Services (2018–2021)
Christopher Conrad Year of Birth: 2000	Treasurer and Principal Financial Officer	Indefinite Term; Since August 2026	Officer, U.S. Bank Global Fund Services (2023–present); mortgage lending intern, Flagstar Bank (2022); Business Administration student (2019–2023)
Diane K. Miller Year of Birth: 1972	Chief Compliance Officer and Anti-Money Laundering Compliance Officer	Indefinite Term; Since June 2025	Vice President, U.S. Bank Global Fund Services (2023–present); Chief Compliance Officer, Christian Brothers Investment Services (2017–2022)
Thomas Nystrom Year of Birth: 2001	Assistant Treasurer	Indefinite Term; Since August 2026	Officer, U.S. Bank Global Fund Services (2024–present); personal wealth intern, Ameriprise Financial, LLC (2022); financial services intern, Trane Technologies (2023); Business Administration Student (2020–2024)

[1] Under the Bylaws, an officer serves until such Trustee's successor is elected or qualified, or until he or she sooner resigns or is removed. Officers hold office at the pleasure of the Trustees.

Each of the Fund's executive officers is an "interested person" of the Fund (as defined in Section 2(a)(19) of the 1940 Act) because of such executive officer's position(s) set forth in the table above.

Please retain this Supplement for reference.

LibreMax Asset-Backed Income Fund
Class A – LMAFX
Class I – LMIFX
Class L – LMLFX

Statement of Additional Information
April 20, 2026

LibreMax Asset-Backed Income Fund (the "Fund") is a newly organized Delaware statutory trust registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as a non-diversified, closed-end management investment company that continuously offers its common shares of beneficial interest, with no par value per share (the "Common Shares" or "Shares"), and intends to operate as an "interval fund." The Fund currently offers Class I Shares. The Fund has received an exemptive order from the SEC that permits the Fund to offer more than one class of Shares and intends to offer two additional share classes, Class A and Class L, in the future.

This Statement of Additional Information ("SAI") relating to the Common Shares of the Fund is not a prospectus and should be read in conjunction with the Fund's prospectus dated April 20, 2026, as supplemented from time to time (the "Prospectus"). This SAI does not include all information that a prospective investor should consider before purchasing Common Shares, and investors should obtain and read the Prospectus prior to purchasing such shares.

LibreMax Capital, LLC ("LibreMax" or the "Investment Manager"), 601 Lexington Avenue, 30th Floor New York, New York 10022, is the investment manager to the Fund.

A copy of the Prospectus and annual report or semi-annual report for the Fund for future periods may be obtained free of charge at the telephone number and address listed below or by visiting www.libremax.com.

LibreMax Asset-Backed Income Fund
c/o U.S. Bank Global Fund Services
PO Box 219252
Kansas City, MO 64121-9252
Telephone: 1-855-965-5812

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

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THE FUND

The Fund is a newly organized Delaware statutory trust registered under the 1940 Act as a non-diversified, closed-end management investment company that intends to continuously offer Class Common Shares and operate as an "interval fund." The Fund has received an exemptive order from the SEC that permits the Fund to issue multiple classes of its shares and to impose distribution and shareholder servicing fees. The Fund intends to offer Class A and Class L Common Shares in the future.

INVESTMENT OBJECTIVE AND POLICIES

The investment objective and general investment policies of the Fund are described in the Prospectus. Additional information concerning the characteristics of certain of the Fund's investments, strategies and risks is set forth below. Unless a strategy or policy described below is specifically prohibited by the investment restrictions listed in the Prospectus, by the investment restrictions under "Investment Restrictions" in this SAI, or by applicable law, the Fund may engage in each of the practices described below. However, the Fund is not required to engage in any particular transaction or purchase any particular type of securities or investment even if to do so might benefit the Fund. Unless otherwise stated in the Prospectus or SAI, all investment policies of the Fund may be changed by the Board of Trustees (the "Board") without shareholder approval. In addition, the Fund may be subject to restrictions on its ability to utilize certain investments or investment techniques due to applicable law, operational requirements, or the discretion of the Board.

Fixed Income Investments

Corporate Debt Securities

The Fund may invest in corporate debt securities. Corporate debt securities include corporate bonds, debentures, notes, and other similar instruments, including certain convertible securities. Debt securities may be acquired with warrants attached. Corporate income-producing securities also may include forms of preferred or preference stock. The rate of interest on a corporate debt security may be fixed, floating or variable, and may vary inversely with respect to a reference rate such as interest rates or other financial indications. The Fund can invest in corporate securities of any rating. The rate of return or return of principal on some debt obligations may be linked or indexed to the level of exchange rates between the U.S. dollar and a foreign currency or currencies.

High Yield Investments

The Fund may invest in high yield, high risk, lower-rated debt securities, including convertible securities. Investments in such securities are subject to greater credit risks than higher rated securities. Debt securities rated below investment grade have greater risks of default than investment grade debt securities. Issuers of "junk bonds" must offer higher yields to compensate for the greater risk of default on the payment of principal and interest. The market for high yield securities is subject to substantial volatility. For example, an economic downturn may have a more significant effect on high yield securities and their markets, as well as on the ability of securities issuers to repay principal and interest, than on higher-rated securities and their issuers. Issuers of high yield securities may be of low creditworthiness and the high yield securities may be subordinated to the claims of senior lenders. During periods of economic downturn or rising interest rates the issuers of high yield securities may have greater potential for insolvency and a higher incidence of high yield bond defaults may be experienced.

The prices of high yield securities have been found to be less sensitive to interest rate changes than higher rated investments but are more sensitive to adverse economic changes or individual corporate developments because of their lower credit quality. During an economic downturn or substantial period of rising interest rates, highly leveraged issuers may experience financial stress which would adversely affect their ability to service their principal and interest payment obligations, to meet projected business goals, and to obtain additional financing. If the issuer of a high yield convertible security owned by the Fund defaults, the Fund may incur additional expenses in seeking recovery. Periods of economic uncertainty and changes can be expected to result in increased volatility of market prices of high yield securities and the Fund's NAV. Yields on high yield securities will fluctuate over time. Furthermore, in the case of high yield securities structured as zero coupon or pay-in-kind securities, their market prices are affected to a greater extent by interest rate changes and thereby tend to be more volatile than market prices of securities which pay interest periodically and in cash.

The secondary market for high yield securities may at times become less liquid or respond to adverse publicity or investor perceptions making it more difficult for the Fund to value accurately high yield securities or dispose of them. To the extent the Fund owns or may acquire illiquid or restricted high yield securities, these securities may involve special registration responsibilities, liabilities and costs, and liquidity difficulties and judgment will play a greater role in valuation because there is less reliable and objective data available. Special tax considerations are associated with investing in high yield bonds structured as zero coupon or pay-in-kind securities. The Fund will report the interest on these securities as income even though it receives no cash interest until the security's maturity or payment date. Further, the Fund must distribute substantially all of its income to its shareholders to qualify for pass through treatment under the tax law. Accordingly, the Fund may have to dispose of its portfolio securities under disadvantageous circumstances to generate cash or may have to borrow to satisfy distribution requirements.

Credit ratings evaluate the safety of principal and interest payments, not the market value risk of high yield securities. Since credit rating agencies may fail to timely change the credit ratings to reflect subsequent events the Investment Manager monitors the issuers of high yield convertible securities in the portfolio to determine if the issuers will have sufficient cash flow and profits to meet required principal and interest payments, and to attempt to assure the securities' liquidity so the Fund can meet redemption requests. To the extent that the Fund invests in high yield securities, the achievement of its investment objective may be more dependent, on the Investment Manager's own credit analysis than is the case for higher quality bonds. The Fund may retain a portfolio security whose rating has been changed.

The Fund may also invest in private alternative credit opportunities that may not conform to conventional loan standards applied by traditional lenders and either will not be rated or will be rated as non-investment grade by the rating agencies. The non-investment grade ratings for these assets typically result from the overall leverage of the loans, the lack of a strong operating history for the underlying loans, the borrowers' credit history, the cash flow resulting from its assets or other factors. In addition, there may be less readily available, reliable information about senior loans and notes than is the case for many other types of securities. Any collateral used to secure a debt instrument may decline in value or become illiquid, which would adversely affect the instrument's value. There can be no assurance that liquidation of collateral would satisfy a borrower's obligation in the event of non-payment of scheduled interest or principal or that such collateral could be readily liquidated. To the extent that a debt instrument is collateralized by stock in the borrower or its subsidiaries, such stock may lose all of its value in the event of the bankruptcy of the borrower.

ABS and MBS

The investment characteristics of asset-backed securities ("ABS") and mortgage-backed securities ("MBS") differ from traditional debt securities. Among the major differences are that interest and principal payments are made more frequently, usually monthly, and that the principal may be prepaid at any time because the underlying loans or other assets generally may be prepaid at any time.

Investments in subordinated MBS and ABS involve greater credit risk of default than the senior classes of the issue or series. Default risks may be further pronounced in the case of MBS and ABS secured by, or evidencing an interest in, a relatively small or less diverse pool of underlying loans. Certain subordinated securities absorb all losses from default before any other class of securities is at risk, particularly if such securities have been issued with little or no credit enhancement or equity. Such securities, therefore, possess some of the attributes typically associated with equity investments.

Mortgage loans on commercial properties often are structured so that a substantial portion of the loan principal is not amortized over the loan term but is payable at maturity and repayment of the loan principal thus often depends upon the future availability of real estate financing from the existing or an alternative lender and/or upon the current value and salability of the real estate. Therefore, the unavailability of real estate financing may lead to default.

Most commercial mortgage loans underlying MBS are effectively nonrecourse obligations of the borrower, meaning that there is no recourse against the borrower's assets other than the collateral. If borrowers are not able or willing to refinance or dispose of encumbered property to pay the principal and interest owed on such mortgage loans, payments on the subordinated classes of the related MBS are likely to be adversely affected. The ultimate extent of the loss, if any, to the subordinated classes of MBS may only be determined after a negotiated discounted settlement, restructuring or sale of the mortgage note, or the foreclosure (or deed in lieu of foreclosure) of the mortgage encumbering the property and subsequent liquidation of the property. Foreclosure can be costly and delayed by litigation and/or bankruptcy. Factors such as the property's location, the legal status of title to the property, its physical condition and financial performance, environmental risks, and governmental disclosure requirements with respect to the condition of the property may make a third party unwilling to purchase the property at a foreclosure sale or to pay a price sufficient to satisfy the obligations with respect to the related MBS. Revenues from the assets underlying such MBS may be retained by the borrower and the return on investment may be used to make payments to others, maintain insurance coverage, pay taxes or pay maintenance costs. Such diverted revenue is generally not recoverable without a court appointed receiver to control collateral cash flow.

ABS

ABS are not secured by an interest in the related collateral. Credit card receivables, for example, are generally unsecured and the debtors are entitled to the protection of a number of U.S. federal and state consumer loan laws, many of which give such debtors the right to set off certain amounts owed on the credit cards, thereby reducing the balance due. Most issuers of ABS backed by automobile receivables permit the servicers to retain possession of the underlying obligations. If the servicer were to sell these obligations to another party, there is a risk that the purchaser would acquire an interest superior to that of the holders of the related ABS. In addition, because of the large number of vehicles involved in a typical issuance and technical requirements under state laws, the trustee for the holders of the ABS may not have a proper security interest in all of the obligations backing such ABS. Therefore, there is a possibility that recoveries on repossessed collateral may not, in some cases, be available to support payments on these securities. The risk of investing in ABS is ultimately dependent upon payment of consumer loans by the debtor.

The collateral supporting ABS is of shorter maturity than certain other types of loans and is less likely to experience substantial prepayments. ABS are often backed by pools of any variety of assets, including, for example, leases, mobile home loans and aircraft leases, which represent the obligations of a number of different parties and use credit enhancement techniques such as letters of credit, guarantees or preference rights. The value of an ABS is affected by changes in the market's perception of the asset backing the security and the creditworthiness of the servicing agent for the loan pool, the originator of the loans or the financial institution providing any credit enhancement, as well as by the expiration or removal of any credit enhancement.

RMBS

Holders of residential mortgage-backed securities ("RMBS") bear various risks, including credit, market, interest rate, structural and legal risks. RMBS represent interests in pools of residential mortgage loans secured by one to four family residential mortgage loans. Such loans may be prepaid at any time. Residential mortgage loans are obligations of the borrowers thereunder only and are not typically insured or guaranteed by any other person or entity, although such loans may be securitized by government agencies and the securities issued are guaranteed. The rate of defaults and losses on residential mortgage loans will be affected by a number of factors, including general economic conditions and those in the geographic area where the mortgaged property is located, the terms of the mortgage loan, the borrower's "equity" in the mortgaged property and the financial circumstances of the borrower. If a residential mortgage loan is in default, foreclosure of such residential mortgage loan may be a lengthy and difficult process and may involve significant expenses. Furthermore, the market for defaulted residential mortgage loans or foreclosed properties may be very limited.

At any one time, a portfolio of RMBS may be backed by residential mortgage loans with disproportionately large aggregate principal amounts secured by properties in only a few states or regions. As a result, the residential mortgage loans may be more susceptible to geographic risks relating to such areas, such as adverse economic conditions, adverse events affecting industries located in such areas and natural hazards affecting such areas, than would be the case for a pool of mortgage loans having more diverse property locations. In addition, the residential mortgage loans may include so called "jumbo" mortgage loans, having original principal balances that are higher than Fannie Mae and Freddie Mac loan balance limitations. As a result, such portfolio of RMBS may experience increased losses.

Each underlying residential mortgage loan in an issue of RMBS may have a balloon payment due on its maturity date. Balloon residential mortgage loans involve a greater risk to a lender than self-amortizing loans, because the ability of a borrower to pay such amount will normally depend on its ability to obtain refinancing of the related mortgage loan or sell the related mortgaged property at a price sufficient to permit the borrower to make the balloon payment, which will depend on a number of factors prevailing at the time such refinancing or sale is required, including the strength of the residential real estate markets, tax laws, the financial situation and operating history of the underlying property, interest rates, conditions in credit markets and general economic conditions. If the borrower is unable to make such balloon payment, the related issue of RMBS may experience losses.

Prepayments on the underlying residential mortgage loans backing an issue of RMBS will be influenced by the prepayment provisions of the related mortgage notes and may also be affected by a variety of economic, geographic and other factors, including the difference between the interest rates on the underlying residential mortgage loans (giving consideration to the cost of refinancing) and prevailing mortgage rates and the availability of refinancing. In general, if prevailing interest rates fall significantly below the interest rates on the related residential mortgage loans, the rate of prepayment on the underlying residential mortgage loans would be expected to increase. Conversely, if prevailing interest rates rise to a level significantly above the interest rates on the related mortgages, the rate of prepayment would be expected to decrease. Prepayments could reduce the yield received on the related issue of RMBS. RMBS are particularly susceptible to prepayment risks, as they generally do not contain prepayment penalties and a reduction in interest rates will increase the prepayments on the RMBS, resulting in a reduction in yield to maturity for holders of such securities.

Certain mortgage loans may be of subprime credit quality (i.e., do not meet the customary credit standards of Fannie Mae and Freddie Mac). Originators of loans make subprime mortgage loans to borrowers that typically have limited access to traditional mortgage financing for a variety of reasons, including impaired or limited past credit history, lower credit scores, high loan-to-value ratios or high debt-to-income ratios. As a result of these factors, delinquencies and liquidation proceedings are more likely with subprime mortgage loans than with mortgage loans that satisfy customary credit standards. In the event mortgage loans in a mortgage pool related to a residential security become delinquent or subject to liquidation, the related CDO (as defined below) may experience delays in receiving payment on such RMBS and may suffer losses if the related credit enhancements, if any, are insufficient to cover the delays and losses associated with such RMBS. The RMBS also may be backed by non-conforming mortgage loans that do not qualify for purchase by government-sponsored agencies, such as Fannie Mae and Freddie Mac, because of characteristics and size that do not satisfy Fannie Mae and Freddie Mac guidelines. Non-conforming mortgage loans are likely to experience rates of delinquency, foreclosure and loss that are higher, and that may be substantially higher, than mortgage loans originated in accordance with Fannie Mae or Freddie Mac underwriting guidelines. The principal differences between conforming mortgage loans and non- conforming mortgage loans include the applicable loan-to-value ratios, the credit and income histories of the related mortgagors, the documentation required for approval of the related mortgage loans, the types of properties securing the mortgage loans, the loan sizes and the mortgagors' occupancy status with respect to the mortgaged properties. As a result of these and other factors, the interest rates charged on non-conforming mortgage loans are often higher than those charged for conforming mortgage loans. The combination of different underwriting criteria and higher rates of interest may also lead to higher delinquency, foreclosure and losses on non-conforming mortgage loans as compared to conforming mortgage loans.

RMBS may contain certain credit enhancement features intended to enhance the likelihood that holders of such securities will receive regular payments of interest and principal. If delinquencies or defaults occur on the mortgage loans underlying such RMBS, neither the related servicers nor any other entities will advance scheduled monthly payments of interest and principal on delinquent or defaulted mortgage loans if such advances are not likely to be recovered within those transactions. There can be no assurance that the credit enhancement, if any, applicable to RMBS owned by a CDO will adequately cover any shortfalls in cash available to make payments on such RMBS as a result of such delinquencies or defaults. If substantial losses occur as a result of defaults and delinquent payments on the mortgage loans, the Fund may suffer losses with respect to its ownership of such RMBS (or CDOs which own RMBS).

Recently, the residential mortgage market in the United States has experienced a variety of difficulties and changed economic conditions that may adversely affect the performance and market value of RMBS and CDOs backed by RMBS. Delinquencies and losses with respect to residential mortgage loans generally have increased in recent months, and may continue to increase, particularly in the subprime sector. In addition, in recent months housing prices and appraisal values in many states have declined or stopped appreciating. A continued decline or an extended flattening of those values may result in additional increases in delinquencies and losses on RMBS generally.

Another factor that may result in higher delinquency rates is the increase in monthly payments on adjustable-rate mortgage loans. Borrowers with adjustable-rate mortgage loans are being exposed to increased monthly payments when the related mortgage interest rate adjusts upward from the initial fixed rate or a low introductory rate. Borrowers seeking to avoid these increased monthly payments by refinancing their mortgage loans may no longer be able to find available replacement loans at comparably low interest rates. A decline in housing prices may also leave borrowers with insufficient equity in their homes to permit them to refinance. Furthermore, borrowers who intend to sell their homes on or before the expiration of the fixed rate periods on their mortgage loans may find that they cannot sell their properties for an amount equal to or greater than the unpaid principal balance of their loans. These events, alone or in combination, may contribute to higher delinquency rates and, as a result, adversely affect the performance and market value of RMBS and CDOs backed by RMBS.

In addition, numerous residential mortgage loan originators that originate subprime mortgage loans have recently experienced serious financial difficulties and, in some cases, bankruptcy. Those difficulties have resulted in part from declining markets for mortgage loans as well as from claims for repurchases of mortgage loans previously sold under provisions that require repurchase in the event of early payment defaults, or for material breaches of representations and warranties made on the mortgage loans, such as fraud claims. These difficulties may adversely affect the performance and market value of RMBS originated, serviced, or subserviced by these companies. As a result, the performance and market value of CDOs backed by RMBS also may be adversely affected.

The mortgage loans underlying certain of the RMBS may be structured with negative amortization features. Negative amortization arises when the mortgage payment in respect of a loan is smaller than the interest due on such loan. On any such mortgage loans, if the monthly payments are not enough to cover both the interest and principal payments on the loan, the shortfall is added to the principal balance, causing the loan balance to increase rather than decrease over time. During periods in which the outstanding principal balance of any such mortgage loan is increasing due to the addition of deferred interest, the increasing principal balance of such mortgage loan may approach or exceed the value of the related mortgage property, thus increasing the likelihood of defaults as well as the amount of any loss experienced with respect to any such mortgage loan that is required to be liquidated. Furthermore, each such mortgage loan generally provides for the payment of any remaining unamortized principal balance (due to the addition of deferred interest, if any, to the principal balance of such mortgage loan) in a single payment at the maturity of the loan. Because the related mortgagors may be required to make a larger single payment upon maturity, it is possible that the default risk associated with such mortgage loans is greater than that associated with fully amortizing mortgage loans. If the pool of mortgage loans underlying any RMBS owned by the Fund (or a CDO backed by RMBS) were to contain loans with negative amortization features, the yield on such RMBS could be adversely affected.

RMBS have structural characteristics that distinguish them from other asset-backed securities. The rate of interest payable on RMBS is often set or effectively capped at the weighted average net coupon of the underlying mortgage loans themselves, often referred to as an "available funds cap". Other factors, such as the use of interest rate derivatives, may also affect the returns on RMBS. The U.S. Servicemembers' Civil Relief Act of 2003, as amended (the "Relief Act"), provides relief to mortgagors who enter into active military service or who were on reserve status but are called to active duty after the origination of their mortgage loans. Under the Relief Act, during the period of a mortgagor's active duty, the rate of interest that may be charged on such mortgagor's loan will be capped at a rate of 6% per annum, which may be below the interest rate that would otherwise have been applicable to such mortgage loan. In light of current United States involvement in Iraq and Afghanistan, a number of mortgage loans in the mortgage pools underlying RMBS are or may become subject to the Relief Act. As a result, the weighted average interest rate on RMBS may be reduced. If such RMBS are subject to weighted average net coupon caps, investors' return on their investment in such RMBS will be similarly affected.

Violations of consumer protection laws may result in losses on RMBS. Applicable state laws generally regulate interest rates and other charges, require licensing of originators and require specific disclosures. In addition, other state laws, public policy and general principles of equity relating to the protection of consumers, unfair and deceptive practices and debt collection practices may apply to the origination, servicing and collection of the loans backing RMBS. Depending on the provisions of the applicable law and the specific facts and circumstances involved, violations of these laws, policies and principles may limit the ability of the issuer of a RMBS to collect all or part of the principal of or interest on the underlying loans, may entitle a borrower to a refund of amounts previously paid and, in addition, could subject the owner of a mortgage loan to damages and administrative enforcement. The mortgage loans backing a RMBS also are subject to U.S. federal laws, including:

- the U.S. Truth in Lending Act and Regulation Z promulgated under the Truth in Lending Act, which require particular disclosures to the borrowers regarding the terms of the loans;
- the Equal Credit Opportunity Act and Regulation B promulgated under the Equal Credit Opportunity Act, which prohibit discrimination on the basis of age, race, color, sex, religion, marital status, national origin, receipt of public assistance or the exercise of any right under the Consumer Credit Protection Act, in the extension of credit;
- the Americans with Disabilities Act, which, among other things, prohibits discrimination on the basis of disability in the full and equal enjoyment of the goods, services, facilities, privileges, advantages or accommodations of any place of public accommodation;
- the Fair Credit Reporting Act, which regulates the use and reporting of information related to the borrower's credit experience;
- the Home Ownership and Equity Protection Act of 1994, which regulates the origination of high cost loans;
- the Depository Institutions Deregulation and Monetary Control Act of 1980, which preempts certain state usury laws; and
- the Alternative Mortgage Transaction Parity Act of 1982, which preempts certain state lending laws which regulate alternative mortgage transactions.

Violations of particular provisions of these U.S. federal laws may limit the ability of the issuer of RMBS to collect all or part of the principal of or interest on the related underlying loans and in addition could subject such issuer to damages and administrative enforcement. In this event, the issuer, as a holder of such RMBS may suffer a loss.

Some of the mortgage loans backing a RMBS may have been underwritten with, and finance the cost of, credit insurance. From time to time, originators of mortgage loans that finance the cost of credit insurance have been named in legal actions brought by U.S. federal and state regulatory authorities alleging that certain practices employed relating to the sale of credit insurance constitute violations of law. If such an action were brought against such issuer with respect to mortgage loans backing such RMBS and were successful, it is possible that the borrower could be entitled to refunds of amounts previously paid or that such issuer could be subject to damages and administrative enforcement.

In addition, numerous U.S. federal and state statutory provisions, including the U.S. federal bankruptcy laws, the Relief Act and state debtor relief laws, also may adversely affect the ability of an issuer of a RMBS to collect the principal of or interest on the loans, and holders of the affected RMBS may suffer a loss if the applicable laws result in these loans becoming uncollectible.

In addition to the U.S. federal laws described above, however, a number of legislative proposals have been introduced at the U.S. federal, state and municipal levels that are designed to discourage predatory lending practices Some states have enacted, or may enact, laws or regulations that prohibit inclusion of some provisions in mortgage loans that have mortgage rates or origination costs in excess of prescribed levels, and require that borrowers be given certain disclosures prior to the consummation of such mortgage loans. In some cases, state law may impose requirements and restrictions greater than those in the Homeownership Act. An originator's failure to comply with these laws could subject the issuer of a RMBS to monetary penalties and could result in the borrowers rescinding the loans underlying such RMBS. Lawsuits have been brought in various states making claims against assignees of high cost loans for violations of state law. Named defendants in these cases include numerous participants within the secondary mortgage market, including some securitization trusts,

U.S. Government Securities and Mortgage-Backed Securities

U.S. Government securities means securities issued or guaranteed by the U.S. Government or any of its agencies or instrumentalities. Securities issued or guaranteed by the U.S. Government include a variety of Treasury securities (i.e., securities issued by the U.S. Government) that differ only in their interest rates, maturities and dates of issuance. Treasury Bills have maturities of one year or less. Treasury Notes have maturities of one to ten years, and Treasury Bonds generally have maturities of greater than ten years at the date of issuance. Zero coupon Treasury securities consist of Treasury Notes and Bonds that have been stripped of their unmatured interest coupons.

U.S. Government agencies or instrumentalities which issue or guarantee securities include, but are not limited to, the Federal Housing Administration, Federal National Mortgage Association, Farmers Home Administration, Export-Import Bank of the United States, Small Business Administration, Government National Mortgage Association, General Services Administration, Central Bank for Cooperatives, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, Federal Intermediate Credit Banks, Federal Land Banks, Maritime Administration, Tennessee Valley Authority, District of Columbia Armory Board, the Inter-American Development Bank, the Asian Development Bank, the Student Loan Marketing Association and the International Bank for Reconstruction and Development.

Except for U.S. Treasury securities, obligations of U.S. Government agencies and instrumentalities may or may not be supported by the full faith and credit of the United States. Some are backed by the right of the issuer to borrow from the Treasury; others by discretionary authority of the U.S. Government to purchase the agencies' obligations; while still others, such as the Student Loan Marketing Association, are supported only by the credit of the instrumentality. In the case of securities not backed by the full faith and credit of the United States, the investor must look principally to the agency or instrumentality issuing or guaranteeing the obligation for ultimate repayment, and may not be able to assert a claim against the United States itself in the event the agency or instrumentality does not meet its commitment. If the Fund elects to invest in U.S. Government securities, then it will invest in securities of such instrumentality only when the Investment Manager is satisfied that the credit risk with respect to any instrumentality is acceptable.

Among the U.S. Government securities that the Fund may purchase are "mortgage-backed securities" or "MBS" of the Government National Mortgage Association ("Ginnie Mae"), the Federal Home Loan Mortgage Corporation ("Freddie Mac") and the Federal National Mortgage Association ("Fannie Mae"). These MBS include "pass-through" securities and "participation certificates;" both are similar, representing pools of mortgages that are assembled, with interests sold in the pool; the assembly is made by an "issuer" which assembles the mortgages in the pool and passes through payments of principal and interest for a fee payable to it. Payments of principal and interest by individual mortgagors are "passed through" to the holders of the interest in the pool. Thus, the monthly or other regular payments on pass-through securities and participation certificates include payments of principal (including prepayments on mortgages in the pool) rather than only interest payments. Timely payment of principal and interest on Ginnie Mae pass-throughs is guaranteed by the full faith and credit of the United States, but their yield is not guaranteed. Freddie Mac and Fannie Mae are both instrumentalities of the U.S. Government, but their obligations are not backed by the full faith and credit of the United States. It is possible that the availability and the marketability (i.e., liquidity) of these securities discussed in this paragraph could be adversely affected by actions of the U.S. Government to tighten the availability of its credit or to affect adversely the tax effects of owning them.

The investment characteristics of adjustable and fixed rate MBS differ from those of traditional fixed income securities. The major differences include the payment of interest and principal on mortgage-backed securities on a more frequent (usually monthly) schedule, and the possibility that principal may be prepaid at any time due to prepayments on the underlying mortgage loans or other assets. These differences can result in significantly greater price and yield volatility than is the case with traditional fixed income securities. As a result, if the Fund purchases MBS at a premium, a faster than expected prepayment rate will reduce both the market value and the yield to maturity from those which were anticipated. A prepayment rate that is slower than expected will have the opposite effect of increasing yield to maturity and market value. Conversely, if the Fund purchases mortgage-backed securities at a discount, faster than expected prepayments will increase, while slower than expected prepayments will reduce, yield to maturity and market value.

On September 6, 2008, the Federal Housing Finance Agency ("FHFA") placed Fannie Mae and Freddie Mac into conservatorship. As the conservator, FHFA succeeded to all rights, titles, powers and privileges of Fannie Mae and Freddie Mac and of any stockholder, officer or director of Fannie Mae and Freddie Mac with respect to Fannie Mae and Freddie Mac and the assets of Fannie Mae and Freddie Mac.

Fannie Mae and Freddie Mac are continuing to operate as going concerns while in conservatorship and each remains liable for all of its obligations, including its guaranty obligations, associated with its mortgage-backed securities. The FHFA has indicated that the conservatorship of each enterprise will end when the director of FHFA determines that FHFA's plan to restore the enterprise to a safe and solvent condition has been completed.

The Fund may also invest in Mortgage-Backed Securities which are collateralized mortgage obligations structured on pools of mortgage pass-through certificates or mortgage loans ("CFOs" and "REMICs") and derivative multiple-class mortgage-backed securities ("Stripped Mortgage-Backed Securities" or "SMBSs").

Recently, rating agencies have placed on credit watch or downgraded the ratings previously assigned to a large number of mortgage-related securities (which may include certain of the mortgage-related securities in which the Fund may in the future invest) and may continue to do so in the future. If a mortgage-related security in which the Fund is invested is placed on credit watch or downgraded, the value of the security may decline and the Fund may experience losses.

Further, the unprecedented disruption in the residential mortgage-related securities market (and in particular, the "sub-prime" residential mortgage market), the broader mortgage-related securities market and the asset-backed securities market have resulted in downward price pressures and increasing foreclosures and defaults in residential and commercial real estate. Concerns over inflation, energy costs, geopolitical issues, the availability and cost of credit, the mortgage market and a declining real estate market have contributed to increased volatility and diminished expectations for the economy and markets going forward and have contributed to dramatic declines in the housing market, with falling home prices and increasing foreclosures and unemployment, and significant asset write-downs by financial institutions. The continuation or worsening of this general economic downturn may lead to further declines in income from, or the value of, real estate, including the real estate which secures the mortgage-related securities held by the Fund. Additionally, a lack of credit liquidity and decreases in the value of real property have occurred and may continue to occur or worsen, and potentially prevent borrowers from refinancing their mortgages, which may increase the likelihood of default on their mortgage loans.

These economic conditions may also adversely affect the amount of proceeds the holder of a mortgage loan or mortgage-related securities would realize in the event of a foreclosure or other exercise of remedies. Moreover, even if such mortgage-related securities are performing as anticipated, their value in the secondary market may fall or continue to fall because of deterioration in general market conditions for such securities or other asset-backed or structured products. Trading activity associated with market indices may also drive spreads on those indices wider than spreads on mortgage-related securities, thereby resulting in a decrease in the value of such mortgage-related securities. Mortgage loans backing non-agency mortgage-related securities are more sensitive to economic factors that could affect the ability of borrowers to pay their obligations under the mortgage loans backing these securities. These economic conditions may reduce the cash flow that the Fund investing in such mortgage-related securities receives from such securities and increase the incidence and severity of credit events and losses in respect of such securities. In addition, interest rate spreads for mortgage-backed securities have widened and are more volatile when compared to the recent past due to these adverse changes in market conditions. If interest rate spreads for mortgage-related securities continue to widen following the purchase of such assets by the Fund, the market value of such securities is likely to decline and, in the case of a substantial spread widening, could decline by a substantial amount. Furthermore, these adverse changes in market conditions have resulted in a severe liquidity crisis in the market for mortgage-backed securities (including the mortgage-related securities in which certain of the Fund may invest) and increasing unwillingness by banks, financial institutions, and investors to extend credit to servicers, originators and other participants in the mortgage- related securities market for these securities and other asset-backed securities. As a result, the liquidity and/or the market value of any mortgage-related securities that are owned by the Fund may experience further declines after they are purchased by the Fund. The recent rise in the rate of foreclosures of properties has resulted in legislative, regulatory and enforcement actions seeking to prevent or restrict foreclosures.

Actions have also been brought against issuers and underwriters of residential mortgage-backed securities collateralized by such residential mortgage loans and investors in such residential mortgage-backed securities. Future legislative or regulatory initiatives by federal, state or local legislative bodies or administrative agencies, if enacted or adopted, could delay foreclosure or the exercise of other remedies, provide new defenses to foreclosure, or otherwise impair the ability of the loan servicer to foreclose or realize on a defaulted residential mortgage loan included in a pool of residential mortgage loans backing such residential mortgage-backed securities. The nature or extent of any future limitations on foreclosure or exercise of other remedies that may be enacted is uncertain. Governmental actions that interfere with the foreclosure process, for example, could increase the costs of such foreclosures or exercise of other remedies, delay the timing or reduce the amount of recoveries on defaulted residential mortgage loans and securities backed by such residential mortgage loans owned by the Fund, and could adversely affect the yields on the mortgage-related securities owned by the Fund and could have the effect of reducing returns to the Fund that has invested in mortgage-related securities collateralized by these residential mortgage loans.

In addition, the U.S. government, including the Federal Reserve, the Treasury, and other governmental and regulatory bodies have recently taken or are considering taking actions to address the financial crisis, including initiatives to limit large-scale losses associated with mortgage-related securities held on the books of certain U.S. financial institutions and to support the credit markets generally. The impact that such actions could have on any of the mortgage-related securities held by the Fund is unknown.

TBA Purchase Commitments

TBA or "To Be Announced" purchase commitments are commitments to purchase securities for a fixed price at a future date, typically not exceeding 75 to 90 days. TBA purchase commitments may be considered securities in themselves and involve a risk of loss if the value of the security to be purchased declines prior to settlement date. Unsettled TBA purchase commitments are valued at the current market value of the underlying securities. On delivery dates for such transactions, the Fund will meet its obligations from maturities or from cash flow. If the Fund chooses to dispose of the TBA security prior to its settlement, it could, as with the disposition of any other portfolio obligation, incur a gain or loss due to market fluctuation.

Firm Commitments

Securities may be purchased on a firm commitment basis, including when-issued securities. Securities purchased on a firm commitment basis are purchased for delivery beyond the normal settlement date at a stated price and yield. No income accrues to the purchaser of a security on a firm commitment basis prior to delivery. Such securities are recorded as an asset and are subject to changes in value based upon changes in the general level of interest rates. Purchasing a security on a firm commitment basis can involve a risk that the market price at the time of delivery may be lower than the agreed-upon purchase price, in which case there could be an unrealized loss at the time of delivery. The Fund may sell commitments to purchase securities on a firm commitment basis before the settlement date.

Stand-by Commitments

A stand-by commitment involves the purchase of securities by the Fund together with the right to resell them to the seller or a third party at an agreed-upon price or yield within specified periods prior to their maturity dates. Such a right to resell is commonly known as a stand-by commitment, and the aggregate price which the Fund pays for securities with a stand-by commitment may increase the cost, and thereby reduce the yield, of the security. The primary purpose of this practice is to provide the Fund with liquidity as needed. Stand-by commitments involve certain expenses and risks, including the inability of the issuer of the commitment to pay for the securities at the time the commitment is exercised, non-marketability of the commitment and differences between the maturity of the underlying security and the maturity of the commitment.

Dollar Rolls

TBA market participants trade TBA pools using "dollar rolls" as their financing vehicles. Dollar rolls are a form of collateralized short-term financing where the collateral consists of mortgage securities and performs a function analogous to a reverse repurchase agreement. Unlike a reverse repurchase agreement, which requires redelivery of exactly the same securities, a dollar roll is a simultaneous purchase and sale of substantially similar

TBA securities for different settlement dates. The dealer (purchaser), who is said to "roll in" the securities received, is not required to deliver the identical securities, only securities that meet the TBA market's good delivery guidelines (which establishes standard notification and settlement dates for TBA securities). The investor may assume some risk because the characteristics of the MBS delivered to the investor may be less favorable than the MBS the investor delivered to the dealer. Because the dealer is not obligated to return the identical MBS collateral that the investor has delivered, both parties usually transact the dollar roll with generic Fannie Mae, Freddie Mac or Ginnie Mae MBS pools that have the same or less value than the average TBA-eligible security.

A dollar rolls transaction transfers prepayment risk to the dealer. Dollar rolls offer the dealer a convenient way to obtain promised mortgage securities, avoiding much of the cost of failing to make timely delivery. The dealer is willing to pay up to the cost of failure to deliver for the short-term opportunity to borrow or purchase securities required to meet a delivery commitment. For this reason most dollar rolls are transacted close to the monthly settlement date for MBS.

Duration and Portfolio Maturity

As a measure of a fixed-income security's cash flow, duration is an alternative to the concept of "term to maturity" in assessing the price volatility associated with changes in interest rates. Generally, the longer the duration, the more volatility an investor should expect. For example, the market price of a bond with a duration of three years would be expected to decline 3% if interest rates rose 1%. Conversely, the market price of the same bond would be expected to increase 3% if interest rates fell 1%. The market price of a bond with a duration of six years would be expected to increase or decline twice as much as the market price of a bond with a three-year duration. Duration is a way of measuring a security's maturity in terms of the average time required to receive the present value of all interest and principal payments as opposed to its term to maturity. The maturity of a security measures only the time until final payment is due; it does not take account of the pattern of a security's cash flows over time, which would include how cash flow is affected by prepayments and by changes in interest rates. Incorporating a security's yield, coupon interest payments, final maturity and option features into one measure, duration is computed by determining the weighted average maturity of a bond's cash flows, where the present values of the cash flows serve as weights. In computing the duration of the Fund, the Investment Manager will estimate the duration of obligations that are subject to features such as prepayment or redemption by the issuer, put options retained by the investor or other imbedded options, taking into account the influence of interest rates on prepayments and coupon flows. The Investment Manager will adjust the duration and maturity of the Fund's portfolio based on the Investment Manager's interest rate outlook.

Prepayments

Prepayments on a pool of mortgage loans are influenced by a variety of factors, including economic conditions, changes in mortgagors' housing needs, job transfer, unemployment, mortgagors' net equity in the mortgage properties and servicing decisions. The timing and level of prepayments cannot be predicted. Generally, however, prepayments on adjustable-rate mortgage loans and fixed rate mortgage loans will increase during a period of falling mortgage interest rates and decrease during a period of rising mortgage interest rates. Accordingly, the amounts of prepayments available for reinvestment by the Fund are likely to be greater during a period of declining mortgage interest rates. If general interest rates also decline, such prepayments are likely to be reinvested at lower interest rates than the Fund was earning on the mortgage-backed securities that were prepaid.

Collateralized Loan Obligations ("CLOs")

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. The risk associated with investing in a CLO correlates to the risk in the underlying product, including high-yield risk, interest rate risk, liquidity risk, and the risk of default. In addition to the risks associated with the underlying security, CLOs also include the risk that the distributions from the collateral may not adequately cover interest or principal payments, the quality of the CLO may decline or default, or the class of CLO may be subordinate to other classes.

Collateralized Debt Obligations

There are a variety of different types of collateralized debt obligations ("CDOs"), including CDOs collateralized by trust preferred securities and asset-backed securities and CDOs collateralized by corporate loans and debt securities called collateralized loan obligations ("CLOs"). CDOs may issue several types of securities, including CDO and CLO equity, multi-sector CDO equity, trust preferred CDO equity and CLO debt. CDOs are subject to credit, liquidity and interest rate risks, which are each discussed in greater detail above. The CDO equity may be unrated or non-investment grade. As a holder of CDO equity, the Fund will have limited remedies available upon the default of the CDO. The Fund may be unable to find a sufficient number of attractive opportunities to meet their investment objective or fully invest their committed capital. For example, from time to time, the market for CDO transactions has been adversely affected by a decrease in the availability of senior and subordinated financing for transactions, in part in response to regulatory pressures on providers of financing to reduce or eliminate their exposure to such transactions. CDOs often invest in concentrated portfolios of assets. The concentration of an underlying portfolio in any one obligor would subject the related CDOs to a greater degree of risk with respect to defaults by such obligor and the concentration of a portfolio in any one industry would subject the related CDOs to a greater degree of risk with respect to economic downturns relating to such industry.

The value of CDOs generally fluctuates with, among other things, the financial condition of the obligors or issuers of the underlying portfolio of assets of the related CDO ("CDO Collateral"), general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. Consequently, holders of CDOs must rely solely on distributions on the CDO Collateral or proceeds thereof for payment in respect thereof. If distributions on the CDO Collateral are insufficient to make payments on the CDOs, no other assets will be available for payment of the deficiency and following realization of the CDOs, the obligations of such issuer to pay such deficiency generally will be extinguished. CDO Collateral may consist of high-yield debt securities, loans, asset-backed securities, and other securities, which often are rated below investment grade (or of equivalent credit quality). High-yield debt securities generally are unsecured (and loans may be unsecured) and may be subordinated to certain other obligations of the issuer thereof. The lower ratings of high-yield securities and below investment grade loans reflect a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions or both may impair the ability of the related issuer or obligor to make payments of principal or interest. Such investments may be speculative.

Subordination of CDO Debt and CDO Equity

Subordinate CDO debt generally is fully subordinated to the related CDO senior tranches. CDO equity generally is fully subordinated to any related CDO debt and is not secured by any collateral. Distributions to holders of CDO equity will generally be made solely from distributions on the assets of the CDO issuer after all other payments have been made pursuant to the priority of payments of such CDO. To the extent that any losses are incurred by a CDO in respect of its related CDO Collateral, such losses will be borne first by the holders of the related CDO equity, next by the holders of any related subordinated CDO debt and finally by the holders of the related CDO senior tranches. In addition, if an event of default occurs under the governing instrument or underlying investment, as long as any CDO senior tranches are outstanding, the holders thereof generally will be entitled to determine the remedies to be exercised under the instrument governing the CDO. Remedies pursued by such holders could be adverse to the interests of the holders of any related subordinated CDO debt and/or the holders of the related CDO equity, as applicable. Subordinate CDO debt and CDO equity represent leveraged investments in the assets of the CDO. Therefore, the leveraged nature of such securities may magnify the adverse impact on the market value of such securities caused by changes affecting the assets underlying such securities, including changes in the market value of such assets, changes in distributions on such assets, defaults and recoveries, capital gains and losses on such assets, prepayments and the availability, prices and interest rates of such assets. Accordingly, subordinate CDO debt and CDO equity may not be paid in full and may be subject to up to 100% loss.

Control by Senior CDO Debt

In a typical CDO, the most senior CDO debt (the "Controlling Class") will control many rights under the CDO indenture and therefore, holders of subordinate CDO debt and CDO equity will have limited rights in connection with an event of default or distributions thereunder. Remedies pursued by the holders of the Controlling Class upon an event of default could be adverse to the interests of the holders of subordinate CDO debt and CDO equity. If an event of default has occurred and is continuing, the holders of CDO equity will not have any creditors' rights against the CDO issuer and will not have the right to determine the remedies to be exercised under the CDO indenture. There is no guarantee that any funds will remain to make distributions to the holders of subordinate CDO debt and CDO equity following any liquidation of the CDO assets and the application of the proceeds from the CDO assets to pay senior classes of CDO debt and the fees, expenses, and other liabilities payable by the CDO issuer. The Controlling Class may also have consent rights in respect of amendments and CDO manager removal rights in connection with certain events.

Mandatory Redemption of CDO Senior Tranches and CDO Debt

Under certain circumstances, cash flows from CDO Collateral that otherwise would have been paid to the holders of any related CDO debt and the related CDO equity will be used to redeem the related CDO senior tranches. This could result in an elimination, deferral or reduction in the interest payments, principal repayments or other payments made to the holders of such CDO debt or such CDO equity, which could adversely impact the returns to the holders of such CDO debt or such CDO equity.

Optional Redemption of CDO Senior Tranches and CDO Debt

An optional redemption of a CDO could require the collateral or portfolio manager of the related CDO to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the realized value of the items of CDO Collateral sold (and which in turn could adversely impact the holders of any related CDO debt, and/or the holders of the related CDO equity).

Rating Agencies

Future actions of any rating agency can adversely affect the market value or liquidity of CDOs. Rating agencies rating a CDO may change their published ratings criteria or methodologies for CDOs at any time in the future. Further, such rating agencies may retroactively apply any such new standards to the ratings of the CDO securities purchased by the Fund. Any such action could result in a substantial lowering (or even withdrawal) of any rating assigned to any such CDO security, despite the fact that such CDO security might still be performing fully to the specifications set forth for such CDO security in the related transaction documents. The rating assigned to any CDO may also be lowered following the occurrence of an event or circumstance despite the fact that the related rating agency previously provided confirmation that such occurrence would not result in the rating of such CDO being lowered. Additionally, any rating agency may, at any time and without any change in its published ratings criteria or methodology, lower or withdraw any rating assigned by it to any class of CDO security. If any rating initially assigned to any CDO security is subsequently lowered or withdrawn for any reason, holders of such security may not be able to resell their security without a substantial discount. Any reduction or withdrawal to the ratings on any class of CDO security may significantly reduce the liquidity thereof and may adversely affect the CDO issuer's ability to make certain changes to the composition of the CDO assets since the CDO's indenture may contain restrictions on portfolio modifications that are tied to the ratings on the CDO's securities.

A rating agency may also revise or withdraw its ratings of a CDO security as a result of a failure by the issuer or the manager of such CDO to provide it with information requested by such rating agency or comply with any of its obligations contained in the engagement letter with such rating agency, including the posting of information provided to the rating agency on a website that is accessible by rating agencies that were not hired in connection with the issuance of the CDO securities as required by law. In addition, a CDO security may receive an unsolicited rating, which may have an adverse effect on the liquidity or the market price of such CDO security. Any such revision or withdrawal of a rating as a result of such a failure might adversely affect the liquidity and value of the CDO security.

Warehouse Agreements

The Fund may enter into warehouse agreements ("Warehouse Agreements") with certain collateral managers, including the Investment Manager. Pursuant to such Warehouse Agreements, the Fund may provide financing, either directly or indirectly, for the purchase of assets, or may own certain assets ("Warehouse Securities") in anticipation of such assets constituting the collateral of a CDO or other structured transaction (a "Structured Transaction"). Upon the closing of the Structured Transaction to which the Warehouse Agreement relates, the Fund may or may not purchase securities issued in such Structured Transaction. The Fund may not achieve its investment objective in financing the warehouse if the Warehouse Securities are not purchased in the

Structured Transaction or where the Structured Transaction fails to close. A collateral manager will purchase Warehouse Securities from the warehouse for a Structured Transaction only to the extent that the collateral manager determines that such purchases are consistent with the investment guidelines of the Structured Transaction, the restrictions contained in the collateral management agreement and applicable law. If Warehouse Securities are not purchased for a Structured Transaction, depending on the terms of the Warehouse Agreement, Warehouse Securities may be liquidated, which may result in a profit or a loss to the Fund, or the Fund may take possession of the Warehouse Securities. In either case, the Fund will bear the risk that the value of such Warehouse Securities may be below their purchase price. If a Structured Transaction fails to close, in addition to the foregoing risks, the Fund may not be paid for financing the warehouse facility.

Effects of Regulation on CDO Market

Legislative or regulatory action taken by the U.S. federal government or any U.S. regulatory body (or other authority or regulatory body) in response to economic conditions or otherwise may negatively impact the liquidity and value of CDOs. For example, the "Volcker Rule" contained in the Dodd-Frank Act, which imposes limitations on the ability of banking entities and their affiliates to invest in private investment funds such as CDO issuers, may have a substantial negative impact on the liquidity and value of CDOs. No prediction can be made as to how any modifications made to the Volcker Rule will affect the liquidity and value of CDOs purchased by the Fund.

Municipal Securities

The Fund may invest in municipal securities. Municipal securities are debt obligations issued by or on behalf of states, territories and possessions of the United States, including the District of Columbia, and any political subdivisions or financing authority of any of these, the income from which is, in the opinion of qualified legal counsel, exempt from regular federal income tax. However, it is not anticipated that the Fund will be eligible to distribute exempt-interest dividends to shareholders. Municipal securities are generally issued to finance public works such as airports, bridges, highways, housing, hospitals, mass transportation projects, schools, street and water and sewer works. They are also issued to repay outstanding obligations, to raise funds for general operating expenses and to make loans to other public institutions and facilities. Municipal securities include industrial development bonds issued by or on behalf of public authorities to provide financing aid to acquire sites or construct and equip facilities for privately or publicly owned corporations.

The availability of this financing encourages these corporations to locate within the sponsoring communities and thereby increases local employment. The two principal classifications of municipal securities are "general obligation" and "revenue" bonds. General obligation bonds are secured by the issuer's pledge of its full faith and credit and taxing power for the payment of principal and interest. Interest on and principal of revenue bonds, however, are payable only from the revenue generated by the facility financed by the bond or other specified sources of revenue. Revenue bonds do not represent a pledge of credit or create any debt of or charge against the general revenues of a municipality or public authority. Industrial development bonds are typically classified as revenue bonds.

The Fund's investments may include, but are not limited to, the following types of municipal securities: industrial development bonds; municipal notes and bonds; serial notes and bonds sold with a series of maturity dates; tax anticipation notes and bonds sold to finance working capital needs of municipalities in anticipation of receiving taxes at a later date; bond anticipation notes sold in anticipation of the issuance of longer-term bonds in the future; pre-refunded municipal bonds refundable at a later date (payment of principal and interest on pre-refunded bonds are assured through the first call date by the deposit in escrow of U.S. government securities); and general obligation bonds secured by a municipality's pledge of taxation. There are no restrictions on the maturity of municipal securities in which the Fund may invest. The Investment Manager will select municipal securities based upon its belief that those securities will produce current income consistent with prudent investment and the Fund's investment objectives.

The Fund may also purchase municipal securities with variable interest rates. Variable interest rates are ordinarily stated as a percentage of the prime rate of a bank or some similar standard, such as the 91-day U.S. Treasury bill rate. Variable interest rates are adjusted on a periodic basis (i.e., every 30 days). Many variable rate municipal securities are subject to payment of principal on demand, usually in not more than seven days. If a variable rate municipal security does not have this demand feature, or the demand feature extends beyond seven days and the Investment Manager believes the security cannot be sold within seven days, the Investment Manager may consider the security to be illiquid. Variable interest rates generally reduce changes in the market value of municipal securities from their original purchase prices. Accordingly, as interest rates decrease or increase, the potential for capital appreciation or depreciation is less for variable rate municipal securities than for fixed-income obligations. Many municipal securities with variable interest rates are subject to repayment of principal (usually within seven days) on demand. The terms of these variable rate demand instruments require payment of principal and accrued interest from the issuer of the municipal obligations, the issuer of the participation interests, or a guarantor of either issuer.

The financial institutions from which the Fund may purchase participation interests frequently provide, or secure from other financial institutions, irrevocable letters of credit or guarantees and give the Fund the right to demand payment on specified notice (normally within 30 days) from the issuer of the letter of credit or guarantee. These financial institutions may charge certain fees in connection with their repurchase commitments, including a fee equal to the excess of the interest paid on the municipal securities over the negotiated yield at which the participation interests were purchased. By purchasing participation interests, the Fund is buying a security meeting its quality requirements and is also receiving the tax-free benefits of the underlying securities.

Yields on municipal securities depend on a variety of factors, including: the general conditions of the money market and the taxable and municipal securities markets; the size of the particular offering; the maturity of the obligations; and the credit quality of the issue. Any adverse economic conditions or developments affecting the states or municipalities could impact the Fund's portfolio.

Equity Securities

All investments in equity securities are subject to market risks that may cause their prices to fluctuate over time. Historically, the equity markets have moved in cycles and the value of the securities in the Fund's portfolio may fluctuate substantially from day to day. Owning an equity security can also subject the Fund to the risk that the issuer may discontinue paying dividends.

Common Stocks

A common stock represents a proportionate share of the ownership of a company and its value is based on the success of the company's business, any income paid to stockholders, the value of its assets, and general market conditions. In addition to the general risks set forth above, investments in common stocks are subject to the risk that in the event a company in which the Fund invests is liquidated, the holders of preferred stock and creditors of that company will be paid in full before any payments are made to the Fund as a holder of common stock. It is possible that all assets of that company will be exhausted before any payments are made to the Fund.

Convertible Securities

The Fund may invest in convertible securities. Traditional convertible securities include corporate bonds, notes and preferred stocks that may be converted into or exchanged for common stock, and other securities that also provide an opportunity for equity participation. These securities are convertible either at a stated price or a stated rate (that is, for a specific number of shares of common stock or other security). As with other fixed income securities, the price of a convertible security generally varies inversely with interest rates. While providing a fixed income stream, a convertible security also affords the investor an opportunity, through its conversion feature, to participate in the capital appreciation of the common stock into which it is convertible. As the market price of the underlying common stock declines, convertible securities tend to trade increasingly on a yield basis and so may not experience market value declines to the same extent as the underlying common stock. When the market price of the underlying common stock increases, the price of a convertible security tends to rise as a reflection of higher yield or capital appreciation. In such situations, each Fund may have to pay more for a convertible security than the value of the underlying common stock.

Rights and Warrants

The Fund may invest in rights and warrants. A right is a privilege granted to existing shareholders of a corporation to subscribe to shares of a new issue of common stock, and it is issued at a predetermined price in proportion to the number of shares already owned. Rights normally have a short life, usually two to four weeks, are freely transferable and entitle the holder to buy the new common stock at a lower price than the current market.

Warrants are options to purchase equity securities at a specific price for a specific period of time. They do not represent ownership of the securities, but only the right to buy them. Hence, warrants have no voting rights, pay no dividends and have no rights with respect to the assets of the corporation issuing them. The value of warrants is derived solely from capital appreciation of the underlying equity securities. Warrants differ from call options in that the underlying corporation issues warrants, whereas call options may be written by anyone.

An investment in rights and warrants may entail greater risks than certain other types of investments. Generally, rights and warrants do not carry the right to receive dividends or exercise voting rights with respect to the underlying securities, and they do not represent any rights in the assets of the issuer. In addition, although their value is influenced by the value of the underlying security, their value does not necessarily change with the value of the underlying securities, and they cease to have value if they are not exercised on or before their expiration date. Investing in rights and warrants increases the potential profit or loss to be realized from the investment as compared with investing the same amount in the underlying securities.

Preferred Securities

The Fund may invest in two basic types of preferred securities, traditional and hybrid-preferred securities. Traditional preferred securities consist of preferred stock issued by an entity taxable as a corporation. Preferred stocks, which may offer fixed or floating rate dividends, are perpetual instruments and considered equity securities. Preferred securities are subordinated to senior debt instruments in a company's capital structure, in terms of priority to corporate income and claim to corporate assets, and therefore will be subject to greater credit risk than debt instruments. Alternatively, hybrid-preferred securities may be issued by corporations, generally in the form of interest-bearing notes with preferred securities characteristics, or by an affiliated trust or partnership of the corporation, generally in the form of preferred interests in subordinated debentures or similarly structured securities. The hybrid-preferred securities market consists of both fixed and adjustable coupon rate securities that are either perpetual in nature or have stated maturity dates. Hybrid-preferred securities are considered debt securities. Due to their similar attributes, the Investment Manager also considers senior debt perpetual issues, certain securities with convertible features as well as exchange-listed senior debt issues that trade with attributes of exchange-listed perpetual and hybrid-preferred securities to be part of the broader preferred securities market.

Preferred securities pay fixed or floating dividends to investors and have "preference" over common stock in the payment of dividends and the liquidation of a company's assets. This means that a company must pay dividends on preferred stock before paying any dividends on its common stock. In order to be payable, distributions on such preferred securities must be declared by the issuer's board of directors. Income payments on preferred securities may be cumulative, causing dividends and distributions to accumulate even if not declared by the board of directors or otherwise made payable. In such a case, all accumulated dividends must be paid before any dividend on the common stock can be paid. However, many traditional preferred stocks are non-cumulative, in which case dividends do not accumulate and need not ever be paid. The Fund may invest in non-cumulative preferred securities, whereby the issuer does not have an obligation to make up any missed payments to its stockholders. There is no assurance that dividends or distributions on the traditional preferred securities in which the Fund invests will be declared or otherwise made payable. Preferred securities may also contain provisions under which payments must be stopped (namely, stoppage is compulsory, not discretionary). The conditions under which this occurs may relate to, for instance, capitalization levels. Hence, if a company incurs significant losses that deplete retained earnings automatic payment stoppage could occur. In some cases the terms of the preferred securities provide that the issuer would be obligated to attempt to issue common shares to raise funds for the purpose of making the preferred payments. However, there is no guarantee that the issuer would be successful in placing common shares.

Preferred stockholders usually have no right to vote for corporate directors or on other matters. Shares of traditional preferred securities have a liquidation preference that generally equals the original purchase price at the date of issuance. The market value of preferred securities may be affected by, among other factors, favorable and unfavorable changes impacting the issuer or industries in which they operate, movements in interest rates and inflation, and the broader economic and credit environments, and by actual and anticipated changes in tax laws, such as changes in corporate and individual income tax rates. Because the claim on an issuer's earnings represented by traditional preferred securities may become onerous when interest rates fall below the rate payable on such securities, the issuer may redeem the securities. Thus, in declining interest rate environments in particular, the

Fund's holdings of higher rate-paying fixed rate preferred securities may be reduced, and the Fund may be unable to acquire securities of comparable credit quality paying comparable rates with the redemption proceeds.

Floating Rate Securities

The Fund may invest in floating rate preferred securities, which provide for a periodic adjustment in the interest rate paid on the securities. The terms of such securities provide that interest rates are adjusted periodically based upon an interest rate adjustment index. The adjustment intervals may be regular, and range from daily up to annually, or may be event-based, such as a change in the prime rate. Because of the interest rate reset feature, floating rate securities provide the Fund with a certain degree of protection against rises in interest rates, although the interest rates of floating rate securities will participate in any declines in interest rates as well.

Investment Companies

The Fund may invest in shares of other registered investment companies, including closed-end funds, exchange-traded funds ("ETFs"), money market mutual funds and other mutual funds in pursuit of its investment objective, in accordance with the limitations established under the 1940 Act. This may include investments in money market mutual funds in connection with the Fund's management of daily cash positions. Investments in the securities of other investment companies may involve duplication of advisory fees and certain other expenses. By investing in another investment company, the Fund becomes a shareholder of that investment company. As a result, Fund shareholders indirectly will bear the Fund's proportionate share of the fees and expenses paid by shareholders of the other investment company, in addition to the fees and expenses Fund shareholders directly bear in connection with the Fund's own operations.

Section 12(d)(1)(A) of the 1940 Act generally prohibits a fund from purchasing (1) more than 3% of the total outstanding voting stock of another fund; (2) securities of another fund having an aggregate value in excess of 5% of the value of the acquiring fund; and (3) securities of the other fund and all other funds having an aggregate value in excess of 10% of the value of the total assets of the acquiring fund. There are some exceptions, however, to these limitations pursuant to certain provisions in the 1940 Act and various rules promulgated by the SEC.

Closed-End Funds

The amount of public information available about closed-end funds is generally less than for mutual funds. Consequently, the Investment Manager may make investment decisions based on information that is incomplete or inaccurate.

In addition, because closed-end funds are not redeemable at the holder's option, such funds typically trade primarily on the secondary market. The secondary market for closed-end funds tends to be less liquid, which may adversely affect the Fund's ability to sell its holdings of closed-end funds at attractive prices. Shares of closed-end funds frequently trade at either a premium or discount relative to their NAV. When the Fund purchases shares of a closed-end fund at a discount to its NAV, there can be no assurance that the discount will decrease. In fact, it is possible that this market discount may increase, and the Fund may suffer realized or unrealized capital losses due to further decline in the market price of the securities of such closed-end funds, thereby adversely affecting the NAV of the Fund's shares. Similarly, there can be no assurance that any shares of a closed-end fund purchased by the Fund at a premium will continue to trade at a premium or that the premium will not decrease subsequent to a purchase of such shares by the Fund. To the extent the Fund invests in closed-end funds, it will indirectly bear its proportionate share of any fees and expenses payable directly by the closed-end fund. Therefore, the Fund would incur higher expenses, which may be duplicative, than if the Fund did not invest in closed-end funds.

ETFs

An ETF's market price may deviate from the value of the ETF's underlying portfolio holdings, particularly in times of market stress, with the result that investors may pay significantly more or receive significantly less than the underlying value of the ETF shares bought or sold. This can be reflected as a spread between the bid and ask prices for the ETF quoted during the day or a premium or discount in the closing price from the ETF's NAV. An active trading market for shares of the ETF may not develop or be maintained. In times of market stress, market makers or authorized participants may step away from their respective roles in making a market in shares of the ETF and in executing purchase or redemption orders, and that this could in turn lead to variances between the market price of the ETF's shares and the underlying value of those shares. If securities underlying an ETF are traded outside of a collateralized settlement system, that there are a limited number of financial institutions that may act as authorized participants that post collateral for certain trades on an agency basis (i.e., on behalf of other market participants). To the extent that those authorized participants exit the business or are unable to process creation and/or redemption orders and no other authorized participant is able to step forward to do so, there may be a significantly diminished trading market for the ETF's shares. In addition, this could in turn lead to differences between the market price of the ETF's shares and the underlying value of those shares. Where all or a portion of the ETF's underlying securities trade in a market that is closed when the market in which the ETF's shares are listed and trading in that market is open, there may be changes between the last quote from its closed foreign market and the value of such security during the ETF's domestic trading day. In addition, this in turn could lead to differences between the market price of the ETF's shares and the underlying value of those shares. In stressed market conditions, the market for an ETF's shares may become less liquid in response to deteriorating liquidity in the markets for the ETF's underlying portfolio holdings. This adverse effect on liquidity for the ETF's shares in turn could lead to differences between the market price of the ETF's shares and the underlying value of those shares. Purchases and redemptions of creation units primarily with cash, rather than through in-kind delivery of portfolio securities, may cause an ETF to incur certain costs. These costs could include brokerage costs or taxable gains or losses that it might not have incurred if it had made redemption in-kind. In addition, these costs could be imposed on the ETF, and thus decrease the ETF's net asset value, to the extent that the costs are not offset by a transaction fee payable by an authorized participant.

Subsidiaries

If the Investment Manager determines it to be appropriate or necessary, the Fund may form one or more wholly owned subsidiaries in one or more jurisdictions (each, a "Subsidiary," and together, the "Subsidiaries"), each of which is expected to be treated as a corporation for U.S. federal income tax purposes. The Fund may invest either directly or indirectly through the Subsidiaries. The Fund will be the sole shareholder of any Subsidiary, and it is currently expected that shares of any Subsidiary will not be sold or offered to other investors.

The Fund typically expects to invest indirectly through the Subsidiaries if it believes it is desirable to do so to comply with the requirements for qualification as a RIC under the Code, or for corporate or other tax reasons.

The Subsidiaries will not be registered under the 1940 Act and will not be subject to all of the investor protections of the 1940 Act. In addition, changes in the laws of the United States and/or any jurisdiction in which a Subsidiary is formed could result in our inability or the inability of the Subsidiaries to operate as described in the Prospectus and this SAI and could adversely affect the Fund. The Fund's Board of Trustees has oversight responsibility for the activities of the Fund, including the Fund's investments in any Subsidiary, and the Fund's role as the sole shareholder of any Subsidiary.

The assets of any Subsidiaries and the assets of the Fund, taken as a whole, will be subject to the same investment restrictions and limitations described in the Prospectus and this SAI, and the Subsidiary will be subject to the same compliance policies and procedures as the Fund. As a result, investments held through a Subsidiary will be considered in determining compliance with the investment policies and restrictions that apply to the management of the Fund, and, in particular, to the requirements relating to portfolio leverage, affiliated transactions and the timing and method of the valuation of any Subsidiary's portfolio investments. The Investment Manager will manage the investments held by the Fund directly and indirectly through any Subsidiaries pursuant to a contract that complies with the 1940 Act.

Derivatives

The Fund may invest in derivatives, including options on equities, debt and stock indices (collectively, "options"), futures contracts and options on futures contracts (collectively, "futures") and swaps. This may include credit default swaps and other credit derivatives that provide exposure to an index that tracks the price of a basket or tracks asset-backed finance investments. The Fund may make these investments as a substitute for a comparable market position in the underlying security, to attempt to hedge or limit the exposure of the Fund's position, to create a synthetic money market position for certain tax-related purposes and to effect closing transactions. The Fund will not invest in futures for speculative purposes.

Rule 18f-4 under the 1940 Act governs the Fund's use of derivative instruments and certain other transactions that create future payment and/or delivery obligations by the Fund. Rule 18f-4 under the 1940 Act permits the Fund to enter into Derivatives Transactions (as defined below) and certain other transactions notwithstanding the restrictions on the issuance of "senior securities" under Section 18 of the 1940 Act. Section 18 of the 1940 Act, among other things, prohibits closed-end funds, including the Fund, from issuing or selling any "senior security," representing indebtedness unless the Fund subject to maintains 300% "asset coverage". Certain other financing transaction also may be subject to such coverage requirements.

Under Rule 18f-4, "Derivatives Transactions" include the following: (1) any swap, security-based swap (including a contract for differences), futures contract, forward contract, option (excluding purchased options), any combination of the foregoing, or any similar instrument, under which the Fund is or may be required to make any payment or delivery of cash or other assets during the life of the instrument or at maturity or early termination, whether as margin or settlement payment or otherwise; (2) any short sale borrowing; (3) reverse repurchase agreements and similar financing transactions (e.g., recourse and non-recourse tender option bonds, and borrowed bonds), if the Fund elects to treat these transactions as Derivatives Transactions under Rule 18f-4; and (4) when-issued or forward-settling securities (e.g., firm and standby commitments, including to-be-announced ("TBA") commitments, and dollar rolls) and non-standard settlement cycle securities, unless the Fund intends to physically settle the transaction and the transaction will settle within 35 days of its trade date.

Unless the Fund is relying on the Limited Derivatives User Exception (as defined below), the Fund must comply with Rule 18f-4 with respect to its Derivatives Transactions. Rule 18f-4, among other things, requires the Fund adopt and implement a comprehensive written derivatives risk management program ("DRMP") and comply with a relative or absolute limit on Fund leverage risk calculated based on value-at-risk ("VaR"). The DRMP is administered by a "derivatives risk manager," who is appointed by the Fund's Board, including a majority of Independent Trustees, and periodically reviews the DRMP and reports to the Board.

Rule 18f-4 provides an exception from the DRMP, VaR limit and certain other requirements if the Fund's "derivatives exposure" (as defined in Rule 18f-4) is limited to 10% of its net assets (as calculated in accordance with Rule 18f-4) and the Fund adopts and implements written policies and procedures reasonably designed to manage its derivatives risks (the "Limited Derivatives User Exception").

The requirements of Rule 18f-4 may limit the Fund's ability to engage in derivatives transactions as part of its investment strategies. The rule also may not be effective to limit the Fund's risk of loss. In particular, measurements of value at risk rely on historical data and may not accurately measure the degree of risk reflected in the Fund's derivatives or other investments.

There may be additional regulation of the use of derivatives by registered investment companies, such as the Fund, which could significantly affect their use. Additional regulation of derivatives may make them more costly, limit their availability or utility, or otherwise adversely affect their performance or disrupt markets. The use of options and futures (collectively, "derivative instruments") is subject to applicable regulations of the SEC, the several exchanges upon which they are traded and the Commodity Futures Trading Commission (the "CFTC"). In addition, the Fund's ability to use derivative instruments will be limited by tax considerations. See "Taxation."

In addition to the instruments, strategies and risks described below and in the Prospectus, the Investment Manager may discover additional opportunities in connection with derivative instruments and other similar or related techniques. These new opportunities may become available as the Investment Manager develops new techniques, as regulatory authorities broaden the range of permitted transactions and as new derivative instruments or other techniques are developed. The Investment Manager may utilize these opportunities to the extent that they are consistent with the Fund's investment objective and permitted by the Fund's investment limitations and applicable regulatory authorities.

The use of derivative instruments involves special considerations and risks which include, but are not limited to, the following:

(1) Successful use of most derivative instruments depends upon the Investment Manager's ability to predict movements of the overall securities markets, which requires different skills than predicting changes in the prices of individual securities. The ordinary spreads between prices in the cash and futures markets, due to the differences in the natures of those markets, are subject to distortion. Due to the possibility of distortion, a correct forecast of stock market trends by the Investment Manager may still not result in a successful transaction. The Investment Manager may be incorrect in its expectations as to the extent of market movements or the time span within which the movements take place, which, thus, may result in the strategy being unsuccessful.

(2) Options and futures prices can diverge from the prices of their underlying instruments. Options and futures prices are affected by such factors as current and anticipated short-term interest rates, changes in volatility of the underlying instrument and the time remaining until expiration of the contract, which may not affect security prices the same way. Imperfect or no correlation also may result from differing levels of demand in the options and futures markets and the securities markets, from structural differences in how options and futures and securities are traded, and from imposition of daily price fluctuation limits or trading halts.

(3) As described below, the Fund might be required to make margin payments when it takes positions in derivative instruments involving obligations to third parties (e.g., derivative instruments other than purchased options). If the Fund were unable to close out its positions in such derivative instruments, it might be required to continue to make such payments until the position expired or matured. These requirements might impair the Fund's ability to sell a portfolio security or make an investment when it would otherwise be favorable to do so or require that the Fund sell a portfolio security at a disadvantageous time. The Fund's ability to close out a position in a derivative instrument prior to expiration or maturity depends on the existence of a liquid secondary market or, in the absence of such a market, the ability and willingness of the other party to the transaction (the "counterparty") to enter into a transaction closing out the position. Therefore, there is no assurance that any position can be closed out at a time and price that is favorable to the Fund.

Assets used as cover or held in an account cannot be sold while the position in the corresponding derivative instrument is open unless they are replaced with other appropriate assets. As a result, the commitment of a large portion of the Fund's assets to cover or held in accounts could impede portfolio management or the Fund's ability to meet repurchase requests or other current obligations.

(4) Losses may arise due to unanticipated market price movements, lack of a liquid secondary market for any particular instrument at a particular time or due to losses from premiums paid by the Fund on options transactions.

Options on Securities and Securities Indices

The Fund may purchase call options in anticipation of an increase in the market value of securities of the type in which it may invest or a positive change in the currency in which such securities are denominated. The purchase of a call option would entitle the Fund, in return for the premium paid, to purchase specified securities or a specified amount of a foreign currency at a specified price during the option period. The Fund normally will purchase put options in anticipation of a decrease in the market value of securities of the type in which it may invest or a negative change in the currency in which such securities are denominated. The purchase of a put option would entitle the Fund, in return for the premium paid, to sell specified securities or a specified amount of a foreign currency at a specified price during the option period.

The Fund may purchase and sell options traded on U.S. and foreign exchanges based on the market value of the options. Although the Fund will generally purchase only those options for which there appears to be an active secondary market, there can be no assurance that a liquid secondary market on an exchange will exist for any particular option or at any particular time. For some options, no secondary market on an exchange may exist. In such event, it might not be possible to effect closing transactions in particular options, with the result that the Fund would have to exercise its options in order to realize any profit and would incur transaction costs upon the purchase or sale of the underlying securities.

Secondary markets on an exchange may not exist or may not be liquid for a variety of reasons including: (i) insufficient trading interest in certain options; (ii) restrictions on opening transactions or closing transactions imposed by an exchange; (iii) trading halts, suspensions or other restrictions may be imposed with respect to particular classes or series of options; (iv) unusual or unforeseen circumstances which interrupt normal operations on an exchange; (v) inadequate facilities of an exchange or the Options Clearing Corporation to handle current trading volume at all times; or (vi) discontinuance in the future by one or more exchanges for economic or other reasons, of trading of options (or of a particular class or series of options), in which event the secondary market on that exchange (or in that class or series of options) would cease to exist, although outstanding options on that exchange that had been issued by the Options Clearing Corporation as a result of trades on that exchange would continue to be exercisable in accordance with their terms.

There is no assurance that higher than anticipated trading activity or other unforeseen events might not, at times, render certain of the facilities of the Options Clearing Corporation inadequate, and result in the institution by an exchange of special procedures that may interfere with the timely execution of the Fund's option orders.

Futures and Options on Futures

Futures contracts provide for the future sale by one party and purchase by another party of a specified amount of a specific security or currency at a specified future time at a specified price. An option on a futures contract gives the purchaser the right, in exchange for a premium, to assume a position in a futures contract at a specified exercise price during the term of the option. Although some futures contracts call for making or taking delivery of the underlying securities, generally these obligations are closed out prior to delivery by offsetting purchases or sales of matching futures contracts (contracts traded on the same exchange, on the same underlying security or index, and with the same delivery month). If an offsetting purchase price is less than the original sale price, the Fund realizes a capital gain; if it is more, the Fund realizes a capital loss. Conversely, if an offsetting sale price is more than the original purchase price, the Fund realizes a capital gain; if it is less, the Fund realizes a capital loss. The transaction costs must also be included in these calculations. The Fund may use futures contracts and related options for bona fide hedging purposes, such as to offset changes in the value of securities held or expected to be acquired or be disposed of or to minimize fluctuations in foreign currencies. The Fund will minimize the risk that it will be unable to close out a futures contract by only entering into futures contracts that are traded on national futures exchanges. The Fund will comply with SEC guidelines regarding cover for these instruments and will, if the guidelines so require, set aside cash or liquid assets in an account with its custodian in the prescribed amount as determined daily.

An index futures contract is a bilateral agreement pursuant to which two parties agree to take or make delivery of an amount of cash equal to a specified dollar amount times the difference between the index value at the close of trading of the contract and the price at which the futures contract is originally struck. No physical delivery of the securities comprising the index is made; generally, contracts are closed out prior to their expiration date.

In order to avoid leveraging and related risks, when the Fund invests in futures contracts, the Fund will cover positions by depositing an amount of cash or liquid securities equal to the market value of the futures positions held, less margin deposits, in a segregated account and that amount will be marked-to-market on a daily basis.

There are risks associated with these activities, including the following: (1) the success of a hedging strategy may depend on an ability to predict movements in the prices of individual securities, fluctuations in markets and movements in interest rates; (2) there may be an imperfect or lack of correlation between the changes in market value of the securities held and the prices of futures and options on futures; (3) there may not be a liquid secondary market for a futures contract or option; (4) trading restrictions or limitations may be imposed by an exchange; and (5) government regulations may restrict trading in futures contracts and options on futures.

The Fund may buy and sell futures contracts and related options to manage exposure to changing interest rates and securities prices. Some strategies reduce the Fund's exposure to price fluctuations, while others tend to increase market exposure. Futures and options on futures can be volatile instruments and involve certain risks that could negatively impact the Fund's return. No price is paid upon entering into futures contracts. Instead, the Fund would be required to deposit an amount of cash or U.S. Treasury securities known as "initial margin." Subsequent payments, called "variation margin," to and from the broker, would be made on a daily basis as the value of the future position varies (a process known as "marked to market"). The margin is in the nature of performance bond or good-faith deposit on a futures contract. Futures and options on futures are taxable instruments.

Swaps

Swap agreements tend to shift the Fund's investment exposure from one type of investment to another. For example, the Fund may enter into interest rate swaps, which involve the exchange of interest payments by the Fund with another party, such as an exchange of floating rate payments for fixed interest rate payments with respect to a notional amount of principal. If an interest rate swap intended to be used as a hedge negates a favorable interest rate movement, the investment performance of the Fund would be less than what it would have been if the Fund had not entered into the interest rate swap.

Credit default swap contracts involve heightened risks and may result in losses to the Fund. Credit default swaps may be illiquid and difficult to value. If the Fund buys a credit default swap, it will be subject to the risk that the credit default swap may expire worthless, as the credit default swap would only generate income in the event of a default on the underlying debt security or other specified event. As a buyer, the Fund would also be subject to credit risk relating to the seller's payment of its obligations in the event of a default (or similar event). If the Fund sells a credit default swap, it will be exposed to the credit risk of the issuer of the obligation to which the credit default swap relates. As a seller, the Fund would also be subject to leverage risk, because it would be liable for the full notional amount of the swap in the event of a default (or similar event).

The absence of a central exchange or market for swap transactions may lead, in some instances, to difficulties in trading and valuation, especially in the event of market disruptions. Recent legislation requires certain swaps to be executed through a centralized exchange or regulated facility and be cleared through a regulated clearinghouse. Although this clearing mechanism is generally expected to reduce counterparty credit risk, it may disrupt or limit the swap market and may not result in swaps being easier to trade or value. As swaps become more standardized, the Fund may not be able to enter into swaps that meet its investment needs. The Fund also may not be able to find a clearinghouse willing to accept a swap for clearing. In a cleared swap, a central clearing organization will be the counterparty to the transaction. The Fund will assume the risk that the clearinghouse may be unable to perform its obligations.

The Fund will be required to maintain its positions with a clearing organization through one or more clearing brokers. The clearing organization will require the Fund to post margin and the broker may require the Fund to post additional margin to secure the Fund's obligations. The amount of margin required may change from time to time. In addition, cleared transactions may be more expensive to maintain than over-the-counter transactions and may require the Fund to deposit larger amounts of margin. The Fund may not be able to recover margin amounts if the broker has financial difficulties. Also, the broker may require the Fund to terminate a derivatives position under certain circumstances. This may cause the Fund to lose money.

Risks associated with the use of derivatives are magnified to the extent that an increased portion of the Fund's assets are committed to derivatives in general or are invested in just one or a few types of derivatives.

Credit Default Swap Agreement ("CDS") and Credit Default Index Swap Agreement Risk ("CDX")

The Fund may enter into credit default swap agreements, credit default index swap agreements and similar agreements as a "buyer" or as a "seller" of credit protection. The credit default swap agreement or similar instruments may have as reference obligations one or more securities that are not then held by the Fund. The protection "buyer" in a credit default swap agreement is generally obligated to pay the protection "seller" a periodic stream of payments over the term of the agreement, provided generally that no credit event on a reference obligation has occurred. In addition, at inception of the agreement, the protection "buyer" may receive or be obligated to pay an additional up-front amount depending on the current market value of the contract. With respect to credit default swap agreements whereby the Fund is a "buyer" of credit protection and that are contractually required to cash settle, the Fund sets aside liquid assets in an amount equal to the Fund's daily marked-to-market net obligations under the contracts. For credit default swap agreements where the Fund is a "buyer" of credit protection and that are contractually required to physically settle, or for credit default swap agreements whereby the Fund is deemed to be a "seller" of credit protection, the Fund sets aside the full notional value of such contracts. If a credit event occurs, an auction process is used to determine the "recovery value" of the contract. The seller then must pay the buyer the "par value" (full notional value) of the swap contract minus the "recovery value" as determined by the auction process. The Fund may be either the buyer or seller in the transaction. If the Fund is a buyer and no credit event occurs, the Fund's net cash flows over the life of the contract will be the initial up-front amount paid or received minus the sum of the periodic payments made over the life of the contract. However, if a credit event occurs, the Fund may elect to receive a cash amount equal to the "par value" (full notional value) of the swap contract minus the "recovery value" as determined by the auction process. As a seller of protection, the Fund generally receives a fixed rate of income throughout the term of the swap provided that there is no credit event. In addition, at the inception of the agreement, the Fund may receive or be obligated to pay an additional up-front amount depending on the current market value of the contract. If a credit event occurs, the Fund will be generally obligated to pay the buyer the "par value" (full notional value) of the swap contract minus the "recovery value" as determined by the auction process. Credit default swaps could result in losses if the Investment Manager does not correctly evaluate the creditworthiness of the underlying instrument on which the credit default swap is based. Additionally, if the Fund is a seller of a credit default swap and a credit event occurs, the Fund could suffer significant losses.

Exclusion from Definition of Commodity Pool Operator

Pursuant to amendments by the CFTC to Rule 4.5 under the Commodity Exchange Act ("CEA"), the Investment Manager intends to file a notice of exemption from registration as a "commodity pool operator" with respect to the Fund. The Fund and the Investment Manager are therefore not subject to registration or regulation as a pool operator under the CEA. To claim the Rule 4.5 exemption, the Fund is significantly limited in its ability to invest in commodity futures, options and swaps (including securities futures, broad-based stock index futures and financial futures contracts).

Short-Term, Temporary, and Cash Investments

The Fund may invest in any of the following securities and instruments:

Bank Certificates of Deposit, Bankers' Acceptances and Time Deposits

The Fund may acquire certificates of deposit, bankers' acceptances and time deposits. Certificates of deposit are negotiable certificates issued against funds deposited in a commercial bank for a definite period of time and earning a specified return. Bankers' acceptances are negotiable drafts or bills of exchange, normally drawn by an importer or exporter to pay for specific merchandise, which are "accepted" by a bank, meaning in effect that the bank unconditionally agrees to pay the face value of the instrument on maturity. Certificates of deposit and bankers' acceptances acquired by the Fund will be dollar denominated obligations of domestic or foreign banks or financial institutions which at the time of purchase have capital, surplus and undivided profits in excess of $100 million (including assets of both domestic and foreign branches), based on latest published reports, or less than $100 million if the principal amount of such bank obligations are fully insured by the U.S. Government. If the Fund holds instruments of foreign banks or financial institutions, it may be subject to additional investment risks that are different in some respects from those incurred by a fund that invests only in debt obligations of U.S. domestic issuers. Such risks include future political and economic developments, the possible imposition of withholding taxes by the particular country in which the issuer is located on interest income payable on the securities, the possible seizure or nationalization of foreign deposits, the possible establishment of exchange controls or the adoption of other foreign governmental restrictions which might adversely affect the payment of principal and interest on these securities.

Domestic banks and foreign banks are subject to different governmental regulations with respect to the amount and types of loans which may be made and interest rates which may be charged. In addition, the profitability of the banking industry depends largely upon the availability and cost of funds for the purpose of financing lending operations under prevailing money market conditions. General economic conditions as well as exposure to credit losses arising from possible financial difficulties of borrowers play an important part in the operations of the banking industry.

As a result of federal and state laws and regulations, domestic banks are, among other things, required to maintain specified levels of reserves, limited in the amount which they can loan to a single borrower, and subject to other regulations designed to promote financial soundness. However, such laws and regulations do not necessarily apply to foreign bank obligations that the Fund may acquire.

In addition to purchasing certificates of deposit and bankers' acceptances, to the extent permitted under its investment objective and policies stated above and, in its Prospectus, the Fund may make interest bearing time or other interest bearing deposits in commercial or savings banks. Time deposits are non-negotiable deposits maintained at a banking institution for a specified period at a specified interest rate.

Savings Association Obligations

The Fund may invest in certificates of deposit (interest bearing time deposits) issued by savings banks or savings and loan associations that have capital, surplus and undivided profits in excess of $100 million, based on latest published reports, or less than $100 million if the principal amount of such obligations is fully insured by the U.S. Government.

Commercial Paper, Short Term Notes and Other Corporate Obligations

The Fund may invest a portion of its assets in commercial paper and short term notes. Commercial paper consists of unsecured promissory notes issued by corporations. Issues of commercial paper and short term notes will normally have maturities of less than nine months and fixed rates of return, although such instruments may have maturities of up to one year.

Commercial paper and short term notes will consist of issues rated at the time of purchase “A-2” or higher by Standard & Poor’s (“S&P”), “Prime-1” by Moody’s Investors Service, Inc. (“Moody’s”), or similarly rated by another nationally recognized statistical rating organization or, if unrated, will be determined by the Investment Manager to be of comparable quality. These rating symbols are described in Appendix A to the Prospectus.

Illiquid Investments and Restricted Securities

To the extent consistent with the applicable liquidity requirements for interval funds under Rule 23c-3 under the 1940 Act, the Fund may invest without limit in illiquid investments. The Investment Manager may be subject to significant delays in disposing of illiquid investments, and transactions in illiquid investments may entail registration expenses and other transaction costs that are higher than those for transactions in liquid investments. The term “illiquid investments” for this purpose means any investment that the Fund reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment.

Restricted securities are securities subject to legal or contractual restrictions on their resale, such as private placements. Such restrictions might prevent the sale of restricted securities at a time when the sale would otherwise be desirable. Under SEC regulations, certain restricted securities acquired through private placements can be traded freely among qualified purchasers. Investing in these restricted securities could have the effect of increasing the Fund’s illiquidity if qualified purchasers become, for a time, uninterested in buying these securities.

Restricted securities may be sold only (1) pursuant to SEC Rule 144A or another exemption, (2) in privately negotiated transactions or (3) in public offerings with respect to which a registration statement is in effect under the Securities Act of 1933, as amended (the “1933 Act”). Rule 144A securities, although not registered in the U.S., may be sold to qualified institutional buyers in accordance with Rule 144A under the 1933 Act. Where registration is required, the Fund may be obligated to pay all or part of the registration expenses and a considerable period may elapse between the time of the decision to sell and the time the Fund may be permitted to sell a restricted security under an effective registration statement. If, during such a period, adverse market conditions were to develop, the Fund might obtain a less favorable price than prevailed when it decided to sell.

Illiquid investments may be difficult to value, and the Fund may have difficulty disposing of such investments promptly. The Fund does not consider non-U.S. securities to be restricted if they can be freely sold in the principal markets in which they are traded, even if they are not registered for sale in the U.S.

Cyber Security Risk

Investment companies, such as the Fund, and its service providers may be subject to operational and information security risks resulting from cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cyber security breaches. Cyber-attacks affecting the Fund or the Investment Manager, custodian, transfer agent, intermediaries and other third-party service providers may adversely impact the Fund. For instance, cyber-attacks may interfere with the processing of shareholder transactions, impact the Fund’s ability to calculate its net asset value, cause the release of private shareholder information or confidential company information, impede trading, subject the Fund to regulatory fines or financial losses, and cause reputational damage. The Fund may also incur additional costs for cyber security risk management purposes. Similar types of cyber security risks are also present for issuers of securities in which the Fund invests, which could result in material adverse consequences for such issuers and may cause the Fund’s investment in such portfolio companies to lose value.

INVESTMENT RESTRICTIONS

Fundamental Investment Restrictions

Except as described below, the Fund, as a fundamental policy, may not, without the approval of the holders of a majority of the Fund's outstanding Common Shares:

1. Borrow money or issue senior securities, except to the extent permitted under the 1940 Act and as interpreted, modified, or otherwise permitted from time to time by regulatory authority having jurisdiction.
2. Underwrite the securities of other issuers. This restriction does not prevent the Fund from engaging in transactions involving the acquisition, disposition or resale of its portfolio securities, regardless of whether the Fund may be considered to be an underwriter under the 1933 Act.
3. Make investments that will result in the concentration (as that term may be defined or interpreted by the 1940 Act, and the rules and regulations promulgated thereunder, as such statute, rules and regulations are amended from time to time or are interpreted from time to time by the SEC staff (collectively, the "1940 Act Laws and Interpretations") or except to the extent that the Fund may be permitted to do so by exemptive order or similar relief (collectively, with the 1940 Act Laws and Interpretations, the "1940 Act Laws, Interpretations and Exemptions")) of its investments in the securities of issuers primarily engaged in the same industry, except for asset-backed finance investments.
4. Purchase real estate or sell real estate unless acquired as a result of ownership of securities or other instruments.
5. Purchase or sell physical commodities except to the extent permitted by the 1940 Act and any other governing statute, and by the rules thereunder, and by the SEC or other regulatory agency with authority over the Fund.
6. Make personal loans or loans of its assets to persons who control or are under common control with the Fund, except to the extent permitted by 1940 Act Laws, Interpretations and Exemptions.
7. The Fund may, notwithstanding any other fundamental investment policy or limitation, invest all of its assets in the securities of a single open-end management investment company with substantially the same fundamental investment objective, policies and restrictions as the Fund.

Under the 1940 Act, investments of more than 25% of a fund's total assets in one or more issuers in the same industry or group of industries constitutes concentration.

For purposes of the Fund's fundamental restriction related to industry concentration, such restriction does not limit the Fund's investments in (i) obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities, or (ii) tax-exempt obligations issued by governments or political subdivisions of governments. Investments in tax-exempt municipal securities where the payment of principal and interest for such securities is derived solely from a specific project associated with an issuer that is not a governmental entity or a political subdivision of a government are subject to a Fund's industry concentration policy. In complying with this restriction, the Fund will not consider a bank-issued guaranty or financial guaranty insurance as a separate security.

For purposes of the industry concentration policy, a foreign government is considered to be an industry, although currency positions are not considered to be an investment in a foreign government for these purposes. Further, for purposes of the Fund's fundamental restriction related to industry concentration, the fundamental policy will be interpreted in accordance with public interpretations of the SEC and its staff pertaining to concentration from time to time. The fundamental policy will be interpreted to give broad authority to the Fund as to how to classify issuers within or among either industries or groups of related industries. The Fund currently utilizes any one or more industry classifications assigned by one or more widely recognized market indexes or rating group indexes, and/or as reasonably determined by the Investment Manager. The definition of what constitutes a particular "industry" is an evolving one, particularly for industries or sectors within industries that are new or are undergoing rapid development. Some securities could reasonably fall within more than one industry category. To the extent that an underlying investment company in which the Fund invests has adopted a policy to concentrate its investments in a particular industry, the Fund will, to the extent applicable, take such underlying investment company's concentration policy into consideration for purposes of the Fund's own industry concentration policy.

For the purposes of the Fund's fundamental restriction related to real estate, such restriction does not prevent the Fund from investing in issuers that invest, deal, or otherwise engage in transactions in real estate or interests therein, or investing in securities that are secured by real estate or interests therein. The extent to which the Fund can invest in real estate is set out in the investment strategies described in the Fund's prospectus or this SAI. For purposes of the Fund's fundamental restriction regarding loans, such restriction does not prevent the Fund from, among other things, purchasing debt obligations, entering into repurchase agreements, loaning its assets to broker-dealers or institutional investors, or investing in loans, including assignments and participation interests. For purposes of the Fund's fundamental restriction related to loans above, made by the Fund, current SEC staff interpretations under the 1940 Act prohibit a fund from lending more than one-third of its total assets.

For purposes of the Fund's fundamental restriction related to physical commodities, the Fund is currently permitted to invest in futures, options, swaps and other instruments on physical commodities and the 1940 Act does not prohibit a fund from owning commodities or contracts related to commodities. The extent to which the Fund can invest in futures, options, swaps and other instruments on physical commodities, and/or commodities or contracts related to commodities is set out in the investment strategies described in the Fund's Prospectus, this SAI, and as permitted by the Fund's fundamental restriction.

For purposes of the Fund's fundamental restriction related to senior securities above, the 1940 Act prohibits a fund from issuing a "senior security," which is generally defined as any bond, debenture, note, or similar obligation or instrument constituting a security and evidencing indebtedness, or any stock of a class having priority over any other class of the Fund's shares with respect to the payment of dividends or the distribution of Fund assets, except in compliance with certain asset coverage and other requirements.

In addition, the Fund has adopted the following fundamental policies with respect to repurchase offers, which may not be changed without the approval of the holders of a majority of the Fund's outstanding Common Shares:

(a) The Fund will make quarterly repurchase offers pursuant to Rule 23c-3 under the 1940 Act, as it may be amended from time to time.

(b) The Fund will repurchase shares that are tendered by a specific date (the "Repurchase Request Deadline"), which will be established by the Board in accordance with Rule 23c-3, as amended from time to time. Rule 23c-3 requires the Repurchase Request Deadline to be no less than 21 and no more than 42 days after the Fund sends notification to shareholders of the repurchase offer.

(c) There will be a maximum fourteen (14) calendar day period (or the next business day if the 14th calendar day is not a business day) between the Repurchase Request Deadline and the date on which the Fund's net asset value ("NAV") applicable to the repurchase offer is determined (the "Repurchase Pricing Date").

Non-Fundamental Investment Restrictions

Non-fundamental investment restrictions may be changed without shareholder approval.

1. In complying with the fundamental investment restriction regarding borrowing money and issuing senior securities, the Fund may borrow money in an amount not exceeding 33 1/3% of its total assets (including the amount borrowed) less liabilities (other than borrowings).
2. The Fund may not acquire any securities of other investment companies, except as permitted by the 1940 Act and the rules, regulations and any applicable exemptive order issued thereunder.
3. Under normal circumstances, the Fund will invest at least 80% of its net assets, plus the amount of any borrowing for investment purposes, in ABF Investments (as defined below) in securities and other investments that the Investment Manager believes are, at the time of investment, considered to be ABF Investments (the "80% Policy"). ABF Investments consist of private asset-backed finance products and traded structured credit products, including, but not limited to, loans, leases, mortgages, and other receivables across a broad array of asset classes.

For purposes of the Fund's fundamental and non-fundamental policies, "assets" means net assets, plus the amount of any borrowings for investment purposes. Derivatives and other instruments that provide exposure to the types of investments suggested by the Fund's name may also be counted towards the 80% Policy. In addition, derivatives transactions that provide investment exposure to one or more of the market risk factors associated with the Fund's name may be counted towards the 80% Policy. The Fund will provide written notice to its shareholders prior to any change to this policy, as required by the 1940 Act Laws, Interpretations and Exemptions.

It is the intention of the Fund, unless otherwise indicated, that with respect to the Fund's policies that are a result of application of law, the Fund will take advantage of the flexibility provided by rules or interpretations of the SEC or its staff currently in existence or promulgated in the future, or changes to such laws.

The Fund is permitted to change its 80% Policy without a shareholder vote, provided the Fund conducts a repurchase offer prior to the change, the Fund provides at least 60 days' prior notice of any change in the policy in advance of the offer, the offer is not oversubscribed, and the Fund purchases shares at their net asset value.

Other Information Regarding Investment Restrictions

Subject to the Fund's self-imposed limitations, if any, as they may be amended from time to time, the Fund interprets its policies with respect to leverage and borrowing, issuing senior securities, and lending to permit such activities as may be lawful for the Fund, to the full extent permitted by the 1940 Act or by exemption from the provisions therefrom pursuant to exemptive order of the SEC.

Currently, under the 1940 Act, the Fund may generally not lend money or property to any person, directly or indirectly, if such person controls or is under common control with the Fund, except for a loan from the Fund to a company that owns all the outstanding securities of the Fund, except directors' and qualifying shares.

The phrase "shareholder approval," as used in the Prospectus and this SAI, and the phrase a "majority of the outstanding," when used with respect to particular shares of the Fund (whether voting together as a single class or voting as separate classes), means (i) 67% or more of such shares present at a meeting, if the holders of more than 50% of such shares are present or represented by proxy, or (ii) more than 50% of such shares, whichever is less.

Unless otherwise indicated, all limitations applicable to the Fund's investments (as stated above and elsewhere in this SAI or in the Prospectus) apply only at the time a transaction is entered into. 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.

Under the Fund's policy in paragraph (4) above in "Fundamental Investment Restrictions," for example, where the Fund purchases a loan or other security secured by real estate or interests therein, in the event of a subsequent default, foreclosure, or similar event, the Fund may take possession of and hold the underlying real estate in accordance with its rights under the initial security and subsequently sell or otherwise dispose of such real estate.

Under the 1940 Act, a "senior security" does not include any promissory note or evidence of indebtedness where such loan is for temporary purposes only and in an amount not exceeding 5% of the value of the total assets of the issuer at the time the loan is made. A loan is presumed to be for temporary purposes if it is repaid within 60 days and is not extended or renewed.

From time to time, the Fund may voluntarily participate in actions (for example, rights offerings, conversion privileges, exchange offers, credit event settlements, etc.) including, but not limited to, where the issuer or counterparty offers securities or instruments to holders or counterparties, such as the Fund, and the acquisition is determined to be beneficial to Fund shareholders ("Voluntary Action"). Notwithstanding any percentage investment limitation listed under this "Investment Restrictions" section or any percentage investment limitation of the 1940 Act or rules thereunder, if the Fund has the opportunity to acquire a permitted security or instrument through a Voluntary Action, and the Fund will exceed a percentage investment limitation following the acquisition, it will not constitute a violation if, prior to the receipt of the securities or instruments and after announcement of the offering, the Fund sells an offsetting amount of assets that are subject to the investment limitation in question at least equal to the value of the securities or instruments to be acquired.

Unless otherwise indicated, all percentage limitations on Fund investments (as stated throughout this SAI or in the Prospectus) that are not: (i) specifically included in this "Investment Restrictions" section; or (ii) imposed by the 1940 Act, rules thereunder, Internal Revenue Code of 1986, as amended (the "Code") or related regulations (the "Elective Investment Restrictions"), will apply only at the time of investment unless the acquisition is a

Voluntary Action. The percentage limitations and absolute prohibitions with respect to Elective Investment Restrictions are not applicable to the Fund's acquisition of securities or instruments through a Voluntary Action.

The Fund may engage in roll-timing strategies where the Fund seeks to extend the expiration or maturity of a position, such as a forward contract, futures contract or to-be-announced ("TBA") transaction, on an underlying asset by closing out the position before expiration and contemporaneously opening a new position with respect to the same underlying asset that has substantially similar terms except for a later expiration date. Such "rolls" enable the Fund to maintain continuous investment exposure to an underlying asset beyond the expiration of the initial position without delivery of the underlying asset. Similarly, the Fund may "roll" an existing OTC swap agreement by closing out the position before expiration and contemporaneously entering into a non-OTC swap agreement on the same underlying asset with substantially similar terms except for a later expiration date, regardless of whether zero, one or both legs of the roll are cleared. These types of new positions opened contemporaneous with the closing of an existing position on the same underlying asset with substantially similar terms are collectively referred to as "Roll Transactions." Elective Investment Restrictions (defined in the preceding paragraph), which normally apply at the time of investment, do not apply to Roll Transactions (although Elective Investment Restrictions will apply to the Fund's entry into the initial position). In addition, and notwithstanding the foregoing, for purposes of this policy, those Non-Fundamental Investment Restrictions that are considered Elective Investment Restrictions for purposes of the policy on Voluntary Actions (described in the preceding paragraph) are also Elective Investment Restrictions for purposes of this policy on Roll Transactions. The Fund will test for compliance with Elective Investment Restrictions at the time of the Fund's initial entry into a position, but the percentage limitations and absolute prohibitions set forth in the Elective Investment Restrictions are not applicable to the Fund's subsequent acquisition of securities or instruments through a Roll Transaction.

MANAGEMENT OF THE FUND

Trustees and Officers

The business of the Fund is managed under the oversight of the Board. Subject to the provisions of the Fund's Agreement and Declaration of Trust, as may be amended from time to time (the "Declaration"), its Bylaws, as may be amended from time to time (the "Bylaws") and Delaware law, the Trustees have all powers necessary and convenient to carry out their responsibilities, including the election and removal of the Fund's officers.

Board Leadership Structure. The Board has structured itself in a manner that it believes allows it to perform its oversight function effectively. The Board is currently composed of four Trustees, all of whom are not "interested persons" of the Fund (as that term is defined by Section 2(a)(19) of the 1940 Act) (the "Independent Trustees"). The Board has established two standing committees, an Audit Committee and a Nominating and Governance Committee, each of which are discussed in greater detail under "Committees of the Board of Trustees" below. Each of the Audit Committee and the Nominating and Governance Committee is composed entirely of Independent Trustees.

The Board Chair, Jeannette L. Lewis, is an Independent Trustee.

In accordance with the fund governance standards prescribed under the 1940 Act, the Independent Trustees on the Nominating and Governance Committee select and nominate all candidates for Independent Trustee positions. Each Trustee was appointed to serve on the Board because of his or her experience, qualifications, attributes, and skills as set forth in the subsection "Trustee Qualifications" below.

The Board reviews its structure regularly considering the characteristics and circumstances of the Fund, including: the unaffiliated nature of the Investment Manager; the net assets of the Fund; the committee structure of the Fund; and the independent distribution arrangement of the Fund.

Given the specific characteristics and circumstances of the Fund as described above, the Fund has determined that the Board's leadership structure is appropriate.

Risk Oversight. The Fund has retained the Investment Manager to provide investment advisory services. The Investment Manager and the Fund's other service providers have adopted policies, processes, and procedures to identify, assess and manage different types of risks associated with the Fund's activities. The Board oversees the performance of these functions by the Investment Manager and the Fund's other service providers, both directly and through the committee structure it has established. The Board receives from the Investment Manager and other service providers a wide range of reports, both on a regular and as-needed basis, relating to the Fund's activities and to the actual and potential risks of the Fund. These include reports on investment and market risks, custody and valuation of Fund assets, compliance with applicable laws, and the Fund's financial accounting and reporting. The Board also regularly will receive, from the Fund's principal underwriter or Investment Manager, reports regarding distribution, sales and marketing of the Fund's shares. In addition, the Board meets periodically with the individual portfolio managers of the Fund or their delegates to receive reports regarding the portfolio management of the Fund and its performance, including its investment risks.

In addition, the Board has appointed a Chief Compliance Officer ("CCO"). The CCO oversees the development of compliance policies and procedures that are reasonably designed to prevent violations of the federal securities laws ("Compliance Policies"). The CCO reports directly to the Independent Trustees, interacts with individuals within the Investment Manager's organization, and will provide presentations to the Board at its quarterly meetings and an annual report on the application of the Compliance Policies. The Board will periodically discuss relevant risks affecting the Fund with the CCO at these meetings. The Board has approved the Compliance Policies and reviews the CCO's reports. Further, the Board annually reviews the sufficiency of the Compliance Policies, as well as the appointment and compensation of the CCO.

The Board recognizes that the reports it will receive concerning risk management matters are, by their nature, typically summaries of the relevant information. Moreover, the Board recognizes that not all risks that may affect the Fund can be identified in advance; that it may not be practical or cost-effective to eliminate or mitigate certain risks; that it may be necessary to bear certain risks (such as investment-related risks) in seeking to achieve the Fund's investment objective; and that the processes, procedures and controls employed to address certain risks may be limited in their effectiveness.

The Trustees and officers of the Fund, their year of birth, the positions they hold with the Fund, their term of office and length of time served, a description of their principal occupations during the past five years, the number of portfolios in the Fund Complex (as defined below) that the Trustee oversees and any other public company directorships held by the Trustee are listed in the two tables immediately following. Except as shown, each Trustee's and officer's principal occupation and business experience for the last five years have been with the employer(s) indicated, although in some cases the Trustee may have held different positions with such employer(s).

The charts below identify the Trustees and executive officers of the Fund. Unless otherwise indicated, the address of all persons below is c/o U.S. Bank Global Fund Services, 615 East Michigan Street Milwaukee, Wisconsin 53202.

Trustees

Name and Year of Birth	Position(s) Held with the Fund	Term of Office and Length of Time Served(1)	Principal Occupation(s) During the Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee(2)	Other Directorships Held by Trustee During the Past 5 Years
Independent Trustees(3)					
P. Bradley Adams Year of Birth: 1960	Trustee	Indefinite Term; Since June 2025	Managing Director of Fund Operations, TortoiseEcofin Investments, LLC (2005–2024)	1	Rockefeller Municipal Opportunities Fund (since 2024); Regan Capital Alternative Income Fund (since 2025); and Aristotle Pacific Enhanced CLO Income Fund (since 2025)

Name and Year of Birth	Position(s) Held with the Fund	Term of Office and Length of Time Served[1]	Principal Occupation(s) During the Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee[2]	Other Directorships Held by Trustee During the Past 5 Years
Stephen P. Ban Year of Birth: 1962	Trustee	Indefinite Term; Since June 2025	Adjunct Professor, Quinlan School of Business, Loyola University of Chicago (since 2022); Senior Advisor, Corporate Coalition of Chicago (2020–2025); Managing Director, Investment Solutions, Hightower Advisors, LLC, (2021-2022); Senior Managing Director, Business Development and Portfolio Advisory, Nuveen (2009–2020)	1	Rockefeller Municipal Opportunities Fund (since 2024); Regan Capital Alternative Income Fund (since 2025); and Aristotle Pacific Enhanced CLO Income Fund (since 2025)
Jeannette L. Lewis Year of Birth: 1963	Trustee	Indefinite Term; Since June 2025	Founder, J Lewis Consulting Services, L.L.C. (since 2024); Associate General Counsel, William Blair & Company, L.L.C. (October 2014–September 2023)	1	Rockefeller Municipal Opportunities Fund (since 2024); Origin Real Estate Credit Fund (since 2025); Regan Capital Alternative Income Fund (since 2025); and Aristotle Pacific Enhanced CLO Income Fund (since 2025)
Marie C. Winters Year of Birth: 1952	Trustee	Indefinite Term; Since June 2025	Senior Vice President, Co-Head of Corporate Credit Research, Northern Trust Asset Management (2014–2022)	1	Rockefeller Municipal Opportunities Fund (since 2024); Regan Capital Alternative Income Fund (since 2025); and Aristotle Pacific Enhanced CLO Income Fund (since 2025)

(1) Under the Fund's Declaration, a Trustee serves during the continued lifetime of the Fund until he or she dies, retires, resigns or is removed, or, if sooner, until the election and qualification of his or her successor.

(2) The term "Fund Complex" as used herein includes the Fund and any other registered investment company (i) that holds itself out to investors as a related company for purposes of investment and investor services; or (ii) for which the Investment Manager or an affiliate of the Investment Manager serves as primary investment adviser.

(3) "Independent Trustees" are those Trustees who are not "interested persons" of the Fund (as defined in Section 2(a)(19) of the 1940 Act).

Officers

Name and Year of Birth	Position(s) Held with Fund	Term of Office and Length of Time Served[1]	Principal Occupation(s) During the Past 5 Years
Benjamin J. Eirich Year of Birth: 1981	President and Principal Executive Officer	Indefinite Term; Since June 2025	Vice President, U.S. Bank Global Fund Services (2005–present)

Name and Year of Birth	Position(s) Held with Fund	Term of Office and Length of Time Served[1]	Principal Occupation(s) During the Past 5 Years
Alyssa M. Bernard Year of Birth: 1988	Secretary	Indefinite Term; Since June 2025	Vice President, U.S. Bank Global Fund Services (2025–present and 2021–2023); General Counsel, Empowered Funds, LLC (2023–2025); Assistant Vice President, U.S. Bank Global Fund Services (2018–2021)
Mark S. Spencer Year of Birth: 1960	Treasurer and Principal Financial Officer	Indefinite Term; Since June 2025	Assistant Vice President, U.S. Bank Global Fund Services (2022–present); Assistant Treasurer for Foresters Investment Management Company (1986–2020); Independent Consultant (financial services) (2020)
Diane K. Miller Year of Birth: 1972	Chief Compliance Officer and Anti-Money Laundering Compliance Officer	Indefinite Term; Since June 2025	Vice President, U.S. Bank Global Fund Services (2023–present); Chief Compliance Officer, Christian Brothers Investment Services (2017–2022)
Zachary C. Stone Year of Birth: 1997	Assistant Treasurer	Indefinite Term; Since June 2025	Officer, U.S. Bank Global Fund Services (2022–present); Mortgage Loan Closer, UW Credit Union (2020–2022)

(1) Under the Fund's Bylaws, an officer serves until his or her successor is elected or qualified, or until he or she sooner resigns or is removed. Officers hold office at the pleasure of the Trustees.

Each of the Fund's executive officers is an "interested person" of the Fund (as defined in Section 2(a)(19) of the 1940 Act) because of his or her position(s) set forth in the table above.

Trustee Qualifications

The Board believes that each of the Trustees has the qualifications, experience, attributes, and skills appropriate to his or her service as a Trustee of the Fund considering the Fund's business and structure. The Trustees have substantial business and professional backgrounds that indicate they can critically review, evaluate and assess information provided to them. Certain of these business and professional experiences are set forth in detail in the table above. The Board annually conducts a "self-assessment" wherein the effectiveness of the Board and the individual Trustees is reviewed.

Many of the Trustees' qualifications to serve on the Board involve intangible elements, such as intelligence, integrity, work ethic, the ability to work together, the ability to communicate effectively, the ability to exercise judgment, the ability to ask incisive questions, and commitment to shareholder interests. The Board has determined that the Trustees have the appropriate attributes and experience to continue to serve effectively as Trustees of the Fund. The Board considered, among other factors, the particular types of attributes and experience of each Trustee described below:

P. Bradley Adams — Mr. Adams' experience as a senior executive and an investment professional of an investment adviser, as Chief Executive Officer and Investment Committee member for closed-end and interval funds, and as Chief Financial Officer, Treasurer and Principal Accounting Officer for closed-end funds, as well as his experience as a mutual fund trustee.

Stephen P. Ban — Mr. Ban's experience as a senior executive of an investment adviser, as a senior executive of a wealth management firm, and as a professor of finance, as well as his experience as a senior advisor of a non-profit organization.

Jeannette L. Lewis — Ms. Lewis' professional training and experience as an attorney, as well as her experience as an entrepreneur and consultant in the financial services industry and as legal counsel to an investment adviser.

Marie C. Winters — Ms. Winters' experience as a senior executive and an investment professional of an investment adviser, as well as her experience as an independent director of the Board of Directors of Fitch Ratings.

Committees of the Board of Trustees

Audit Committee. The Fund has an Audit Committee, which is composed of the Messrs. Adams and Ban and Mses. Lewis and Winters, each of whom is an Independent Trustee. The Audit Committee (1) provides oversight with respect to the Fund's accounting and financial reporting policies and procedures, the integrity of the Fund's financial statements, the independent registered public accounting firm's qualifications, independence and performance, and the internal audit function; (2) determines the selection of the independent registered public accounting firm for the Fund; (3) approves all audit and permissible non-audited services that are provided to the Fund by the independent registered public accounting firm; and (4) approves certain non-audit services provided by the independent registered public accounting firm to the Investment Manager and certain affiliated entities. P. Bradley Adams serves as the Audit Committee Chair and is designated as the Audit Committee's "audit committee financial expert." Because the Fund has not yet commenced operations, the Audit Committee has not yet met or taken any action with respect to the Fund as of the date of this SAI.

Nominating and Governance Committee. The Fund has a Nominating and Governance Committee, which is composed of Messrs. Adams and Ban and Mses. Lewis and Winters, each of whom is an Independent Trustee. The Nominating and Governance Committee is responsible for selecting individuals who would qualify to serve as Independent Trustees, nominating trustees for Board membership, reviewing committee membership, reviewing insurance arrangements, reviewing Independent Trustee compensation and overseeing the administration of Board governance policies. The Nominating and Governance Committee considers criteria for selecting candidates sufficient to identify a diverse group of qualified individuals to serve as trustees.

The Nominating and Governance Committee will consider trustee nominees recommended by shareholders for vacancies or newly created trustee positions on the Board. Recommendations by shareholders for consideration by the Nominating and Governance Committee should be sent in writing to the Fund, to the attention of the Secretary of the Fund, at the address of the principal executive offices of the Fund (a "Shareholder Recommendation"). The procedures a shareholder must follow to submit a Shareholder Recommendation, as well as the required information to be included in a Shareholder Recommendation, are set forth in Appendix A to the Fund's Nominating and Governance Committee Charter, which is attached as Appendix A to this SAI. Shareholder Recommendations will be accepted on an ongoing basis and such recommendations will be kept on file for consideration when there is a vacancy or a newly created trustee position on the Board.

Marie C. Winters serves as the Nominating and Governance Committee Chair. Because the Fund has not yet commenced operations, the Nominating and Governance Committee has not yet met or taken any action with respect to the Fund as of the date of the SAI.

Securities Ownership

For each Trustee, the following table discloses the dollar range of equity securities in the Fund beneficially owned by the Trustee and, on an aggregate basis, in any registered investment companies overseen by the Trustee within the Fund's family of investment companies as of December 31, 2025:

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
Independent Trustees		
P. Bradley Adams	None	None
Stephen P. Ban	None	None
Jeanette L. Lewis	None	None
Marie C. Winters	None	None

To the Fund's knowledge, as of the date of this SAI, the Trustees and their immediate family members did not own securities beneficially in an investment adviser or principal underwriter of the Fund, or a person (other than a registered investment company) directly or indirectly controlling, controlled by, or under common control with an investment adviser or principal underwriter of the Fund.

As of the date of this SAI the Fund's officers and Trustees did not own any outstanding Common Shares.

Trustees' Compensation

Each Independent Trustee receives an annual retainer of $14,000 for such Trustee's service on the Board of the Fund, payable quarterly; the Independent Board Chair receives an additional annual retainer of $2,500, payable quarterly; the Audit Committee Chair receives an additional annual retainer of $1,500, payable quarterly; and the Nominating and Governance Committee Chair receives an additional annual retainer of $1,000, payable quarterly. The Fund has no employees.

The Trustees do not currently receive any pension or retirement benefits from the Fund or the Fund Complex.

Codes of Ethics

The Fund and the Investment Manager have each adopted a code of ethics under Rule 17j-1 under the 1940 Act. These codes permit personnel subject to the codes to invest in securities, including securities that may be purchased or held by the Fund. The codes of ethics are available on the EDGAR Database on the SEC's Internet site at http://www.sec.gov, and copies may be obtained, after paying a duplicating fee, by electronic request at the following email address: publicinfo@sec.gov. The Fund's principal underwriter is not required to adopt a code of ethics pursuant to the exception provided in Rule 17j-1(c)(3) under the 1940 Act.

PORTFOLIO MANAGERS

Other Accounts Managed

The portfolio manager who is primarily responsible for the day-to-day management of the Fund also manages the other registered investment companies, other pooled investment vehicles and/or other accounts indicated below. The following table identifies, as of December 31, 2025: (i) the number of other registered investment companies, pooled investment vehicles and other accounts managed by the portfolio managers (exclusive of the Fund); and (ii) the total assets of such other companies, vehicles and accounts, and the number and total assets of such companies, vehicles and accounts with respect to which the management fee is based on performance.

	Total Number of Other Accounts	Total Assets of All Other Accounts	Number of Other Accounts Paying a Performance Fee	Total Assets of Other Accounts Paying a Performance Fee
Greg Lippmann				
Registered Investment Companies	0	$0	0	$0
Other Pooled Investment Vehicles	19	$7,636,044,090	16	$5,022,942,222
Other Accounts	8	$1,218,232,621	5	$447,632,385

Conflicts of Interest

To address and manage potential conflicts of interest, the Investment Manager has adopted compliance policies and procedures to allocate investment opportunities and to ensure that each of its clients is treated on a fair and equitable basis. Such policies and procedures include, but are not limited to, investment and trade aggregation and allocation policies and oversight by the Investment Manager's compliance team.

Portfolio Manager Compensation

Portfolio manager compensation is determined on a base salary and discretionary bonus structure. Portfolio managers are not compensated based on the performance of the Fund. The discretionary bonuses of the portfolio managers are determined by the management committee of the Investment Manager based on the performance of the employee, the performance of the Investment Manager and the market environment.

Securities Ownership

As of the date of this SAI, the portfolio manager did not own shares of the Fund.

Proxy Voting Policies and Procedures

The Board has adopted Proxy Voting Policies and Procedures (the “Policies”) on behalf of the Fund which delegate the responsibility for voting proxies to the Investment Manager, subject to the Board’s continuing oversight. The Policies require that the Investment Manager vote proxies received in a manner consistent with the best interests of the Fund. The Policies also require the Investment Manager to present to the Board, at least annually, the Investment Manager’s Policies and a report on the resolution of all proxies identified by the Investment Manager as involving a conflict of interest.

The Investment Manager generally will vote such proxies when they arise. To the extent the Investment Manager determines that it is in the best interest of clients to abstain from voting, the Investment Manager CCO will document the basis for such decisions.

The Investment Manager will make all preliminary determinations as to how to vote proxies related to securities in the portfolio. The Investment Manager will analyze the merits of each proxy to determine how the Investment Manager should vote. The Investment Manager will determine if there are any potential conflicts of interest raised by voting recommendations. Examples of potential conflicts of interest include:

- Voting in accordance with the Investment Manager’s recommendation where the proxy company or one of its benefit plans has an institutional separate account relationship with the Investment Manager or a large investment in one of the Investment Manager’s investment funds;
- The Investment Manager having a material business relationship with a proponent of a proxy proposal, participants in a proxy contest or directors or nominee directors of a portfolio company; and
- An employee of the Investment Manager having a personal interest in the outcome of a particular proxy proposal.
- If a conflict is perceived to be material, the Investment Manager may resolve such conflict by delegating the voting decision to an independent third party or otherwise in accordance with its procedures.

When available, information on how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 will be available (1) without charge, upon request, by calling 1-855-965-5812, (2) at www.libremax.com or (3) on the SEC’s website at www.sec.gov.

DISTRIBUTION OF FUND SHARES

Quasar Distributors, LLC, a wholly owned subsidiary of Foreside Financial Group, LLC (dba ACA Group) (the “Distributor”) is the principal underwriter and distributor of the Fund’s shares pursuant to a distribution agreement (the “Distribution Agreement”) with the Fund. The Distributor, located at 190 Middle Street, Suite 301, Portland, Maine 04101, is a broker-dealer registered with the SEC and is a member of FINRA. All account inquiries should be mailed to the Fund’s transfer agent and should not be mailed to the Distributor.

The Distributor acts as the distributor of Common Shares for the Fund on a best-efforts basis (meaning the Distributor shall use commercially reasonable efforts to distribute the Common Shares), subject to various conditions, pursuant to the terms of the Distribution Agreement. The Distributor is not obligated to sell any specific amount of Common Shares of the Fund. Common Shares of the Fund are continuously offered through the Distributor. As discussed below, the Fund may authorize one or more intermediaries (e.g., broker-dealers and other financial firms) to receive orders on its behalf. The Common Shares will be offered at NAV per share (plus any applicable sales charge) calculated each regular business day. Please see “Net Asset Value” below.

The Fund and the Distributor each reserves the right, in its sole discretion, to suspend the offering of shares of the Fund or to reject any purchase order, in whole or in part, when, in the judgment of management, such suspension or rejection is in the best interests of the Fund or for other reasons such as compliance with anti-money laundering or sanctions obligations and requirements.

The Fund generally does not offer or sell its shares outside of the United States, except to certain investors in approved jurisdictions and in conformity with local legal requirements.

Common Shares are not listed for trading on any securities exchange. There is currently no secondary market for the Common Shares and the Fund does not anticipate that a secondary market will develop for its Common Shares. Investors should consider Common Shares of the Fund to be an illiquid investment. Neither the Investment Manager nor the Distributor intends to make a market in the Common Shares.

The Distribution Agreement became effective upon the Distributor's commencement of services as the principal underwriter of the Fund for the distribution of Shares of the Fund and will continue in effect for an initial two-year term. Thereafter, the Distribution Agreement continues in effect from year to year provided such continuance is specifically approved at least annually by (i) the vote of a majority of the outstanding voting securities of the Fund or a majority of the Board and (ii) the vote of a majority of the Independent Trustees of the Fund, cast in person at a meeting called for the purpose of voting on such approval.

The Fund has agreed to indemnify the Distributor and certain of the Distributor's affiliates against certain liabilities, including certain liabilities arising under the 1933 Act. To the extent consistent with applicable law, the Distributor has agreed to indemnify the Fund and each Trustee against certain liabilities, including certain liabilities under the 1933 Act and in connection with the services rendered to the Fund.

Share Classes

The Fund has received an exemptive order from the SEC that permits the Fund to issue multiple classes of its shares and to impose distribution and shareholder servicing fees. The Fund currently offers Class I Common Shares and intends to offer Class A and Class Common Shares in the future. The Fund has adopted a multiple class plan pursuant to Rule 18f-3 under the 1940 Act. Although the Fund is not an open-end investment company, it will undertake to comply with the terms of Rule 18f-3 as a condition of the exemptive relief. Under the multiple class plan, shares of each class of the Fund represent an equal pro rata interest in the Fund and, generally, have identical voting, dividend, liquidation, and other rights, preferences, powers, restrictions, limitations, qualifications and terms and conditions, except that: (a) each class has a different designation; (b) each class of shares bears any class-specific expenses; and (c) each class shall have separate voting rights on any matter submitted to shareholders in which the interests of one class differ from the interests of any other class, and shall have exclusive voting rights on any matter submitted to shareholders that relates solely to that class. Class A and Class L shares are currently not available for sale and will not be available for sale unless the Fund receives multi-share class exemptive relief from the SEC. It is uncertain when, or if, the Fund will be granted such exemptive relief.

The Fund will offer three classes of Common Shares: Class A, Class I and Class L Common Shares. Each share class represents an investment in the same portfolio of investments, but each class has its own expense structure and arrangements for shareholder services or distribution, which allows you to choose the class that best fits your situation and eligibility requirements.

Class A Common Shares: The minimum initial investment is $10,000 per account.

Class I Common Shares: The minimum initial investment is $100,000 per account.

Class L Common Shares: The minimum initial investment is $50,000 per account.

Distribution and Servicing Plans

The Fund has adopted a plan pursuant to Rule 12b-1 for the Fund's Class A Common Shares and Class L Common Shares that would allow the Fund to pay fees for the sale, distribution and servicing of its Class A Common Shares and Class L Common Shares (the "Distribution and Service Plan"). The Distribution and Service Plan provides for a distribution and shareholder servicing fee of up to 0.75% of the Class A Common Shares' average daily net assets (0.25% is characterized as a "shareholder service fee" and the remain portion is characterized as a "distribution fee") and up to 0.25% of the Class L Common Shares. Because these fees are paid out over the life of the Fund's Class A Common Shares and Class L Common Shares, over time, these fees (to the extent they are accrued and paid) would increase the cost of your investment and may cost you more than paying other types of sales charges. Class I Common Shares of the Fund are not subject to the Distribution and Shareholder Servicing Fee.

The Fund has policies and procedures in place for the monitoring of payments to broker-dealers and other financial intermediaries for distribution-related and non-distribution activities such as sub-transfer agent, administrative, and other shareholder servicing services.

Additional Payments to Dealers

If you purchase Common Shares of the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund Common Shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Class I and Class L Common Shares may also be available on brokerage platforms of firms that have agreements with the Fund's distributor to offer such Common Shares solely when acting as an agent for the investor. An investor transacting in these programs may be required to pay a commission and/or other forms of compensation to the broker. Ask your salesperson or visit your financial intermediary's website for more information.

Service Fees – Other Payments to Third Parties

The Investment Manager, out of its own resources, and without additional cost to the Fund or its shareholders, may provide additional cash payments or non-cash compensation to intermediaries who sell Common Shares of the Fund. Such payments and compensation are in addition to Rule 12b-1 distribution and shareholder servicing fees paid by the Fund. These additional cash payments are generally made to intermediaries that provide shareholder servicing, marketing support and/or access to sales meetings, sales representatives and management representatives of the intermediary. Cash compensation may also be paid to intermediaries for inclusion of the Fund on a sales list, in other sales programs or as an expense reimbursement in cases where the intermediary provides shareholder services to the Fund's shareholders. The Investment Manager may also pay cash compensation in the form of finder's fees that vary depending on the dollar amount of the Common Shares sold.

Purchasing Shares

The following section provides basic information about how to purchase Common Shares of the Fund. The Fund typically does not offer or sell its shares to non-U.S. residents. For purposes of this policy, a U.S. resident is defined as an account with (i) a U.S. address of record and (ii) all account owners residing in the U.S. at the time of sale.

The Fund and the Distributor each reserves the right, in its sole discretion, to suspend the offering of shares of the Fund or to reject any purchase order, in whole or in part, when, in the judgment of management, such suspension or rejection is in the best interests of the Fund or for other reasons such as compliance with anti-money laundering or sanctions obligations and requirements.

Shares Purchased or Held Through Financial Intermediaries

The availability of sales charge waivers and discounts may depend on the particular financial intermediary or type of account through which you purchase or hold Fund shares.

Additional Information about Purchases. Common Shares may be purchased at a price equal to their net asset value per share, plus any applicable sales charge, next determined after receipt of an order. Under normal circumstances, all purchase orders received by the Fund or its designee prior to the NYSE Close on a regular business day are processed at that day's offering price. An order received after the NYSE Close will be effected at the offering price determined on the next business day. However, orders received by the Fund or its designee after the offering price is determined that day from financial firms or certain retirement plans will receive such offering price if the orders were received by the financial firm or retirement plan from its customer or participant prior to such offering price determination and were transmitted to and received by the Fund or its designee prior to such time as agreed upon in accordance with an agreement or as allowed by applicable law. Purchase orders will be accepted only on days on which the Fund is open for business. If a purchase order is received on a day when the Fund is not open for business, it will be processed on the next succeeding day the Fund is open for business (according to the succeeding day's net asset value). The Fund is "open for business" on each day the NYSE is open for trading, which excludes the following holidays: New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. On any day that regular trading on the NYSE closes earlier than scheduled, the Fund reserves the right to: (i) advance the time as of which the NAV is calculated and, therefore, the time by which purchase orders must be received to receive that day's NAV or (ii) accept purchase orders until, and calculate its NAV as of, the normally scheduled NYSE Close. On any day that the NYSE is closed when it would normally be open for business, the Fund may accept purchase orders until, and calculate its NAV as of, the normally scheduled close of regular trading on the NYSE or such other time that the Fund may determine.

The Fund reserves the right to close if the primary trading markets of the Fund's portfolio instruments are closed and the Fund's management believes that there is not an adequate market to meet purchase requests. On any business day when the Securities Industry and Financial Markets Association recommends that the securities markets close trading early, the Fund may close trading early. Purchase orders will be accepted only on days which the Fund is open for business.

REPURCHASE OF COMMON SHARES

To provide some liquidity to shareholders, the Fund makes quarterly offers to repurchase between 5% and 25% of its outstanding Common Shares at net asset value. Although the policy permits repurchase of between 5% and 25% of the Fund's outstanding Common Shares, for each quarterly repurchase offer, the Fund currently expects to offer to repurchase 5% of the Fund's outstanding Common Shares at NAV, subject to approval of the Board. Notices of each quarterly repurchase offer are sent to shareholders at least 21 days before the "Repurchase Request Deadline" (i.e., the date by which shareholders can tender their Common Shares in response to a repurchase offer). The Fund determines the NAV applicable to repurchases no later than 14 days after the Repurchase Pricing Date. The Fund expects to distribute payment to shareholders within three business days after the Repurchase Pricing Date and will distribute such payment no later than seven (7) calendar days after such date. Common Shares are not listed on any securities exchange, and the Fund anticipates that no secondary market will develop for its Common Shares. Investors should consider Common Shares of the Fund to be an illiquid investment. Accordingly, you may not be able to sell Common Shares when and/or in the amount that you desire. Thus, Common Shares are appropriate only as a long-term investment. In addition, the Fund's repurchase offers may subject the Fund and shareholders to special risks.

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

The Prospectus describes of the risks associated with the Fund's repurchase offers. In addition, the repurchase of Common Shares by the Fund will be a taxable event to shareholders. For a discussion of these tax consequences, see "Taxation" below.

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

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

PORTFOLIO TRANSACTIONS AND BROKERAGE

Pursuant to the agreement between the Investment Manager and the Fund (the "Investment Management Agreement"), the Investment Manager determines which securities are to be purchased and sold by the Fund and which broker-dealers are eligible to execute the Fund's portfolio transactions. Purchases of portfolio securities for the Fund also may be made directly from issuers or from underwriters. Where possible, purchase and sale transactions will be effected through dealers (including banks) which specialize in the types of securities which the Fund will be holding, unless better executions are available elsewhere.

In placing portfolio transactions, the Investment Manager will seek best execution. The full range and quality of services available will be considered in making these determinations, such as the size of the order, the difficulty of execution, the operational facilities of the firm involved, the firm's risk in positioning a block of securities and other factors. In those instances where it is reasonably determined that more than one broker-dealer can offer the services needed to obtain the most favorable price and execution available, consideration may be given to those broker-dealers which furnish or supply research and statistical information to the Investment Manager that it may lawfully and appropriately use in its investment advisory capacities, as well as provide other services in addition to execution services. The Investment Manager considers such information, which is in addition to and not in lieu of the services required to be performed by it under the Investment Management Agreement, to be useful in varying degrees, but of indeterminable value. Portfolio transactions may be placed with broker-dealers who sell shares of the Fund subject to rules adopted by the FINRA and the SEC.

While it is the Investment Manager's general policy to first seek to obtain the most favorable price and execution available in selecting a broker-dealer to execute portfolio transactions for the Fund, in accordance with Section 28(e) under the Securities and Exchange Act of 1934, when it is determined that more than one broker can deliver best execution, weight is also given to the ability of a broker-dealer to furnish brokerage and research services to the Fund or to the Investment Manager, even if the specific services are not directly useful to the Fund and may be useful to the Investment Manager in advising other clients. In negotiating commissions with a broker or evaluating the spread to be paid to a dealer, the Fund may therefore pay a higher commission or spread than would be the case if no weight were given to the furnishing of these supplemental services, provided that the amount of such commission or spread has been determined in good faith by the Investment Manager to be reasonable in relation to the value of the brokerage and/or research services provided by such broker-dealer.

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

The Fund is new and has not paid any brokerage commissions, including any commissions on brokerage transactions directed to brokers pursuant to an agreement or understanding whereby the broker provides research or other brokerage services to the Investment Manager, as of the date of this SAI. The Fund did not own securities of its regular broker-dealers or their parent companies as of the date of this SAI.

DESCRIPTION OF CAPITAL STRUCTURE AND SHARES

The following is a brief description of the capital structure of the Fund. This description does not purport to be complete and is subject to and qualified in its entirety by reference to the Declaration and the Fund's Bylaws, as amended and restated through the date hereof (the "Bylaws"). The Declaration and Bylaws are on file with the SEC as an exhibit to the Fund's registration statement, of which this SAI is a part.

The Fund is a statutory trust established under the laws of State of Delaware on June 2, 2025. The Declaration provides that the Trustees of the Fund may authorize separate classes of shares of beneficial interest.

Common Shares

The Declaration authorizes the issuance of an unlimited number of Common Shares. The Common Shares will be issued with no par value per share. The fees and expenses for the Fund are set forth in "Summary of Fund Expenses" in the Prospectus. See also "Plan of Distribution" in the Prospectus.

Holders of the Fund's Common Shares ("Common Shareholders") will be entitled to the payment of dividends and other distributions when, as and if declared by the Board. All Common Shares have equal rights to the payment of dividends and the distribution of assets upon liquidation. Common Shares will, when issued, be fully paid and, subject to matters discussed in "Anti-Takeover and Other Provisions in the Declaration of Trust," non-assessable, and will have no pre-emptive rights, rights to cumulative voting or, unless authorized by the Trustees, conversion rights. Upon liquidation of the Fund, after paying or adequately providing for the payment of all liabilities of the Fund, and upon receipt of such releases, indemnities, and refunding agreements as they deem necessary for their protection, the Trustees may distribute the remaining assets of the Fund among the Fund's Common Shareholders.

The Fund does not intend to hold annual meetings of shareholders. If the Fund does hold a meeting of shareholders, Common Shares of the Fund entitle their holders to one vote for each Common Share held. Each fractional share shall be entitled to a proportionate fractional vote.

The Fund will send semi-annual unaudited financial statements and audited annual financial statements to its Common Shareholders.

The Common Shares are not, and are not expected to be, listed for trading on any national securities exchange nor is there expected to be any secondary trading market in the Common Shares.

Preferred Shares

The Declaration authorizes the issuance of an unlimited number of preferred shares. Preferred shares may be issued in one or more classes or series, with no par value and such rights as determined by the Board, by action of the Board without the approval of the Common Shareholders. Section 18 of the 1940 Act currently requires that the Fund have an asset coverage of 300% upon the issuance of senior securities representing indebtedness and an asset coverage of 200% upon the issuance senior equity securities, such as preferred shares. In addition, under Section 18, no dividends of shares or preferred shares, as applicable, may be paid by the Fund unless the Fund has the foregoing asset coverages. Section 18 also requires that preferred shareholders of the Fund have the right, as a class, to elect at least two Trustees at all times and to elect a majority of the Trustees in the event two full years' dividends on the preferred shares are unpaid.

CERTAIN PROVISIONS IN THE DECLARATION OF TRUST

General

The Declaration includes provisions that could limit the ability of other entities or persons to acquire control of the Fund.

The Declaration requires the majority of the Board to act in order to authorize certain Fund transactions not in the ordinary course of business, including a merger, reorganization, conversion, consolidation, sale, lease or exchange. Any such merger, reorganization, conversion, consolidation, sale, lease, or exchange shall not require the vote of the shareholders unless such vote is required by the 1940 Act, or unless such merger, reorganization, consolidation, or other transaction would result in an amendment of the Declaration which would otherwise require approval of shareholders. Also, the Declaration provides that the Fund may be terminated without shareholder approval with consent of a majority of the Board unless such approval is required by the 1940 Act.

The overall effect of these provisions is to render more difficult the accomplishment of a merger or the assumption of control of the Fund by a third-party. These provisions also provide, however, the advantage of potentially requiring persons seeking control of the Fund to negotiate with its management regarding the price to be paid and facilitating the continuity of the Fund's investment objective and policies. The Board has considered the foregoing anti-takeover provisions and concluded that they are in the best interests of the Fund and its shareholders, including Common Shareholders.

The foregoing is intended only as a summary, and is qualified in its entirety by reference to the full text of the Declaration. The Declaration is on file with the SEC as an exhibit to the Fund's registration statement, of which this SAI is a part.

Shareholder Liability

Under Delaware law, the shareholders of the Fund are not generally subject to liability for the debts or obligations of the Fund. However, no similar statutory or other authority limiting statutory trust shareholder liability exists in other states. As a result, to the extent that a Delaware statutory trust or a shareholder is subject to the jurisdiction of courts of such other states, the courts may not apply Delaware law and may thereby subject the Delaware statutory trust or shareholders to liability. To guard against this risk, the Declaration contains an express disclaimer of shareholder liability for acts or obligations of the Fund. The Declaration provides for indemnification by the Fund for all loss suffered and expense incurred by a shareholder arising from such liability. The Declaration also provides that the Fund shall, upon request by a shareholder, assume the defense of any claim made against the shareholder for any act or obligation of the Fund and satisfy any judgment thereon. In view of the above, the risk of personal liability of shareholders of a Delaware statutory trust is remote.

Liability of Trustees

The Declaration provides that the obligations of the Fund are not binding upon the Trustees of the Fund individually, but only upon the assets and property of the Fund. The Declaration provides further that a Trustee or officer shall be liable for his or her own willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of the office of Trustee or such duties of an officer. No provision of the Declaration, however, shall limit or eliminate any duty under the federal securities laws that a Trustee or officer owes to the Fund with respect to claims asserted under the federal securities laws.

Forum for Adjudication of Disputes

The Declaration provides that unless the Fund, at its sole discretion, selects and/or consents to an alternative forum for any claims, suits, actions or proceedings relating in any way to the Fund, that, in accordance with Section 3804(e) of the Delaware Statutory Trust Act, any suit, action, or proceeding brought by or in the right of any shareholder of the Fund, or any person claiming any interest in any shares of the Fund, or any Trustee or Fund officer, seeking to enforce any provision of, or based on any matter arising out of or in connection with, the Declaration, the Bylaws, the Fund, or any class or any shares, including any claim of any nature against the Fund, any class, the Trustees or officers of the Fund, shall be brought exclusively in the Court of Chancery of the State of Delaware to the extent there is subject matter jurisdiction in such court for the claims asserted or, if not, then in the Superior Court of the State of Delaware.

The Declaration provides, unless the Fund, at its sole discretion, selects and/or consents to an alternative forum for any claims, suits, actions or proceedings relating in any way to the Fund, any claims, suits, actions, or proceedings arising under the Securities Act of 1933, as amended, the 1940 Act, or other federal securities laws shall be exclusively brought in the federal district courts of the United States of America.

The Declaration further provides that each shareholder and other such persons claiming any interest in any shares of the Fund (i) irrevocably submits to the exclusive jurisdiction of such courts (and the appropriate appellate courts, therefrom) in connection with any such claim, suit, action, or proceeding, (ii) irrevocably agrees not to, and waives any right to, assert in any such claim, suit, action, or proceeding that (A) it is not personally subject to the jurisdiction of such courts or any other court to which proceedings in such courts may be appealed, (B) such claim, suit, action, or proceeding is brought in an inconvenient forum, or (C) the venue of such claim, suit, action, or proceeding is improper, (iii) consents to process being served in any such claim, suit, action, or proceeding by mailing, certified mail, return receipt requested, a copy thereof to such party at the address in effect for notices, and agrees that such service shall constitute good and sufficient service of process and notice thereof.

These forum selection provisions may limit a shareholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with Trustees, officers or other agents of the Fund and its service providers, which may discourage such lawsuits with respect to such claims and increase the costs for a shareholder to pursue such claims. If a court were to find the forum selection provisions contained in the Declaration to be inapplicable or unenforceable in an action, the Fund may incur additional costs associated with resolving such action in other jurisdictions.

Derivative and Direct Claims of Shareholders

The Declaration contains provisions regarding derivative and direct claims of shareholders. No person, other than a Trustee, who is not a shareholder of the Fund, shall be entitled to bring any derivative action, suit or other proceeding on behalf of or with respect to the Fund. Further, each complaining shareholder must have been a shareholder of the Fund at the time of the action or failure to act complained of, or acquired the shares afterwards by operation of law from a person who was a shareholder at that time and each complaining shareholder must be a shareholder of the Fund, as applicable, as of the time the written demand is made upon the Trustees. No shareholder may maintain a derivative action with respect to the Fund unless holders of at least ten percent (10%) of the outstanding shares of the Fund join in the bringing of such action. All matters relating to the bringing of derivative actions in the right of the Fund shall be governed by Article II Section 2.10 of the Declaration and Section 3816 of the Delaware Statutory Trust Act.

In addition to the requirements set forth in Section 3816 of the Delaware Statutory Trust Act, a shareholder may bring a derivative action on behalf of the Fund only if the following conditions are met: (a) the shareholder or shareholders must make a pre-suit written demand upon the Trustees to bring the subject action unless an effort to cause the Trustees to bring such an action is not likely to succeed; and a demand on the Trustees shall only be deemed not likely to succeed and therefore excused if a majority of the Trustees, or a majority of any committee established to consider the merits of such action, has a personal financial interest in the transaction at issue, and a Trustee shall not be deemed interested in a transaction or otherwise disqualified from ruling on the merits of a shareholder demand by virtue of the fact that such Trustee receives remuneration for his service as a Trustee of the Fund or as a trustee or director of one or more investment companies that are under common management with or otherwise affiliated with the Fund; and (b) unless a demand is not required under clause (a) of this paragraph, the Trustees must be afforded a reasonable amount of time to consider such shareholder request and to investigate the basis of such claim; and the Trustees shall be entitled to retain counsel or other advisers in considering the merits of the request and shall require an undertaking by the shareholders making such request to reimburse the Trust for the expense of any such advisers in the event that the Trustees determine not to bring such action.

The Trustees may designate a committee of one Trustee to consider a shareholder demand if necessary to create a committee with a majority of Trustees who do not have a personal financial interest in the transaction at issue. If the demand for derivative action has been considered by the Board, and a majority of those Trustees who are not deemed to be "interested persons" of the Fund (within the meaning of Section 2(a)(19) of the 1940 Act), after considering the merits of the claim, has determined that maintaining a suit would not be in the best interests of the Fund, the complaining shareholders shall be barred from commencing the derivative action. If upon such consideration the appropriate members of the Board determine that such a suit should be maintained, then the appropriate officers of the Fund shall commence initiation of that suit and such suit shall proceed directly rather than derivatively. The Board, or the appropriate officers of the Fund, shall inform the complaining shareholders of any decision reached under this paragraph in writing within ten business days of such decision having been reached.

These provisions in the Declaration regarding derivative and direct claims of shareholders shall not apply to claims made under federal securities laws.

Conversion To Open-End Fund

Conversion to an open-end company would require the approval of the holders of at least two-thirds of Common Shares, if issued in the future, outstanding at the time, voting together as a single class, and of the holders of at least two-thirds of the Preferred Shares, if issued in the future, outstanding at the time, voting as a separate class, provided, however, that such separate class vote shall be a majority vote if the action in question has previously been approved, adopted or authorized by the affirmative vote of two-thirds of the total number of trustees fixed in accordance with the Declaration of Trust or By-laws. See "Anti-Takeover and Other Provisions in the Declaration of Trust" in the Prospectus for a discussion of voting requirements applicable to conversion of the Fund to an open-end company. If the Fund converted to an open-end company, it would likely have to significantly reduce any leverage it is then employing, which may require a repositioning of its investment portfolio, which may in turn generate substantial transaction costs, which would be borne by Common Shareholders, and may adversely affect Fund performance and Fund distributions. 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 1940 Act) at their NAV, less such redemption charge, if any, as might be in effect at the time of redemption The Fund currently expects that any such redemptions would be made in cash. The Fund may charge sales or redemption fees upon conversion to an open-end fund. The Board of Trustees of the Fund may at any time propose conversion of the Fund to an open-end company depending upon its judgment as to the advisability of such action in light of circumstances then prevailing.

NET ASSET VALUE

Net asset value is determined as indicated under "How Fund Shares Are Priced" in the Prospectus. The Fund's net asset value will not be determined on the following holidays: New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion of U.S. federal income tax consequences of an investment in Common Shares of the Fund is based on the Code, U.S. Treasury regulations, court decisions, administrative interpretations 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 Common 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 Common Shares of the Fund. No attempt is made to present a detailed explanation of the tax treatment of an investment in the Fund or to shareholders, and the discussion here and in the Prospectus are not intended as a substitute for careful tax planning. There may be other tax considerations applicable to shareholders. For example, except as otherwise specifically noted herein, we have not described certain tax considerations that may be relevant to certain types of holders subject to special treatment under the U.S. federal income tax laws, including shareholders subject to the U.S. federal alternative minimum tax ("AMT"), insurance companies, tax-exempt organizations, pension plans and trusts, regulated investment companies ("RICs"), dealers in securities, shareholders holding Common Shares through tax-advantaged accounts (such as 401(k) plans or individual retirement accounts), financial institutions, shareholders holding Common 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 not U.S. shareholders. This summary assumes that investors hold Common Shares as capital assets (within the meaning of the Code). Prospective investors and shareholders should consult their own tax advisors regarding their situation and the possible U.S. federal, state, local, non-U.S. or other tax law consequences of an investment in the Fund's shares, and any proposed tax law changes.

A "U.S. shareholder" is a beneficial owner of Common Shares that is, for U.S. federal income tax purposes:

- a citizen or individual resident of the United States (including certain former citizens and former long term residents),
- a corporation or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United Stats or any state thereof or the District of Columbia,
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust with respect to which a court within the United States is able to exercise primary supervision over its administration and one or more United States persons (as such term is defined in the Code) has the authority to control all of its substantial decisions or the trust has made a valid election in effect under applicable Treasury regulations to be treated as a United States person (as such term is defined under the Code).

A "Non-U.S. shareholder" is a beneficial owner of Common Shares that is neither a U.S. shareholder nor a partnership, or entity or arrangement treated as a partnership for U.S. federal income tax purposes.

If a partnership, or an entity or arrangement otherwise treated as a partnership for U.S. federal income tax purposes, holds Common Shares, the tax treatment of a partner or owner of the partnership generally depends upon the status of the partner and the activities of the partnership. Prospective investors and shareholders who hold Common Shares through a partnership should consult their tax advisors with respect to the purchase, ownership and disposition of Common Shares.

Taxation of the Fund

The Fund intends to elect to be treated, and intends each year to qualify, as a RIC under Subchapter M of the Code. As a RIC, the Fund generally will not be subject to U.S. federal income tax on any income that the Fund timely distributes to its shareholders from the Fund's tax earnings and profits. In order to qualify for the special tax treatment accorded RICs 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, 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) (the "90% Gross Income Requirement"); (b) diversify its holdings so that, at the end of each quarter of each taxable year of the Fund, (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 RICs, 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 RICs) 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) (the "Asset Diversification Test"); and (c) timely distribute to its shareholders, with respect to each taxable year, at least 90% of (i) 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, its taxable ordinary income and the excess, if any, of net short-term capital gains over net long-term capital losses) and (ii) the excess of its gross tax-exempt interest income, if any, over certain disallowed deductions for such year (the "Annual Distribution Requirement").

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 RICs, 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 Asset Diversification Test described in paragraph (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 Asset Diversification Test in paragraph (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 Asset Diversification Test.

If the Fund qualifies as a RIC that is accorded special tax treatment, the Fund will generally not be subject to U.S. federal income tax on income or net capital gains (i.e., the excess of net long-term capital gain over net short-term capital loss) distributed in a timely manner to Common Shareholders in the form of dividends (including Capital Gain Dividends, as defined below). If the Fund were to fail to meet either the 90% Gross Income Requirement, the Asset Diversification Test, or the Annual Distribution Requirements described above, the Fund could in some cases cure such failure, including by paying the 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 federal 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 U.S. Shareholders as ordinary income. Some portions of such distributions may be eligible for the dividends-received deduction in the case of corporate U.S. shareholders and may be eligible to be treated as "qualified dividend income" in the case of U.S. shareholders taxed as individuals, provided, in both cases, that such U.S. shareholder meets certain holding period and other requirements in respect of the Common 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 generally be subject to U.S. federal income tax at the Fund level at regular corporate rates on the amount retained. 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 U.S. 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 Common 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, for U.S. federal income tax purposes, the Fund may generally carry net capital losses from any taxable year forward to subsequent taxable years to offset its own 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. If the Fund incurs or has incurred net capital losses, to the extent permitted by the Code and applicable U.S. Treasury regulations, those losses will be carried forward to one or more subsequent taxable years without expiration. The Fund must apply such carryforwards first against gains of the same character. Any such carryforward losses will retain their character as short-term or long-term. The Fund's available capital loss carryforwards, if any, will be set forth in its annual shareholder report for each fiscal year.

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 each calendar year at least an amount equal to the sum of 98% of its ordinary income for such calendar year (not taking into account any capital gains or losses) and 98.2% of its capital gain net income (reduced by certain ordinary losses) for the one-year period generally ending on October 31 of such calendar year (or November 30 or December 31 of that year if the Fund is permitted to elect and so elects), plus all ordinary income and capital gain net income retained from previous calendar years that were not distributed during such calendar year, the Fund would be subject to a nondeductible 4% federal excise tax on the undistributed amounts (the "Excise Tax Distribution Requirement"). For purposes of the Excise Tax Distribution Requirement, 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 under normal circumstances to generally make distributions sufficient to avoid imposition of the 4% federal excise tax, although there can be no assurance that it will be able to or will do so.

As noted previously, a Fund may invest in real estate mortgage investment conduits ("REMICs"). Under a notice issued by the IRS, a portion of a Fund's income from REMICs will be subject to U.S. federal income tax in all events. This notice also provides 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 REMIC directly. 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 UBTI (as defined below) to entities (including a qualified pension plan, an individual retirement account, 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 federal income tax return, to file 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. In addition, if at any time during any taxable year a "disqualified organization" (as defined by the Code) is a record holder of a share in a RIC, then the RIC will be subject to a tax equal to that portion of its excess inclusion income for the taxable year that is allocable to the disqualified organization, multiplied by the highest federal income tax rate imposed on corporations.

Fund Distributions

The Fund intends to declare income dividends quarterly and distribute them to Common Shareholders quarterly. Unless a shareholder elects otherwise, all distributions will be automatically reinvested in additional Common Shares of the Fund pursuant to the Fund's dividend reinvestment plan (the "Plan"). A U.S. shareholder whose distributions are reinvested in Common Shares under the Plan 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 Common Shares issued to the U.S. 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 below, whether a U.S. shareholder takes them in cash or they are reinvested pursuant to the Plan in additional shares of the Fund.

For U.S. federal income tax purposes, distributions of investment income other than exempt-interest dividends (described below) 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, her or its Common 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. U.S. federal income 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 U.S. shareholders as long-term capital gains includible in net capital gain and taxed to U.S. shareholders who are individuals at reduced rates relative to ordinary income. The IRS and the Department of the Treasury have issued regulations that would 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 net short-term capital gain (as reduced by any net long-term capital loss for the taxable year) will be taxable to U.S. shareholders as ordinary income.

Distributions by the Fund of investment company taxable income (including any short-term capital gains), whether received in cash or reinvested in shares of the Fund, will generally be taxable to a U.S. shareholder for federal income tax purposes as ordinary income. However, distributions of investment income reported by the Fund as "qualified dividend income" received by a U.S. shareholder who is an individual will be taxed at the reduced rates applicable to net capital gain. In order for some portion of the dividends received by a U.S. shareholder to be qualified dividend income, the Fund must meet holding period and other requirements with respect to some portion of the dividend-paying stocks in its portfolio and the U.S. shareholder must meet the same holding period and other requirements with respect to its Fund's shares. In general, a dividend will not be treated as qualified dividend income (at either the Fund or shareholder level) (1) if the dividend is received with respect to any share of stock held for fewer than 61 days during the 121-day period beginning on the date which is 60 days before the date on which such share becomes ex-dividend with respect to such dividend (or, in the case of certain preferred shares, 91 days during the 181-day period beginning 90 days before the date on which the stock becomes ex-dividend with respect to such dividend), (2) to the extent that the recipient is under an obligation (whether pursuant to a short sale or otherwise) to make related payments with respect to positions in substantially similar or related property, (3) if the recipient elects to have the dividend income treated as investment income for purposes of the limitation on deductibility of investment interest, or (4) if the dividend is received from a foreign corporation that is (a) not eligible for the benefits of a comprehensive income tax treaty with the United States (with the exception of dividends paid on stock of such a foreign corporation readily tradable on an established securities market in the United States) or (b) treated as a "passive foreign investment company" ("PFIC") or surrogate foreign corporation that is not treated as a domestic corporation.

In general, if certain holding period and other requirements are met at both the shareholder and Fund levels, dividends of net investment income received by corporate U.S. 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. 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 U.S. shareholders and will not be eligible for the dividends-received deduction for corporate U.S. shareholders. Similarly, any distribution of income that is attributable to (i) income received by the Fund in lieu of tax-exempt interest with respect to securities on loan or (ii) tax-exempt interest received by the Fund on tax-exempt 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 an exempt-interest dividend to U.S. shareholders.

Subject to any future regulatory guidance to the contrary, any distribution of income attributable to qualified publicly traded partnership income from the Fund's investment in a master limited partnership will ostensibly not qualify for the deduction that would be available to a non-corporate U.S. shareholder were the U.S. shareholder to own such master limited partnership directly.

Certain distributions reported by the Fund as Section 163(j) interest dividends may be treated as interest income by shareholders for purposes of the interest expense limitations under Code Section 163(j). Such treatment by a shareholder is generally subject to holding period requirements and other potential limitations, although the holding period requirements are generally not applicable to dividends declared by money market funds and certain other funds that declare dividends daily and pay such dividends on a monthly or more frequent basis. The amount that the Fund is eligible to report as a Section 163(j) dividend for a tax year is generally limited to the excess of the Fund's business interest income over the sum of the Fund's (i) business interest expense and (ii) other deductions properly allocable to the Fund's business interest income. The Fund may choose not to designate Section 163(j) interest dividends.

The Code generally imposes a 3.8% Medicare contribution tax on the net investment income of certain U.S. shareholders that are individuals, trusts and estates to the extent their "modified adjusted gross income" (in the case of an individual) or "adjusted gross income" (in the case of an estate or trust) 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 (other than exempt-interest dividends, described below) 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 first be treated as a return of capital to the extent of (and in reduction of) a shareholder's tax basis in his, her or its Common Shares, and thereafter any such amount in excess of that basis will be treated as capital gain. A return of capital distribution is not taxable, but it reduces the shareholder's basis in his, her or its shares, thus reducing any capital loss or increasing any capital gain on a subsequent taxable disposition by the shareholder of such shares. The U.S. federal income tax status of all distributions will be reported to shareholders annually.

Distributions are generally taxable for U.S. federal income tax purposes to U.S. shareholders at the time the dividend or distribution is made. A distribution by the Fund will be treated for U.S. federal income tax purposes as paid on December 31 of any calendar year if it is declared by the Fund in October, November, or December of such calendar year to shareholders of record during one of those months and paid by the Fund during January of the following calendar year. Such distributions will be taxable for U.S. federal income tax purposes to U.S. shareholders in the calendar year in which the distributions are declared, rather than the calendar year in which the distributions are received.

As required by federal law, detailed U.S. federal income tax information with respect to each calendar year will be furnished to shareholders early in the succeeding year.

Dividends and distributions on Common 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 Common 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.

Exempt-Interest Dividends

The Fund will be qualified to pay dividends that pass through the character of exempt interest earned by the Fund ("exempt-interest dividends") to its shareholders if, at the close of each quarter of the Fund's taxable year, at least 50% of the total value of the Fund's assets consists of obligations the interest on which is exempt from federal income tax under Section 103(a) of the Code. Distributions that the Fund reports as exempt-interest dividends are treated as interest excludable from shareholders' gross income for federal income tax purposes but may be taxable for U.S. federal AMT purposes and for state and local purposes.

Part or all of the interest on indebtedness, if any, incurred or continued by a shareholder to purchase or carry shares of the Fund paying exempt-interest dividends is not deductible. The portion of interest that is not deductible is equal to the total interest paid or accrued on the indebtedness, multiplied by the percentage of the Fund's total distributions (not including distributions from net long-term capital gains) paid to the shareholder that are exempt-interest dividends. Under rules used by the IRS to determine when borrowed funds are considered used for the purpose of purchasing or carrying particular assets, the purchase of shares may be considered to have been made with borrowed funds even though such funds are not directly traceable to the purchase of shares.

A shareholder who receives Social Security or railroad retirement benefits should consult his or her tax adviser to determine what effect, if any, an investment in the Fund may have on the federal taxation of such benefits. Exempt-interest dividends generally are included in income for purposes of determining the amount of benefits that are taxable.

In general, exempt-interest dividends, if any, attributable to interest received on certain private activity obligations and certain industrial development bonds will not be tax-exempt to any shareholders who are "substantial users" of the facilities financed by such obligations or bonds or who are "related persons" of such substantial users.

The Fund will notify its shareholders in a written statement of the portion of distributions for the taxable year that constitutes exempt-interest dividends.

Exempt-interest dividends may be taxable for purposes of the U.S. federal AMT. For individual shareholders, exempt-interest dividends that are derived from interest on private activity bonds that are issued after August 7, 1986 (other than a "qualified 501(c)(3) bond," as such term is defined in the Code) generally must be included in an individual's tax base for purposes of calculating the shareholder's liability for U.S. federal AMT.

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 (i) 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 and (ii) generally will be disallowed to the extent of any exempt-interest dividends 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 U.S. 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 U.S. shareholder provided that (i) the U.S. shareholder tenders, and the Fund repurchases, all of such U.S. shareholder's shares, thereby reducing the U.S. shareholder's percentage ownership of the Fund, whether directly or by attribution under Section 318 of the Code, to 0%, (ii) the U.S. 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 U.S. 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 U.S. 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 U.S. shareholder after the repurchase offer (a "Section 301 distribution"). The amount of this distribution will equal the price paid by the Fund to such U.S. 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 U.S. shareholder's tax basis in the shares held after the repurchase offer, and thereafter as capital gain. In the event a repurchase is treated as a Section 301 distribution, any Fund shares held by a shareholder thereafter will be subject to basis adjustments in accordance with the provisions of the Code.

Provided that no tendering U.S. shareholder is treated as receiving a Section 301 distribution as a result of selling shares pursuant to a particular repurchase offer, U.S. 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 U.S. 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, Preferred Securities, and Commodity-Linked Notes

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. Generally, the amount of the original issue discount ("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, (i) 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, (ii) 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 obligations in the Fund's income (as ordinary income) and thus distribute it over the term of the debt obligations, even though payment of that amount is not received until a later time, upon partial or full repayment or disposition of the debt obligations and (iii) 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.

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, and commodity-linked notes may, 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 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.

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 Fund may elect to amortize the premium over the remaining term of the bond which election would apply to all bonds (other than bonds the interest on which is excludible from gross income for U.S. federal income tax purposes) held by the Fund. In the case of a taxable bond, if the Fund makes such election, 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, the Fund is permitted to deduct any remaining premium allocable to a prior period. If the Fund does not elect to take bond premium into account currently, it will recognize a capital loss when the bond matures. In the case of a tax-exempt bond, tax rules require the Fund to reduce its tax basis by the amount of amortized premium.

Options, Futures, and Forward Contracts, Swap Agreements, and Other Derivatives

In general, option premiums received by the Fund are not immediately included in the income of the Fund. Instead, the premiums are recognized when the option contract expires, the option is exercised by the holder, or the Fund transfers or otherwise terminates the option (e.g., through a closing transaction). If a call option written by the Fund is exercised and the Fund sells or delivers the underlying stock, the Fund generally will recognize capital gain or loss equal to (a) the sum of the strike price and the option premium received by the Fund minus (b) the Fund's basis in the stock. Such gain or loss generally will be short-term or long-term depending upon the holding period of the underlying stock. If securities are purchased by the Fund pursuant to the exercise of a put option written by it, the Fund will generally subtract the premium received for purposes of computing its cost basis in the stock purchased. Gain or loss arising in respect of a termination of the Fund's obligation under an option other than through the exercise of the option will be short-term capital gain or loss depending on whether the premium income received by the Fund is greater or less than the amount paid by the Fund (if any) in terminating the transaction. Thus, for example, if an option written by the Fund expires unexercised, the Fund generally will recognize short-term capital gain equal to the premium received.

The Fund's options activities may include transactions constituting straddles for U.S. federal income tax purposes, that is, that trigger the U.S. federal income tax straddle rules contained primarily in Section 1092 of the Code. Such straddles include, for example, positions in a particular security, or an index of securities, and one or more options that offset the former position, including options that are "covered" by the Fund's long position in the subject security. Very generally, where applicable, Section 1092 requires (i) that losses be deferred on positions deemed to be offsetting positions with respect to "substantially similar or related property" to the extent of unrealized gain in the latter, and (ii) that the holding period of such a straddle position that has not already been held for the long-term holding period be terminated and begin anew once the position is no longer part of a straddle. Options on single stocks that are not "deep in the money" may constitute qualified covered calls, which generally are not subject to the straddle rules; the holding period on stock underlying qualified covered calls that are "in the money" although not "deep in the money" will be suspended during the period that such calls are outstanding. Thus, the straddle rules and the rules governing qualified covered calls could cause gains that would otherwise constitute long-term capital gains to be treated as short-term capital gains, and distributions that would otherwise constitute "qualified dividend income" or qualify for the dividends-received deduction to fail to satisfy the holding period requirements and therefore to be taxed as ordinary income or to fail to qualify for the dividends received deduction, as the case may be.

The tax treatment of certain positions entered into by the Fund, including regulated futures contracts, certain foreign currency positions and certain listed non-equity options, 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.

Derivatives, Hedging and Other Transactions

In addition to the special rules described above in respect of futures and options transactions, the Fund's transactions in other derivatives instruments (e.g., forward contracts and swap agreements), as well as any of its hedging, short sale, securities loan or similar transactions may be subject to one or more special tax rules (e.g., notional principal contract, straddle constructive sale, straddle, wash sale and short sale 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.

Commodities and Commodity-Linked Instruments

The Fund's investments in commodities and commodity-linked instruments, if any, will potentially be limited by the Fund's intention to qualify as a RIC, and will potentially limit the Fund's ability to so qualify. Income and gains from commodities and certain commodity-linked instruments do not constitute qualifying income to a RIC for purposes of the 90% gross income test described above. In addition, the tax treatment of some other commodity-linked instruments in which the Fund might invest is not certain, in particular with respect to whether income or gains from such instruments constitute qualifying income to a RIC. If the Fund were to treat income or gain from a particular instrument as qualifying income and the income or gain were later determined not to constitute qualifying income, and, together with any other nonqualifying income, caused the Fund's nonqualifying income to exceed 10% of its gross income in any taxable year, the Fund would fail to qualify as a RIC unless it is eligible to and does pay a tax at the Fund level.

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, 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 (including earnings and profits arising from tax-exempt income), (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.

Short Sales

If the Fund participates in a short sale and, on the date of such short sale, the Fund either (i) does not hold securities substantially identical to those sold short or (ii) has held such substantially identical securities for one year or less, the character of gain or loss realized on such a short sale generally will be short-term. If the Fund participates in a short sale and, on the date of such short sale, the Fund has held substantially identical securities for more than one year, the character of gain realized on such short sale will be determined by reference to the Fund's holding period in the property actually used to close the short sale; the character of loss realized on such short sale generally will be long term, regardless of the holding period of the securities actually used to close such short sale. Because net short-term capital gain (after reduction by any long-term capital loss) is generally taxed at ordinary income rates, the Fund's short sale transactions can increase the percentage of the Fund's gains that are taxable to shareholders as ordinary income.

Tax-Exempt Shareholders

Income of a RIC that would be unrelated business taxable income ("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).

Non-U.S. Shareholders

Distributions by the Fund to Non-U.S. shareholders properly reported by the Fund as (1) Capital Gain Dividends, (2) short-term capital gain dividends, (3) interest-related dividends, each as defined and subject to certain conditions described below, or (4) exempt-interest dividends generally are not subject to withholding of U.S. federal income tax (except that exempt-interest dividends may be subject to backup withholding).

Special rules (including withholding and reporting requirements) apply to partnerships and those holding Fund shares through partnerships. Such investors shall consult with their tax advisers concerning the consequences of investing in the Fund.

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 Non-U.S. 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 distributions to an individual Non-U.S. shareholder who is present in the United States for a period or periods aggregating 183 days or more during the year of the distribution. 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 Non-U.S. shareholders. The exception to withholding for interest-related dividends does not apply to distributions to a Non-U.S. shareholder (A) that has not provided a satisfactory statement that the beneficial owner is not a United States person (as such term is defined under the Code), (B) to the extent that the dividend is attributable to certain interest on an obligation if the Non-U.S. 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 Non-U.S. shareholder and the Non-U.S. shareholder is a controlled foreign corporation for tax purposes.

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.

Non-U.S. shareholders should contact their intermediaries regarding the application of withholding rules to their accounts.

Distributions by the Fund to Non-U.S. shareholders other than Capital Gain Dividends, short-term capital gain dividends, interest-related dividends or exempt-interest 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 a lower rate under an applicable income tax treaty).

A Non-U.S. 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 Non-U.S. shareholder of a trade or business within the United States, or (ii) in the case of a Non-U.S.

shareholder that is an individual, such 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.

Non-U.S. shareholders with respect to whom income from the Fund is effectively connected with a trade or business conducted by the Non-U.S. 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 Non-U.S. 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 such shareholder in the United States. More generally, Non-U.S. 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.

Non-U.S. 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.

For a Non-U.S. 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 Non-U.S. 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). Non-U.S. shareholders should consult their tax advisors in this regard.

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 Non-U.S. 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.

Backup Withholding

The Fund is generally required to withhold and remit the legally required backup withholding amount (currently a flat rate of 24%) of taxable distributions, sales proceeds, redemption proceeds, if any, and any other payments paid to any individual shareholder who fails to properly furnish the Fund with a correct taxpayer identification number or social security number, who has under-reported dividend or interest income, or who is otherwise subject to backup withholding. In certain circumstances, the IRS may also require the Fund to backup withhold even when an appropriate taxpayer number or social security number has been provided or certified. The backup withholding rules may also apply to distributions that are properly reported as exempt-interest dividends. 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 timely furnished to the IRS.

Tax Shelter Reporting Regulations

Under 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, the shareholder must file with the IRS a disclosure statement on IRS Form 8886. Direct shareholders of portfolio securities are in many cases excepted from this reporting requirement, but under current guidance, shareholders of a RIC are not excepted. Future guidance may extend the current exception from this reporting requirement to shareholders of most or all RICs. The fact that a loss is reportable under these regulations does not affect the legal determination of whether the taxpayer’s treatment of the loss is proper. Shareholders should consult their tax 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 the Department of Treasury have issued proposed regulations providing that these withholding rules will not apply to the gross proceeds of share repurchases or Capital Gain Dividends the Fund pays, which can be relied on currently. 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 Non-U.S. shareholders described above (e.g., short-term capital gain dividends and interest-related dividends).

Shareholders that are United States 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).

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.

PERFORMANCE RELATED AND COMPARATIVE INFORMATION

The Fund may quote certain performance-related information and may compare certain aspects of its portfolio and structure to other substantially similar closed-end funds as categorized by Broadridge Financial Solutions, Inc. ("Broadridge"), Morningstar Inc. or other independent services. Comparison of the Fund to an alternative investment should be made with consideration of differences in features and expected performance. The Fund may obtain data from sources or reporting services, such as Bloomberg Financial and Broadridge, which the Fund believes to be generally accurate.

The Fund, in its advertisements, may refer to pending legislation from time to time and the possible effect of such legislation on investors, investment strategy and related matters. At any time in the future, yields and total return may be higher or lower than past yields and there can be no assurance that any historical results will continue.

Past performance is not indicative of future results. At the time Common Shareholders sell their shares or have them repurchased by the Fund, they may be worth more or less than their original investment.

CUSTODIAN, TRANSFER AGENT AND DIVIDEND DISBURSEMENT AGENT

The custodian of the assets of the Fund is U.S. Bank National Association (the "Custodian"), 1555 North Rivercenter Drive, Suite 302, Milwaukee, Wisconsin 53212. The Custodian holds and administers the assets in the Fund's portfolio.

U.S. Bancorp Fund Services, LLC, doing business as U.S. Bank Global Fund Services ("Fund Services"), 615 East Michigan Street, Milwaukee, Wisconsin 53202, serves as the Fund's transfer agent, dividend disbursement agent and shareholder servicing agent, as well as agent for the Plan. Fund Services also serves as the Fund's administrator, providing the Fund with administrative and management services (other than investment advisory services) and accounting services, including portfolio accounting services, tax accounting services, and furnishing financial reports. In this capacity, Fund Services does not have any responsibility or authority for the management of the Fund, the determination of investment policy, or for any matter pertaining to the distribution of Common Shares.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Cohen & Company, Ltd., located at 1835 Market Street, Suite 310, Philadelphia, Pennsylvania 19103, serves as the independent registered public accounting firm for the Fund. Its services include auditing the Fund's financial statements. Cohen & Co Advisory, LLC, an affiliate of Cohen & Company, Ltd., provides tax services to the Fund as requested.

COUNSEL

Vedder Price P.C., 222 N La Salle St, Chicago, IL 60601, passes upon certain legal matters in connection with shares offered by the Fund, and also acts as counsel to the Fund.

REGISTRATION STATEMENT

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

FINANCIAL STATEMENTS

The Fund is new and has no performance history as of the date of this SAI. Financial information therefore is not yet available. The audited financial statements, financial highlights and notes thereto and the independent registered public accounting firm's report thereon appearing in the Fund's annual report, once issued, will be incorporated herein by reference in this SAI. Once available, incorporated materials not delivered with the SAI may be obtained, without charge, by calling 1-855-965-5812, by writing to the Fund at LibreMax Asset-Backed Income Fund, c/o U.S. Bank Global Fund Services P.O. Box 219252 Kansas City, Missouri 64121-9252 or by visiting the Fund's website at www.libremax.com.

Prior to commencement of investment operations, the Private Funds will be reorganized into the Fund. The Private Funds' audited financial statements for the year ended December 31, 2024 are attached hereto as Appendix B. The audited financial statements of the Private Funds have been audited by Ernst & Young Ltd., the independent auditor for the Private Funds. The audited financial statements of the offshore feeder funds (LibreMax Structured Opportunities Offshore Partners I, LP and Subsidiaries and LibreMax Structured Opportunities Offshore Partners II, LP and Subsidiaries) have been audited by Ernst & Young Ltd., the independent auditor for the offshore feeder funds. The audited financial statements of the onshore feeder funds (LibreMax Structured Opportunities Partners I, LP and LibreMax Structured Opportunities Partners II, LP) have been audited by Ernst & Young LLP, the independent auditor for the onshore feeder funds.

Unaudited financial statements for the period ended December 31, 2025 for the Private Funds, including unaudited financial statements for the onshore feeder funds and offshore feeder funds, are also attached hereto as Appendix C.

APPENDIX A

PROCEDURES FOR SHAREHOLDERS TO SUBMIT TO NOMINEE CANDIDATES

(Appendix A to the Fund's Nominating and Governance Committee Charter)

A shareholder of a Fund must follow the following procedures to submit properly a nominee recommendation for the Committee's consideration.

1. The shareholder must submit any such recommendation (a "Shareholder Recommendation") in writing to a Fund, to the attention of the Secretary, at the address of the principal executive offices of the Fund. Once each quarter, if any Shareholder Recommendations have been received by the Secretary during the quarter, the Secretary will inform the Committee of the new Shareholder Recommendations. Because the Fund does not hold annual or other regular meetings of shareholders for the purpose of electing Trustees, the Committee will accept Shareholder Recommendations on a continuous basis.

2. All Shareholder Recommendations properly submitted to a Fund will be held by the Secretary until such time as (i) the Committee convenes to consider candidates to fill Board vacancies or newly created Board positions (a "Trustee Consideration Meeting") or (ii) the Committee instructs the Secretary to discard a Shareholder Recommendation following a Trustee Consideration Meeting or an Interim Evaluation (as defined below).

3. At a Trustee Consideration Meeting, the Committee will consider each Shareholder Recommendation then held by the Secretary. Following a Trustee Consideration Meeting, the Committee may instruct the Secretary to discard any or all of the Shareholder Recommendations currently held by the Secretary.

4. The Committee may, in its discretion and at any time, convene to conduct an evaluation of validly submitted Shareholder Recommendations (each such meeting, an "Interim Evaluation") for the purpose of determining which Shareholder Recommendations will be considered at the next Trustee Consideration Meeting. Following an Interim Evaluation, the Committee may instruct the Secretary to discard any or all of the Shareholder Recommendations currently held by the Secretary.

5. The Shareholder Recommendation must include: (i) a statement in writing setting forth (A) the name, date of birth, business address, residence address and nationality of the person recommended by the shareholder (the "candidate"); (B) the number of shares of (and class, if any) of the Fund(s) owned of record or beneficially by the candidate, as reported to such shareholder by the candidate; (C) any other information regarding the candidate called for with respect to director nominees by paragraphs (a), (d), (e) and (f) of Item 401 of Regulation S-K or paragraph (b) of Item 22 of Rule 14a-101 (Schedule 14A) under the Exchange Act, adopted by the Securities and Exchange Commission (or the corresponding provisions of any regulation or rule subsequently adopted by the Securities and Exchange Commission or any successor agency applicable to the Trust); (D) any other information regarding the candidate that would be required to be disclosed if the candidate were a nominee in a proxy statement or other filing required to be made in connection with the election of Trustees or directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder; and (E) whether the recommending shareholder believes that the candidate is or will be an "interested person" of the Fund (as defined in the Investment Company Act of 1940, as amended) and, if not an "interested person," information regarding the candidate that will be sufficient for the Fund to make such determination; (ii) the written and signed consent of the candidate to be named as a nominee and to serve as a Trustee if elected; (iii) the recommending shareholder's name as it appears on the Fund's books; (iv) the number of shares (and class, if any) of the Fund(s) owned beneficially and of record by the recommending shareholder; and (v) a description of all arrangements or understandings between the recommending shareholder and the candidate and any other person or persons (including their names) pursuant to which the recommendation is being made by the recommending shareholder. In addition, the Committee may require the candidate to furnish such other information as it may reasonably require or deem necessary to determine the eligibility of such candidate to serve on the Board or to satisfy applicable law.

APPENDIX B

Audited Financial Statements of Structured Opportunities Fund I and Structured Opportunities Fund II

December 31, 2024

FINANCIAL STATEMENTS

LibreMax Structured Opportunities Partners I, LP
Year Ended December 31, 2024
With Report of Independent Auditors

LibreMax Structured Opportunities Partners I, LP

Financial Statements

Year Ended December 31, 2024

Contents

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Report of Independent Auditors

The General Partner
LibreMax Structured Opportunities Partners I, LP

Opinion

We have audited the financial statements of LibreMax Structured Opportunities Partners I, LP (the “Partnership”), which comprise the statement of financial condition as of December 31, 2024, and the related statements of operations, changes in partners’ capital, and cash flows for the year then ended, and the related notes (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Partnership at December 31, 2024, and the results of its operations, changes in its partners’ capital and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Partnership and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership’s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Shape the future with confidence

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Ernst + Young LLP

March 31, 2025

LibreMax Structured Opportunities Partners I, LP

Statement of Financial Condition

December 31, 2024
(Expressed in US Dollars)

Assets		
Investment in LibreMax Structured Opportunities Fund		
(the "Master Funds"), at fair value	$	118,313,664
Cash and cash equivalents		66,733
Distributions receivable from Master Funds		16,935,856
Total assets		135,316,253
Liabilities and Partners' Capital		
Distributions payable		16,935,856
Due to Master Funds		74,462
Professional fees payable		18,800
Total liabilities		17,029,118
Partners' Capital		
Limited partners		118,287,135
Total partners' capital		118,287,135
Total liabilities and partners' capital	$	135,316,253

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund.

LibreMax Structured Opportunities Partners I, LP

Statement of Operations

Year Ended December 31, 2024
(Expressed in US Dollars)

Net realized and change in unrealized gain/(loss) on investment transactions allocated from Master Funds		
Net realized gain on investment transactions	$ 1,343,887	
Net realized loss on derivative contracts	(668,304)	
Net change in unrealized gain on investment transactions	4,699,838	
Net change in unrealized gain on derivative contracts	485,703	
Net gain on investment transactions		$ 5,861,124
Investment income allocated from Master Funds		
Interest income	13,977,484	
Dividend income	113,657	
Total investment income allocated from Master Funds	14,091,141	
Expenses allocated from Master Funds		
Management fee	813,001	
Deal legal expense	644,484	
Interest expense	502,629	
Professional fees	217,816	
Market data expense	51,343	
Other expenses	145,251	
Carried interest	2,186,049	
Total expenses	4,560,573	
Net investment income allocated from Master Funds before Partnership expenses	9,530,568	
Partnership expenses		
Professional fees and other expenses	24,792	
Total Partnership expenses	24,792	
Net investment income		9,505,776
Net income		$ 15,366,900

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund.

LibreMax Structured Opportunities Partners I, LP

Statement of Changes in Partners' Capital

Year Ended December 31, 2024
(Expressed in US Dollars)

	Limited Partners	**General Partner**	**Total**
Partners' capital at beginning of year	$ 137,761,864	$ —	$ 137,761,864
Distributions	(34,841,629)	—	(34,841,629)
Allocation of net income:			
Pro-rata income	15,366,900	—	15,366,900
Partners' capital at end of year	$ 118,287,135	$ —	$ 118,287,135

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund.

LibreMax Structured Opportunities Partners I, LP

Statement of Cash Flows

Year Ended December 31, 2024
(Expressed in US Dollars)

Cash flows from operating activities		
Net income	$	15,366,900
Adjustments to reconcile net income to net cash provided by operating activities:		
Net income allocated from Master Funds		(15,391,692)
Sales of investment in Master Funds		17,952,499
Net change in operating assets and liabilities:		
Due to Master Funds		(16,787)
Professional fees payable		(4,487)
Net cash provided by operating activities		17,906,433
Cash flows from financing activities		
Payments for distributions, net of distributions payable		(17,905,773)
Net cash used in financing activities		(17,905,773)
Net change in cash and cash equivalents		660
Cash and cash equivalents at beginning of year		66,073
Cash and cash equivalents at end of year	$	66,733

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund.

1. Organization

LibreMax Structured Opportunities Partners I, LP (the "Partnership") was organized as a Delaware limited partnership on May 14, 2021 and commenced operations on August 18, 2021. The Partnership and LibreMax Structured Opportunities Offshore Partners I, LP (the "Offshore Fund") invest substantially all of their investable assets through a "master-feeder" structure in LibreMax Structured Opportunities Master Fund I, LP. (the "Non-ECI Master Fund"), a Cayman Islands exempted limited partnership, and LibreMax Structured Opportunities (ECI) Master Fund I, LP, a Delaware limited partnership (the "ECI Master Fund" and together with the Non-ECI Master Fund, the "Master Funds").

The general partner of the Partnership is LibreMax GP, LLC (the "General Partner"), a Delaware limited liability company and an affiliate of LibreMax Capital, LLC (the "Investment Manager").

The Partnership's investment objective, through its investment in the Master Funds, is to generate attractive returns through investments in a variety of securitized and structured financial products and credit-related investments. To achieve the Master Funds' objectives, the Investment Manager employs an extensive micro-credit analysis and a rigorous underwriting process that complements a thematic macro approach to portfolio construction. The Investment Manager believes that a strategy based on the foregoing investment process will generate attractive returns. The Partnership's term commenced on the Initial Closing and, unless sooner dissolved pursuant to the Partnership Agreement, will continue until the final termination of the Harvest Period. The "Harvest Period" means the period commencing on the expiration or termination of the Investment Period (defined below) and ending on the fourth anniversary thereof (or such earlier date as may be determined by the General Partner, in its sole discretion, upon ten (10) business days' prior written notice to the Limited Partners); provided, however, that the Harvest Period may be extended twice by the General Partner, in its sole discretion, up to one year for each extension, upon at least thirty (30) days' prior notice to the Limited Partners prior to the expiration of the Harvest Period. At the end of the term of the Partnership, the General Partner will formally wind up and dissolve the Partnership. Partners will be required to fund their Capital Commitments during the investment period, which will commence on the Initial Closing and end on the eighth month end following the Initial Closing or at such earlier time as the General Partner may determine in accordance with the terms set forth in the Partnership Agreement (the "Investment Period"). After the Investment Period, the Partners will be released from any further obligations with respect to their Capital Commitments, except to (1) fund a pending Capital Call Notice (defined below) received by the Partners prior to the end of the Investment Period; (2) fund an investment for up to six months after the end of the Investment Period that the Partnership has committed to in writing prior to the termination of the Investment Period; (3) fund an investment for up to

1. Organization (continued)

six months after the end of the Investment Period that was under active consideration by the Partnership prior to the end of the Investment Period pursuant to a written memorandum of understanding or letter of intent, whether or not binding; (4) pay for the Management Fee, Tax Distributions and actual or anticipated expenses (for the sake of clarity, excluding, without limitation, any obligation with respect to the acquisition of an investment which is not contemplated in clauses (1) – (3) above or (6) below) and to pay down the Master Funds' financing obligations, whether incurred before or after the end of the Investment Period (including amounts relating to any Commitment Facility); (5) engage in hedging or financing transactions with respect to the Master Funds' portfolio investments (which hedging or financing transactions will not be deemed to be portfolio investments); and (6) fund any investment that the General Partner, in its sole discretion, believes is appropriate or necessary for the Master Funds to make to preserve, protect or enhance an existing investment (each such investment made pursuant to this clause (6) after the end of the Investment Period, a "Follow-On Investment"); provided that the Follow-On Investments will not exceed 25% of Capital Commitments.

At the end of the Investment Period, the General Partner will disclose to all Limited Partners the amounts reserved for any unfunded investments along with a list of any actively considered investments, pursuant to clauses (1) – (3) of the preceding paragraph and any Follow-on Investments pursuant to clause (6) of the preceding paragraph.

LibreMax Capital, LLC, a Delaware limited liability company, serves as the Investment Manager to the Partnership and provides certain administrative services and investment management services to the Partnership. The Investment Manager also serves as investment manager to the Master Funds and the Offshore Fund. The Investment Manager is registered as an investment adviser with the Securities and Exchange Commission under the Investment Advisers Act of 1940.

International Fund Services (N.A.), L.L.C. (the "Administrator"), a subsidiary of State Street Alternative Investment Solutions, was appointed as the administrator for the Master Funds and the Partnership. The Administrator also acts as the transfer agent for the Master Funds and the Partnership. For the year ended December 31, 2024, the administration fee was $1,340, which is included in professional fees and other expenses on the Statement of Operations.

The General Partner is responsible for the supervision of the Partnership's partners' capital calculation, investment policy, valuation policy, performance of the Partnership, and to supervise the conduct of its affairs. The General Partner has delegated certain of these responsibilities to the Investment Manager and the Administrator. The General Partner is responsible for the supervision of the Investment Manager and the Administrator.

Capitalized terms used but not defined herein shall have the meaning assigned to them in the Partnership's offering memorandum.

2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Partnership in the preparation of its financial statements. The policies followed by the Master Funds are discussed in the notes to the Master Funds' combined financial statements which are attached hereto and should be read in conjunction with these financial statements.

Basis of Accounting

The Partnership's accounting policies are in conformity with accounting principles generally accepted in the United States of America. The Partnership maintains its financial records in United States dollars. The Partnership is an investment company that follows the accounting and reporting guidance of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") No. 946, *"Financial Services - Investment Companies"*. For financial reporting purposes, the Partnership follows the accrual method of accounting.

Investment Valuation

The Partnership's investment in the Master Funds is valued at fair value, which is represented by the Partnership's proportionate interest in the partners' capital of the Master Funds. The performance of the Partnership is directly affected by the performance of the Master Funds. Attached are the audited combined financial statements of the Master Funds, including the Combined Condensed Schedule of Investments, which are an integral part of these financial statements. Valuation of investments held by the Master Funds are discussed in the notes to the Master Funds' combined financial statements. At December 31, 2024, the Partnership owned 75.18% of the Master Funds' partners' capital.

Investment Transactions, Income and Expenses

The Partnership records monthly its proportionate interest of the Master Funds' income, expenses, and realized and unrealized gains and losses. In addition, the Partnership accrues its own income and expenses. The Partnership records contributions and distributions related to its investment in the Master Funds on the transaction date. Expenses relating to the Partnership, as outlined in the confidential offering memorandum, are expensed as incurred.

Cash and Cash Equivalents

Cash and cash equivalents include short-term investments with a maturity of three months or less when purchased. Cash is held at a bank that is affiliated with the Administrator. At December 31, 2024, the Partnership held $66,733 in cash. At December 31, 2024, there were no cash equivalents. Cash is held with financial institutions which may exceed insured limits. Cash deposited with banks is subject to credit risk, to the extent it is not covered by Federal Deposit Insurance Corporation ("FDIC") insurance limits. In the event of a financial institution's insolvency, the Partnership may be unable to recover some or all of its cash balances that are not covered by FDIC.

2. Summary of Significant Accounting Policies (continued)

Fair Value of Financial Instruments

The fair value of the Partnership's assets and liabilities which qualify as financial instruments under FASB guidance approximates the carrying amounts presented in the Statement of Financial Condition.

Income Taxes

The Partnership is not subject to federal, state or local taxes. Accordingly, no provision has been made in the accompanying financial statements for federal, state or local taxes. Each partner separately takes into account, on its tax return, its share of the income, gains, losses, deductions or credits for the Partnership's taxable income/loss whether or not any distribution is made to any partner.

ASC 740, *"Income Taxes"*, provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. The standard requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Partnership's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet a more-likely-than-not threshold would be recorded as a tax expense. For all open periods from August 18, 2021 (commencement of operations) to December 31, 2024, the Partnership remains subject to examination by U.S. Federal and state jurisdictions where the Partnership makes investments. As a result of such evaluation by management, no income tax liability or expense, including penalties and interest, has been recorded in the accompanying financial statements.

Management has performed an analysis of the Partnership's material tax positions and has determined that such positions meet a more-likely-than-not standard. Accordingly, no tax expense was recorded for the year ended December 31, 2024. The General Partner is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecorded taxes will significantly change in the next twelve months. The General Partner continually reviews the Partnership's tax positions and such conclusions under the FASB guidance to determine if a liability should be recorded based on ongoing analyses of tax laws and regulations and interpretations thereof and other factors.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilized in preparing the financial statements are reasonable and prudent; however, actual results could differ from those estimates.

3. Allocation of Net Income or Net Loss

At the end of each accounting period, any net capital appreciation or net capital depreciation of the Partnership is allocated to each capital account of each partner (including the General Partner) in proportion to the opening balance of such capital account for such accounting period.

4. Related Party Transactions

Management Fee

Pursuant to the investment management agreement, the Master Funds pay the Investment Manager a monthly management fee in advance equal to 0.125% (1.50% per annum) of the partners' capital of the Partnership on the first business day of each month (the "Management Fee"). The Management Fee is paid and collected by the Master Funds on behalf of the Partnership. The Management Fee for the year ended December 31, 2024 amounted to $813,001.

The Investment Manager may waive or modify the Management Fee with respect to certain persons who are members, employees, or affiliates of the Investment Manager, relatives of such persons, and for certain large or strategic investors.

Affiliated Party Ownership

As of December 31, 2024, parties affiliated with the Investment Manager and General Partner held $744,478 or 0.63% of the Partnership's limited partners' capital.

5. Partners' Capital

Committed Capital

The initial closing of the sale of Interests took place on August 18, 2021, agreed to by the General Partner. Income will be allocated to the partners pro-rata based on each partner's capital commitment to the Partnership.

As of December 31, 2024, the limited partners of the Partnership have committed total amounts of $172,680,300. From the Partnership's inception, the limited partners have made contributions of $127,794,874 and distribution recall total amounts of $846,793. As of December 31, 2024, the limited partners of the Partnership had remaining capital commitments of $45,732,219. These contributions and distributions in aggregate represent approximately 73.5% of total commitments to the Partnership.

5. Partners' Capital (continued)

Distributions and Carried Interest Distributions

As stated in the Master Funds' confidential private placement memorandum, the General Partner will cause the Master Funds to make distributions at least quarterly to the limited partners of the Master Funds after the Investment Period (which is defined as commencing on the Initial Closing and ending on the eight month end following the Initial Closing or at such earlier times as the General Partner may determine) of Investment Proceeds (defined below), in each case net of any expenses or other obligations of the Master Funds and reserves for existing or anticipated obligations of the Master Funds, including the Master Funds expenses, organizational expenses, operating reserves, and any amounts held back for Tax Distributions or any other permitted purpose ("Distribution Proceeds"); provided that the Partnership will not be required to make a distribution with respect to a particular quarter unless it has at least $1,000,000 in Distribution Proceeds to distribute at such time. "Investment Proceeds" means all proceeds, including all dividends and interest received by the Master Funds in respect of any payment, sale, principal payment, refinancing, recapitalization, redemption, repayment, exchange, distribution or other similar transaction with respect to any portfolio investments.

Distribution Proceeds will be calculated without taking into account Management Fees and expenses specifically attributable to the investment of a Limited Partner or group of Limited Partners, which are accounted for by separately calling capital for such amounts or deducting such amounts from such Limited Partner or group of Limited Partner's share of Distribution Proceeds (either on behalf of each such Limited Partner or group of Limited Partners) after the apportionment as described in the attached combined financial statements of the Master Funds.

Immediately prior to a distribution, Distribution Proceeds will be apportioned among the General Partner, in its capacity as the general partner of each Master Fund, the Partnership and LibreMax Structured Opportunities Onshore I, LLC and LibreMax Structured Opportunities Offshore I, LLC (the "Intermediate Funds"), and distributions will be made to the Partnership (on behalf of each Partner on a Partner-by-Partner basis) and to the Intermediate Funds (on behalf of the Offshore Fund on behalf of each Offshore Investor on an Offshore Investor-by-Offshore Investor basis) (i) in the case of Distribution Proceeds attributable to a specific portfolio investment, to the Partnership, the General Partner and the Offshore Fund (through its investments in the Intermediate Funds, as defined in the offering documents) in accordance with their respective Master Fund Participation Percentage with respect to such portfolio investment (subject to adjustment for excused participation, exclusion or default by a Limited Partner), and (ii) in the case of Distribution Proceeds not attributable to a specific portfolio investment, to the Partnership, the General Partner and the Offshore Fund (through its investments in the Intermediate Funds, as defined in the offering documents) in accordance with their respective Master Fund Participation Percentage at the time of such distribution.

5. Partners' Capital (continued)

Distributions and Carried Interest Distributions (continued)

Distribution Proceeds initially apportioned to the General Partner will be distributed to it. Distribution Proceeds initially apportioned to the Partnership, on behalf of a Limited Partner, will be distributed by the Master Funds to the Partnership (on behalf of a Limited Partner), on the one hand, and the General Partner, on the other hand, in the following order of priority (after deduction for Management Fees and expenses specifically attributable to the investment of such Limited Partner (e.g., any Investor-Related Taxes)):

(1) Return of Capital: First, 100% to the Partnership (on behalf of such Limited Partner), until the Partnership (on behalf of such Limited Partner) have received, cash distributions equal to the Partnerships' capital contributions to the Master Funds (made on behalf of such Limited Partner), taking into account all prior distributions made pursuant to this clause (1);

(2) Hurdle Return: Second, 100% to the Partnership (on behalf of a Limited Partner), until the Partnership (on behalf of a Limited Partner), has received aggregate amounts (taking into account all prior distributions made pursuant to this clause and clause (4) below) equal to the Hurdle Return. The "Hurdle Return" means such payments that would result in a compounded rate of return equal to 8% per annum in respect of unreturned capital contributions made by the Partnership (on behalf of a Partner) to the Master Funds from the date on which the Partnership was required to fund such capital contributions made by the Partnership (on behalf of such Partner), to the Master Funds (or the date on which such capital contributions were funded, if later) until the date of return of such contributions to the Partnership (on behalf of such Partner) by the Master Funds (on a first-in, first-out basis), taking into account the amount and effective date of each capital contribution, distribution and recall of distribution; provided, however, that capital contributions made by the Partnership in respect of the Initial Additional Capital Contribution for each Partner with respect to any New Commitment will be deemed to have been made as of the date of the corresponding Capital Contributions of the Partners admitted as of the Initial Closing (or if there have been multiple Capital Contributions of such Partners, then, on a pro rata basis, as of the respective dates of such Capital Contributions) for purposes of calculating the applicable Hurdle Return;

(3) Catch-up: Third, 100% to the General Partner until such time as the General Partner has received in respect of the Partnership (on behalf of such Limited Partner), 20% of the aggregate amount distributed in respect of the Partnership (on behalf of such Limited Partner) under clause (2) and to the General Partner under this clause (3); and

(4) 80/20 Split: Fourth, (x) 80% to the Partnership (on behalf of such Limited Partner) and (y) 20% to the General Partner (the "Carried Interest Distributions").

5. Partners' Capital (continued)

Distributions and Carried Interest Distributions (continued)

The General Partner may waive the Carried Interest Distributions with respect to any General Partner related investors, and the General Partner may waive or calculate differently the Carried Interest Distributions with respect to any other Limited Partners.

As of December 31, 2024, the General Partner of the Master Funds earned carried interest of $2,186,049.

6. Risk Management

Certain risks associated with an investment in the Partnership and the Master Funds are discussed in the notes to the Master Funds' combined financial statements.

Due to the nature of the "master-feeder" structure, the Partnership may be materially affected by the actions of the Master Funds.

7. Indemnifications

The Partnership enters into agreements that may contain indemnifications or warranties. Future events could occur that lead to the execution of these provisions against the Partnership. Based on its history and experience, management considers that the likelihood of such an event is remote. The Partnership also enters into contracts with its service providers and other parties that contain a variety of indemnifications. The Partnership's maximum exposure under these arrangements is unknown. However, the Partnership has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote. Therefore, no liability has been recorded with respect to these indemnifications.

8. Financial Highlights

The following represents ratios to average limited partners' capital and internal rate of return information for the year ended December 31, 2024:

	Limited Partners
Ratios to average Limited Partners' capital	
Expenses before interest expense and carried interest	1.39 %
Interest expense	0.37
Carried interest	1.60
Total expenses	3.36 %
Net investment income	8.58 %

8. Financial Highlights (continued)

The expense ratios and net investment income ratio above are calculated for all the limited partners taken as a whole. The computation of such ratios based on the amount of expenses, carried interest and net investment income assessed to an individual limited partner's capital may vary from these ratios based on the timing of capital transactions and different fee arrangements. The above percentages include the Partnership's income and expenses and its proportionate share of income and expenses of the Master Funds.

Internal Rate of Return (IRR)	**Limited Partners**
IRR since commencement date August 18, 2021 to December 31, 2023	8.11 %
IRR since commencement date August 18, 2021 to December 31, 2024	9.35 %

IRR was computed based on the dates of cash inflows (capital contributions) and outflows (capital distributions), and the ending limited partners' capital at the end of the year (residual value) as of each measurement date. The IRR was computed net of all fees and Carried Interest to the General Partner.

The cumulative cash flow used in the IRR calculation are based on the inception-to-date contributions and residual value. An investor's actual economic return may not be consistent with the IRR return presented and could be materially different as a result of the limitations of the calculation.

9. Recent Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"). ASU 2023-09 modifies the reporting requirements for income tax disclosures related to effective tax rates and cash income taxes paid. Pursuant to ASU 2023-09, reporting entities are required to disclose certain categories in the income tax rate reconciliation, as well as additional information for reconciling items that meet a specific quantitative threshold. Additionally, ASU 2023-09 requires annual disclosures of income taxes paid for all entities, including the amount of income taxes paid, net of refunds received, disaggregated by federal, state, and foreign jurisdictions. The standard is effective for fiscal years beginning after December 15, 2025 for entities other than public business entities with early adoption permitted. The Partnership is currently evaluating the impact of ASU 2023-09 on its financial statements.

10. Subsequent Events

Subsequent to December 31, 2024, the Partnership received distributions of $27,728,762 from the Master Funds and subsequently distributed them to its investors.

The General Partner has evaluated subsequent events through March 31, 2025, the date the financial statements were available to be issued, and has determined that no additional items require disclosure.

CONSOLIDATED FINANCIAL STATEMENTS

LibreMax Structured Opportunities Offshore Partners I, LP and Subsidiaries
Year Ended December 31, 2024
With Report of Independent Auditors

LibreMax Structured Opportunities Offshore Partners I, LP and Subsidiaries

Consolidated Financial Statements

Year Ended December 31, 2024

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Shape the future
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Report of Independent Auditors

The General Partner
LibreMax Structured Opportunities Offshore Partners I, LP and Subsidiaries

Opinion

We have audited the consolidated financial statements of LibreMax Structured Opportunities Offshore Partners I, LP and Subsidiaries (the "Partnership"), which comprise the consolidated statement of financial condition as of December 31, 2024, and the related consolidated statements of operations, changes in partners' capital and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Partnership at December 31, 2024, and the results of its operations, changes in its partners' capital and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Partnership and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Ernst + Young Ltd.

March 31, 2025

LibreMax Structured Opportunities Offshore Partners I, LP and Subsidiaries

Consolidated Statement of Financial Condition

December 31, 2024
(Expressed in U.S. Dollars)

Assets		
Investment in LibreMax Structured Opportunities Fund (the "Master Funds"),		
at fair value	$	33,949,901
Cash and cash equivalents		11
Distributions receivable from Master Funds		4,841,020
Tax refund receivable		589,413
Due from Master Funds		42,810
Other assets		40,000
Total assets		39,463,155
Liabilities and Partners' Capital		
Distributions payable		4,841,020
Due to Master Funds		104,797
Due to broker		11,927
Professional fees payable		9,000
Accrued expenses and other liabilities		5,808
Total liabilities		4,972,552
Partners' Capital		
Limited partners		34,490,603
Total partners' capital		34,490,603
Total liabilities and partners' capital	$	39,463,155

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund.

LibreMax Structured Opportunities Offshore Partners I, LP and Subsidiaries

Consolidated Statement of Operations

Year Ended December 31, 2024
(Expressed in U.S. Dollars)

Net realized and change in unrealized gain/(loss) on investment transactions allocated from the Master Funds		
Net realized gain on investment transactions	$ 384,143	
Net realized loss on derivative contracts	(191,031)	
Net change in unrealized gain on investment transactions	1,343,423	
Net change in unrealized gain on derivative contracts	138,836	
Net gain on investment transactions		$ 1,675,371
Investment income allocated from Master Funds		
Interest income	3,995,386	
Dividend income	32,488	
Total investment income allocated from Master Funds	4,027,874	
Expenses allocated from Master Funds		
Management fee	232,371	
Deal legal expense	184,225	
Interest expense	143,674	
Professional fees	62,261	
Market data expense	14,676	
Other expenses	41,520	
Carried interest	1,329,500	
Total expenses	2,008,227	
Net investment income allocated from Master Funds before Partnership expenses	2,019,647	
Partnership expenses		
Professional fees and other expenses	298,223	
Total Partnership expenses	298,223	
Net investment income		1,721,424
Net income before tax expense	3,396,795	
Income tax expense/(benefit)	$ (589,413)	
Net income		$ 3,986,208

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund.

LibreMax Structured Opportunities Offshore Partners I, LP and Subsidiaries

Consolidated Statement of Changes in Partners' Capital

Year Ended December 31, 2024
(Expressed in U.S. Dollars)

	Limited Partners	General Partner	Total
Partners' capital at beginning of year	$ 39,010,483	$ —	$ 39,010,483
Distributions	(8,506,088)	—	(8,506,088)
Allocation of net income:			
Pro-rata income	3,986,208	—	3,986,208
Partners' capital at end of year	$ 34,490,603	$ —	$ 34,490,603

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund.

LibreMax Structured Opportunities Offshore Partners I, LP and Subsidiaries

Consolidated Statement of Cash Flows

Year Ended December 31, 2024
(Expressed in U.S. Dollars)

Cash flows from operating activities	
Net income	$ 3,986,208
Adjustments to reconcile net income to net cash provided by operating activities:	
Net income allocated from Master Funds	(3,695,018)
Purchases of investment in Master Funds	(396,083)
Sales of investment in Master Funds	5,528,697
Net change in operating assets and liabilities:	
Tax refund receivable	(589,413)
Other assets	24,000
Due to Master Funds	(1,158,146)
Professional fees payable	(33,314)
Due to broker	(860)
Accrued expenses and other liabilities	(992)
Net cash provided by operating activities	3,665,079
Cash flows from financing activities	
Payments for distributions, net of distributions payable	(3,665,068)
Net cash used in financing activities	(3,665,068)
Net change in cash and cash equivalents	11
Cash and cash equivalents at beginning of year	—
Cash and cash equivalents at end of year	$ 11

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund.

1. Organization

LibreMax Structured Opportunities Offshore Partners I, LP (the "Partnership") is organized as a Cayman Islands exempted limited partnership on May 20, 2021 and commenced operations on August 18, 2021.

The Partnership and LibreMax Structured Opportunities Partners I, LP (the "Domestic Fund") invest all of their investable assets through a "master-feeder" structure in the LibreMax Structured Opportunities (ECI) Master Fund I, LP., a Delaware limited partnership (the "ECI Master Fund"), and LibreMax Structured Opportunities Master Fund I, LP, a Delaware limited partnership (the "Non-ECI Master Fund" and together with the ECI Master Fund, the "Master Funds"). The Partnership invests its assets in the Master Funds through its wholly owned subsidiaries LibreMax Structured Opportunities Onshore I, LLC, a Delaware limited liability company (the "ECI Intermediate Fund"), and LibreMax Structured Opportunities Offshore I, LLC, a Cayman Islands limited liability company (the "Non-ECI Intermediate Fund", and together with the ECI Intermediate Fund, the "Intermediate Funds"). The Partnership, through its investments in the Intermediate Funds, held approximately 21.57% of the Master Funds as of December 31, 2024.

The general partner of the Partnership is LibreMax GP, LLC (the "General Partner"), a Delaware limited liability company and an affiliate of LibreMax Capital, LLC (the "Investment Manager").

The Partnership's investment objective, through its investment in the Master Funds, is to generate attractive returns through investments in a variety of securitized and structured financial products and credit-related investments. To achieve the Master Funds' objectives, the Investment Manager employs an extensive micro-credit analysis and a rigorous underwriting process that compliments a thematic macro approach to portfolio construction. The Investment Manager believes that a strategy based on the foregoing investment process will generate attractive returns.

The Partnership's term commenced on the date the Section 9 Statement was filed with the Registrar of Exempted Limited Partnerships in accordance with the Exempted Limited Partnership Act (As Revised) of the Cayman Islands (the "ELP Act") and, unless sooner dissolved pursuant to the Partnership Agreement, will continue until the final termination of the Harvest Period.

The "Harvest Period" means the period commencing on the expiration or termination of the Investment Period (defined below) and ending on the fourth anniversary thereof (or such earlier date as may be determined by the General Partner, in its sole discretion, upon ten (10) business days' prior written notice to the Limited Partners); provided, however, that the Harvest Period may be extended twice by the General Partner, in its sole discretion, up to one year for each extension, upon at least thirty (30) days' prior notice to the Limited Partners prior to the expiration of the Harvest Period. At the end of the term of the Partnership, the General Partner will formally wind up and dissolve the Partnership.

1. Organization (continued)

Partners will be required to fund their Capital Commitments during the investment period, which will commence on the Initial Closing and end on the eighth month end following the Initial Closing or at such earlier time as the General Partner may determine in accordance with the terms set forth in the Partnership Agreement (the "Investment Period").

After the Investment Period, the Partners will be released from any further obligations with respect to their Capital Commitments, except to (1) fund a pending Capital Call Notice (defined below) received by the Partners prior to the end of the Investment Period; (2) fund an investment for up to six months after the end of the Investment Period that the Partnership has committed to in writing prior to the termination of the Investment Period; (3) fund an investment for up to six months after the end of the Investment Period that was under active consideration by the Partnership prior to the end of the Investment Period pursuant to a written memorandum of understanding or letter of intent, whether or not binding; (4) pay for the Management Fee, Tax Distributions and actual or anticipated expenses (for the sake of clarity, excluding, without limitation, any obligation with respect to the acquisition of an investment which is not contemplated in clauses (1) – (3) above or (6) below) and to pay down the Master Funds' financing obligations, whether incurred before or after the end of the Investment Period (including amounts relating to any Commitment Facility); (5) engage in hedging or financing transactions with respect to the Master Funds' portfolio investments (which hedging or financing transactions will not be deemed to be portfolio investments); and (6) fund any investment that the General Partner, in its sole discretion, believes is appropriate or necessary for the Master Funds to make to preserve, protect or enhance an existing investment (each such investment made pursuant to this clause (6) after the end of the Investment Period, a "Follow-On Investment"); provided that the Follow-On Investments will not exceed 25% of Capital Commitments.

At the end of the Investment Period, the General Partner will disclose to all Limited Partners the amounts reserved for any unfunded investments along with a list of any actively considered investments, pursuant to clauses (1) – (3) of the preceding paragraph and any Follow-on Investments pursuant to clause (6) of the preceding paragraph.

LibreMax Capital, LLC, a Delaware limited liability company, serves as the investment manager to the Partnership and provides certain administrative services and investment management services to the Partnership. The Investment Manager also serves as investment manager to the Master Funds and the Domestic Fund. The Investment Manager is registered as an investment adviser with the Securities and Exchange Commission under the Investment Advisers Act of 1940.

1. Organization (continued)

International Fund Services (N.A.), L.L.C. (the "Administrator"), a subsidiary of State Street Alternative Investment Solutions, was appointed as the administrator for the Partnership and Master Funds. The Administrator also acts as the transfer agent for the Partnership and Master Funds. For the year ended December 31, 2024, the administration fee was $4,290, which is included in professional fees and other expenses on the Consolidated Statement of Operations.

The General Partner is responsible for the supervision of the Partnership's partners' capital calculation, investment policy, valuation policy, performance of the Partnership, and to supervise the conduct of its affairs. The General Partner has delegated certain of these responsibilities to the Investment Manager and the Administrator. The General Partner is responsible for the supervision of the Investment Manager and the Administrator.

Capitalized terms used but not defined herein shall have the meaning assigned to them in the Partnership's offering memorandum.

2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Partnership in the preparation of its consolidated financial statements. The policies followed by the Master Funds are discussed in the notes to the Master Funds' combined financial statements which are attached hereto and should be read in conjunction with these consolidated financial statements.

Basis of Accounting

The Partnership's accounting policies are in conformity with accounting principles generally accepted in the United States of America. The Partnership maintains its financial records in United States dollars. The Partnership is an investment company that follows the accounting and reporting guidance of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") No. 946, *"Financial Services - Investment Companies"*. For financial reporting purposes, the Partnership follows the accrual method of accounting.

Basis of Consolidation

As provided for in ASC Topic 946, the Partnership will generally consolidate its investment in wholly owned investment companies in which it holds a controlling financial interest. The consolidated financial statements include the accounts of the Partnership and its wholly owned subsidiaries, the Intermediate Funds. All intercompany transactions and balances have been eliminated in consolidation.

2. Summary of Significant Accounting Policies (continued)

Investment Valuation

The Partnership's investment in the Master Funds is valued at fair value, which is represented by the Partnership's proportionate interest in the partners' capital of the Master Funds. The performance of the Partnership is directly affected by the performance of the Master Funds. Attached are the audited combined financial statements of the Master Funds, including the Combined Condensed Schedule of Investments, which are an integral part of these consolidated financial statements. Valuation of investments held by the Master Funds is discussed in the notes to the Master Funds' combined financial statements. At December 31, 2024, the Partnership owned 21.57% of the Master Funds' partners' capital.

Investment Transactions, Income and Expenses

The Partnership records monthly its proportionate interest of the Master Funds' income, expenses, and realized and unrealized gains and losses. In addition, the Partnership accrues its own income and expenses. The Partnership records contributions and distributions related to its investment in the Master Funds on the transaction date. Expenses relating to the Partnership, as outlined in the confidential offering memorandum, are expensed as incurred.

Cash and Cash Equivalents

Cash and cash equivalents include short-term investments with a maturity of three months or less when purchased. Cash is held at a bank that is affiliated with the Administrator. At December 31, 2024, the Partnership held $11 in cash. At December 31, 2024, there were no cash equivalents. Cash is held with financial institutions which may exceed insured limits. Cash deposited with banks is subject to credit risk, to the extent it is not covered by Federal Deposit Insurance Corporation ("FDIC") insurance limits. In the event of a financial institution's insolvency, the Partnership may be unable to recover some or all of its cash balances that are not covered by FDIC.

Fair Value of Financial Instruments

The fair value of the Partnership's assets and liabilities which qualify as financial instruments under FASB guidance approximates the carrying amounts presented in the Consolidated Statement of Financial Condition.

Income Taxes

The Partnership is organized as an exempted limited partnership under the laws of the Cayman Islands and, generally, is not subject to United States federal income tax, except for withholding taxes applicable to certain income. The Partnership has elected to be treated as a United States corporation for U.S. Federal income tax purposes.

2. Summary of Significant Accounting Policies (continued)

Income Taxes (continued)

LibreMax Structured Opportunities Onshore I, LLC, consolidated by the Partnership, is a corporation that incurs income tax expense. Tax expense is paid at the corporate level at a federal tax rate of 21% and state income tax rates which vary by state.

ASC 740, "*Income Taxes*", provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the consolidated financial statements. The standard requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Partnership's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet a more-likely-than-not threshold would be recorded as a tax expense. For all open periods from August 18, 2021 (commencement of operations) to December 31, 2024, the Partnership remains subject to examination by U.S. Federal and state jurisdictions where the Partnership makes investments. As a result of such evaluation by management, no income tax liability or expense, including penalties and interest, has been recorded in the accompanying consolidated financial statements.

Management has performed an analysis of the Partnership's material tax positions and has determined that such positions meet a more-likely-than-not standard. Accordingly, no tax expense was recorded for the year ended December 31, 2024. The General Partner continually reviews the Partnership's tax positions and such conclusions under the FASB guidance to determine if a liability should be recorded based on ongoing analyses of tax laws and regulations and interpretations thereof and other factors. The General Partner is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecorded taxes will significantly change in the next twelve months.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Management believes that the estimates utilized in preparing the consolidated financial statements are reasonable and prudent; however, actual results could differ from those estimates.

3. Allocation of Net Income or Net Loss

At the end of each accounting period, any net capital appreciation or net capital depreciation of the Partnership is allocated to each capital account of each partner (including the General Partner) in proportion to the opening balance of such capital account for such accounting period.

4. Related Party Transactions

Management Fee

Pursuant to the investment management agreement, the Master Funds pay the Investment Manager a monthly management fee in advance equal to 0.125% (1.50% per annum) of the partners' capital of the Partnership on the first business day of each month (the "Management Fee"). The Management Fee is paid and collected by the Master Funds on behalf of the Partnership. The Management Fee for the year ended December 31, 2024 amounted to $232,371.

The Investment Manager may waive or modify the Management Fee with respect to certain persons who are members, employees, or affiliates of the Investment Manager, relatives of such persons, and for certain large or strategic investors.

Affiliated Party Ownership

At December 31, 2024, parties affiliated with the Investment Manager held none of the Partnership's partners' capital.

5. Risk Management

Certain risks associated with an investment in the Partnership and the Master Funds are discussed in the notes to the Master Funds' combined financial statements.

Due to the nature of the "master-feeder" structure, the Partnership may be materially affected by the actions of the Domestic Fund and the Master Funds.

6. Indemnifications

The Partnership enters into agreements that may contain indemnifications or warranties. Future events could occur that lead to the execution of these provisions against the Partnership. Based on its history and experience, management considers that the likelihood of such an event is remote. The Partnership also enters into contracts with its service providers and other parties that contain a variety of indemnifications. The Partnership's maximum exposure under these arrangements is unknown. However, the Partnership has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote. Therefore, no liability has been recorded with respect to these indemnifications.

7. Partners' Capital

As of December 31, 2024, the limited partners of the Partnership have committed total amounts of $49,359,700. From the Partnership's inception, the limited partners have made contributions of $36,760,079 and have had distribution recall amounts of $242,051. As of December 31, 2024, the limited partners of the Partnership had remaining capital commitments of $12,841,672. These contributions in aggregate represent approximately 74% of total commitments to the Partnership.

7. Partners' Capital (continued)

Distributions and Carried Interest Distributions

As stated in the Master Funds' confidential private placement memoranda, the General Partner will cause the Master Funds to make distributions at least quarterly to the limited partners of the Master Funds after the Investment Period of Investment Proceeds, in each case net of any expenses or other obligations of the Master Funds and reserves for existing or anticipated obligations of the Master Funds, including the Master Funds' expenses, organizational expenses, operating reserves, and any amounts held back for Tax Distributions or any other permitted purpose ("Distribution Proceeds"); provided that the Partnership will not be required to make a distribution with respect to a particular quarter unless it has at least $1,000,000 in Distribution Proceeds to distribute at such time.

"Investment Proceeds" means all proceeds, including all dividends and interest received by the Master Funds in respect of any payment, sale, principal payment, refinancing, recapitalization, redemption, repayment, exchange, distribution or other similar transaction with respect to any portfolio investments.

Distribution Proceeds will be calculated without taking into account Management Fees and expenses specifically attributable to the investment of a Limited Partner or group of Limited Partners, which are accounted for by separately calling capital for such amounts or deducting such amounts from such Limited Partner or group of Limited Partner's share of Distribution Proceeds (either on behalf of each such Limited Partner or group of Limited Partners) after the apportionment as described in the combined financial statements of the Master Funds.

Immediately prior to a distribution, Distribution Proceeds will be apportioned among the General Partner, in its capacity as the general partner of each Master Fund, the Domestic Fund and the Intermediate Funds, and distributions will be made to the Intermediate Funds (on behalf of the Partnership on behalf of each Partner on a Partner-by-Partner basis) and to the Domestic Fund on behalf of each Domestic Investor on a Domestic Investor-by-Domestic Investor basis (i) in the case of Distribution Proceeds attributable to a specific portfolio investment, to the Domestic Fund, the General Partner and the Intermediate Funds in accordance with their respective Master Fund Participation Percentage with respect to such portfolio investment (subject to adjustment for excused participation, exclusion or default by a Limited Partner), and (ii) in the case of Distribution Proceeds not attributable to a specific portfolio investment, to the Domestic Fund, the General Partner and the Intermediate Funds in accordance with their respective Master Fund Participation Percentage at the time of such distribution. Distribution Proceeds initially apportioned to the General Partner will be distributed to it. Distribution Proceeds initially apportioned to the Intermediate Funds (on behalf of the Partnership), on behalf of a Limited Partner, will be distributed by the Master Funds to the Intermediate Funds (on behalf of the Partnership on behalf of a Limited Partner), on the one hand, and the General Partner, on the other hand, in the following order of priority (after deduction for Management Fees and expenses specifically attributable to the investment of such Limited Partner (e.g., any Investor-Related Taxes)):

7. Partners' Capital (continued)

Distributions and Carried Interest Distributions (continued)

(1) Return of Capital: First, 100% to the Intermediate Funds (on behalf of the Partnership on behalf of such Limited Partner), until the Intermediate Funds (on behalf of the Partnership on behalf of such Limited Partner) have received, in aggregate, cash distributions equal to the Intermediate Funds' capital contributions to the Master Funds (made on behalf of the Partnership on behalf of such Limited Partner), taking into account all prior distributions made pursuant to this clause (1);

(2) Hurdle Return: Second, 100% to the Intermediate Funds (on behalf of the Partnership on behalf of a Limited Partner), until the Intermediate Funds (on behalf of the Partnership on behalf of a Limited Partner), has received aggregate amounts (taking into account all prior distributions made pursuant to this clause and clause (4) below) equal to the Hurdle Return. The "Hurdle Return" means such payments that would result in a compounded rate of return equal to 8% per annum in respect of unreturned capital contributions made by the Intermediate Funds (on behalf of the Partnership on behalf of a Partner) to the Master Funds from the date on which the Intermediate Funds were required to fund such capital contributions made by the Intermediate Funds (on behalf of the Partnership on behalf of such Partner), to the Master Funds (or the date on which such capital contributions were funded, if later) until the date of return of such contributions to the Intermediate Funds (on behalf of the Partnership on behalf of such Partner) by the Master Funds (on a first-in, first-out basis), taking into account the amount and effective date of each capital contribution, distribution and recall of distribution; provided, however, that capital contributions made by the Intermediate Funds in respect of the Initial Additional Capital Contribution for each Partner with respect to any New Commitment will be deemed to have been made as of the date of the corresponding Capital Contributions of the Partners admitted as of the Initial Closing (or if there have been multiple Capital Contributions of such Partners, then, on a pro rata basis, as of the respective dates of such Capital Contributions) for purposes of calculating the applicable Hurdle Return;

(3) Catch-up: Third, 100% to the General Partner until such time as the General Partner has received in respect of the Intermediate Funds (on behalf of the Partnership on behalf of such Limited Partner), 20% of the aggregate amount distributed in respect of the Intermediate Funds (on behalf of the Partnership on behalf of such Limited Partner) under clause (2) and to the General Partner under this clause (3); and

(4) 80/20 Split: Fourth, (x) 80% to the Intermediate Funds (on behalf of the Partnership on behalf of such Limited Partner) and (y) 20% to the General Partner (the "Carried Interest Distributions").

7. Partners' Capital (continued)

Distributions and Carried Interest Distributions (continued)

The General Partner may waive the Carried Interest Distributions with respect to any General Partner related investors, and the General Partner may waive or calculate differently the Carried Interest Distributions with respect to any other Limited Partners.

As of December 31, 2024, the General Partner of the Master Funds earned carried interest of $1,329,500.

8. Financial Highlights

The following represents ratios to average limited partners' capital and internal rate return information for the year ended December 31, 2024:

	Limited Partners
Ratios to average Limited Partners' capital	
Expenses before interest expense and carried interest	0.63 %
Interest expense	0.37
Carried interest	3.41
Total expenses	4.41 %
Net investment income	9.34 %

The expense ratios and net investment income ratio above are calculated for all the limited partners taken as a whole. The computation of such ratios based on the amount of expenses, carried interest and net investment income assessed to an individual limited partner's capital may vary from these ratios based on the timing of capital transactions and different fee arrangements. The above percentages include the Partnership's income and expenses and its proportionate share of income and expenses of the Master Funds.

Internal Rate of Return (IRR)	Limited Partners
IRR since commencement date August 18, 2021 to December 31, 2023	7.24 %
IRR since commencement date August 18, 2021 to December 31, 2024	8.35 %

IRR was computed based on the dates of cash inflows (capital contributions) and outflows (capital distributions), and the ending limited partners' capital at the end of the year (residual value) as of each measurement date. The IRR was computed net of all fees and Carried Interest to the General Partner.

8. Financial Highlights (continued)

The cumulative cash flow used in the IRR calculation are based on the inception-to-date contributions and residual value. An investor's actual economic return may not be consistent with the IRR return presented and could be materially different as a result of the limitations of the calculation.

9. Recent Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"). ASU 2023-09 modifies the reporting requirements for income tax disclosures related to effective tax rates and cash income taxes paid. Pursuant to ASU 2023-09, reporting entities are required to disclose certain categories in the income tax rate reconciliation, as well as additional information for reconciling items that meet a specific quantitative threshold. Additionally, ASU 2023-09 requires annual disclosures of income taxes paid for all entities, including the amount of income taxes paid, net of refunds received, disaggregated by federal, state, and foreign jurisdictions. The standard is effective for fiscal years beginning after December 15, 2025 for entities other than public business entities with early adoption permitted. The Partnership is currently evaluating the impact of ASU 2023-09 on its financial statements.

10. Subsequent Events

Subsequent to December 31, 2024, the Partnership received distributions of $7,852,736 from the Master Funds and subsequently distributed them to its investors.

The General Partner has evaluated subsequent events through March 31, 2025, the date the consolidated financial statements were available to be issued, and has determined that no additional items require disclosure.

COMBINED FINANCIAL STATEMENTS

LibreMax Structured Opportunities Master Fund I, LP and
LibreMax Structured Opportunities (ECI) Master Fund I, LP,
collectively,
LibreMax Structured Opportunities Fund
Year Ended December 31, 2024
With Report of Independent Auditors

LibreMax Structured Opportunities Fund

Combined Financial Statements

Year Ended December 31, 2024

Contents

Shape the future
with confidence

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Report of Independent Auditors

To the General Partners
LibreMax Structured Opportunities Master Fund I, LP and
LibreMax Structured Opportunities (ECI) Master Fund I, LP,
collectively, LibreMax Structured Opportunities Fund

Opinion

We have audited the combined financial statements of LibreMax Structured Opportunities Master Fund I, LP and LibreMax Structured Opportunities (ECI) Master Fund I, LP, collectively, LibreMax Structured Opportunities Fund (collectively, the "Master Funds"), which comprise the combined statement of financial condition, including the combined schedule of investments, as of December 31, 2024, and the related combined statements of operations, changes in partners' capital and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Master Funds at December 31, 2024, and the results of its operations, changes in its partners' capital and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Master Funds and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Master Funds' ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Master Funds' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Master Funds' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Ernst & Young Ltd.

October 23, 2025

LibreMax Structured Opportunities Fund

Combined Statement of Financial Condition

December 31, 2024
(Expressed in U.S. Dollars)

Assets		
Cash and cash equivalents	$	1,733,898
Investments in securities, at fair value (cost $185,153,105)		195,239,691
Derivative contracts, at fair value (premiums paid $333,422)		184,159
Interest receivable		4,525,395
Due from brokers		261,360
Tax receivable		235,900
Due from Feeder Funds		179,259
Other assets		726,773
Total assets		203,086,435
Liabilities and Partners' Capital		
Securities sold under agreements to repurchase		18,127,363
Distributions payable		23,370,000
Credit facility		3,700,000
Management fee payable		268,692
Professional fees payable		146,994
Due to Feeder Funds		42,810
Interest payable		26,564
Accrued expenses and other liabilities		24,208
Total liabilities		45,706,631
Partners' Capital		
Limited partners		152,263,565
General partners		5,116,239
Total partners' capital		157,379,804
Total liabilities and partners' capital	$	203,086,435

See accompanying notes.

LibreMax Structured Opportunities Fund

Combined Schedule of Investments

December 31, 2024
(Expressed in U.S. Dollars)

Description		Notional	Fair Value	Percentage of Partners' Capital
Investments in Securities				
Structured Debt Obligations				
United States				
Collateralized Loan Obligations ("CLO")				
Equity				
LibreMaxSO CAVU Partners I, coupon rate 0.00%, maturing 2025	$	999,894	$ 1,213,786	0.77 %
Total CLO (cost $999,894)			1,213,786	0.77
Commercial Real Estate ("CRE")				
Mezzanine				
Royal Bloomfield Mezzanine Loan, coupon rate 12.00%, maturing 2035	$	27,004,806	26,370,194	16.76
Totowa Mezzanine Loan, coupon rate 15.92%, maturing 2035	$	13,680,000	13,680,000	8.69
Kerf Bellingham Mezzanine Loan, coupon rate 12.00%, maturing 2035	$	13,279,678	13,328,813	8.47
Nimbus Everett Mezzanine Loan, coupon rate 12.00%, maturing 2035	$	8,880,035	8,908,451	5.66
Advantis Ft. Lauderdale Mezzanine Loan, coupon rate 16.35%, maturing 2025	$	4,390,838	4,418,939	2.81
Advantis Palm Bay Mezzanine Loane, coupon rate 16.53% maturing 2025	$	4,114,971	4,122,789	2.62
Total CRE (cost $71,350,328)			70,829,186	45.01
Single Family Rental				
Equity				
Divvy Warehouse, coupon rate 15.00%, maturing 2031	$	23,995,242	23,995,242	15.25
Total Single Family Rental (cost $23,995,242)			23,995,242	15.25
Commercial Mortgage-Backed Securities ("CMBS")				
Participation Junior				
Iota Denver Preferred Equity, coupon rate 12.25%, maturing 2035	$	9,694,683	9,758,668	6.20
Total CMBS (cost $9,694,683)			9,758,668	6.20
Consumer Asset-Backed Securities ("Consumer ABS")				
Auto Subordinate				
Tricolor Residual Warehouse, coupon rate 11.50%, maturing 2026	$	30,000,000	29,928,000	19.01
Aircraft Residual				
Crestone JV, coupon rate 0.00%, maturing 2026	$	1,698,255	4,026,113	2.56
Total Consumer ABS (cost $31,698,255)			33,954,113	21.57 %

LibreMax Structured Opportunities Fund

Combined Schedule of Investments (continued)

December 31, 2024

(Expressed in U.S. Dollars)

Description		Notional	Fair Value	Percentage of Partners' Capital
Investments in Securities (continued)				
Structured Debt Obligations (continued)				
United States (continued)				
Single Borrower				
Equity				
Unlock Lex RIT 2022-1, coupon rate 0.00%, maturing 2026	$	38,265,579	46,603,649	29.61 %
Unlock Home Equity, coupon rate 0.00%, maturing 2026	$	276,210	3,050,380	1.94
Total Single Borrower (cost $41,600,386)			49,654,029	31.55
Market Place Lending				
Whole Loans				
Fundbox Mezzanine Warehouse, coupon 12.31%, maturing 2025	$	5,814,317	5,834,667	3.71
Total Market Place Lending (cost $5,814,317)			5,834,667	3.71
Total United States (cost $185,153,105)			195,239,691	124.06
Total Structured Debt Obligations (cost $185,153,105)			195,239,691	124.06
Total Investments in Securities (cost $185,153,105)			$ 195,239,691	124.06 %
Derivative Contracts - Assets				
United States				
Currency Options				
Foreign Exchange				
USISDA 10 Nov 2025 - Digital - Puts strike 5.5, coupon rate 0.00%, maturing 2025	$	2,360,510	$ 184,159	0.12 %
Currency Options (premiums paid $333,422)			184,159	0.12
Total United States (premiums paid $333,422)			184,159	0.12
Total Derivative Contracts - Assets (premiums paid $333,422)			$ 184,159	0.12 %

LibreMax Structured Opportunities Fund

Combined Statement of Operations

Year Ended December 31, 2024
(Expressed in U.S. Dollars)

Net realized and change in unrealized gain/(loss) on investment transactions		
Net realized gain on investment transactions	$ 1,745,733	
Net realized loss on derivative contracts	(868,139)	
Net change in unrealized gain on investment transactions	6,105,182	
Net change in unrealized gain on derivative contracts	630,937	
Net gain on investment transactions		$ 7,613,713
Investment income		
Interest income	18,157,020	
Dividend income	147,643	
Total investment income	18,304,663	
Expenses		
Management fee	1,045,372	
Deal legal expense	837,197	
Interest expense	652,922	
Professional fees	282,943	
Market data expense	66,696	
Other expenses	188,696	
Total expenses	$ 3,073,826	
Net investment income		15,230,837
Net income		$ 22,844,550

LibreMax Structured Opportunities Fund

Combined Statement of Changes in Partners' Capital

Year Ended December 31, 2024
(Expressed in U.S. Dollars)

	Limited Partners	General Partner	Total
Partners' capital at beginning of year	$ 178,038,844	$ 3,209,353	$ 181,248,197
Capital contributions	396,083	—	396,083
Distributions	(45,258,072)	(1,850,954)	(47,109,026)
Pro-rata allocation of net income	22,602,259	242,291	22,844,550
Carried Interest	(3,515,549)	3,515,549	—
Partners' capital at end of year	$ 152,263,565	$ 5,116,239	$ 157,379,804

LibreMax Structured Opportunities Fund

Combined Statement of Cash Flows

Year Ended December 31, 2024
(Expressed in U.S. Dollars)

Cash flows from operating activities		
Net income	$	22,844,550
Adjustments to reconcile net income to net cash used in operating activities:		
Net realized gain on investment transactions		(1,745,733)
Net realized loss on derivative contracts		868,139
Net change in unrealized gain on investment transactions		(6,105,182)
Net change in unrealized gain on derivative contracts		(630,937)
Net cash settlement for derivative contracts		(201,561)
Purchase of investment securities		(41,852,900)
Proceeds from disposition of investment securities		25,342,846
Net change in operating assets and liabilities:		
Interest receivable		(3,316,576)
Due from brokers		1,185,163
Tax receivable		(235,900)
Due from Feeder Funds		1,174,933
Other assets		(162,750)
Management fee payable		(1,029,531)
Professional fees payable		(24,414)
Interest payable		(21,791)
Accrued expenses and other liabilities		(22,758)
Due to brokers		(3,430)
Net cash used in operating activities		(3,937,832)
Cash flows from financing activities		
Proceeds from capital contributions		396,083
Payments for distributions, net of distributions payable		(25,339,026)
Proceeds from credit facility		13,950,000
Payments on credit facility		(12,250,000)
Net proceeds for securities sold under agreements to repurchase		18,127,363
Net cash used in financing activities		(5,115,580)
Net change in cash and cash equivalents		(9,053,412)
Cash and cash equivalents at beginning of year		10,787,310
Cash and cash equivalents at end of year	$	1,733,898
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	$	674,713

See accompanying notes.

1. Organization

LibreMax Structured Opportunities Master Fund I, LP (the “Non-ECI Master Fund”) was organized as a Cayman Islands exempted limited partnership, under the Private Funds Acts (2021 Revision) on May 20, 2021. LibreMax Structured Opportunities (ECI) Master Fund I, LP (the “ECI Master Fund” and together with the Non-ECI Master Fund, collectively, “LibreMax Structured Opportunities Fund”, the “Master Funds” or the “Debtors”) was organized as a Delaware limited partnership on May 14, 2021. The Master Funds commenced operations on August 18, 2021.

As of December 31, 2024, the Master Funds wholly owned or held majority interests in United States limited liability companies and trusts that invest directly in debt and equity securities. Lexington SO Totowa, LLC, Lexington SO Bloomfield, LLC, Lexington SO Everett, LLC, Lexington SO Bellingham, LLC, Lexington SO Palm Bay, LLC, Lexington SO FT Lauderdale, LLC and Unlock LEX Residential Investments Trust 2022-1 are wholly owned by LibreMax Structured Opportunities (ECI) Master Fund I, LP, and Lexington SO Fox Park, LLC is wholly owned by LibreMax Structured Opportunities Master Fund I, LP.

The investment objective of the Master Funds is to generate attractive returns through investments in a variety of securitized and structured products and credit-related investments. To achieve the Master Funds’ objective, the Investment Manager (as defined below) employs an extensive micro-credit analysis and a rigorous underwriting process that complements a thematic macro approach to portfolio construction. The Investment Manager (defined below) believes that a strategy based on the foregoing investment process will generate attractive returns.

The Master Funds receive all of their investing capital from LibreMax Structured Opportunities Partners I, LP (the “Domestic Fund”) and LibreMax Structured Opportunities Offshore Partners I, LP (the “Partnership”) (collectively, the “Feeder Funds”) and LibreMax GP, LLC, the (“General Partner”) and LibreMax Structured Opportunities (ECI) GP, LLC (the “General Partner” and collectively with LibreMax GP, LLC, the “General Partners”). The Partnership invests its assets in the Master Funds through LibreMax Structured Opportunities Onshore I, LLC (the “ECI Intermediate Fund”) and LibreMax Structured Opportunities Offshore I, LLC (the “Non-ECI Intermediate Fund”, and together with the ECI Intermediate Fund, the “Intermediate Funds”). The Domestic Fund and the Partnership held approximately 75.18% and 21.57%, respectively, of the Master Funds committed capital at December 31, 2024. In addition, the General Partners, affiliates of the Investment Manager, held 3.25% of the Master Funds as of December 31, 2024.

1. Organization (continued)

LibreMax Capital, LLC (the "Investment Manager"), a Delaware limited liability company, serves as the investment manager for the Master Funds, the Intermediate Funds and the Feeder Funds, and in such capacity, makes all investment decisions and provides certain administrative services to the Master Funds. The Investment Manager is registered as an investment adviser with the Securities and Exchange Commission under the Investment Advisers Act of 1940.

International Fund Services (N.A.), L.L.C. (the "Administrator"), a subsidiary of State Street Alternative Investment Solutions, was appointed as the administrator for the Master Funds. The Administrator also acts as the transfer agent for the Master Funds and Feeder Funds. For the year ended December 31, 2024, the administration fee was $126,000, which is included in professional fees on the Combined Statement of Operations.

The General Partners are responsible for the overall management and control of the Master Funds and have delegated the making and approval of any investment decisions to the Investment Manager and the day-to-day administrative functions to the Administrator.

The Master Funds are funded with Capital Commitments during the investment period, which commenced on the Initial Closing date of August 18, 2021 and will end on the eighth month end following the Initial Closing or at such earlier time as the General Partners may determine. The Feeder Funds had two closings with the first totalling capital commitments of $172,600,000. Any additional contribution subsequent to the first close must make a capital contribution in an amount equal to the aggregate amount of Capital Contributions that would have been made by such Additional Partner had such Additional Partner been admitted to the Feeder Funds on the Initial Closing (together with all other Additional Partners) with respect to such New Commitment. The additional contributions must also pay to the Feeder Funds, on the date of such Initial Additional Capital Contribution, an amount (the "Make-Up Amount") equal to interest at the rate equal to the sum of 8% per annum, calculated with respect to each set of Capital Contributions made prior to the Initial Additional Capital Contribution for the period starting on the applicable drawdown date for such Capital Contributions and ending on the due date for the Initial Additional Capital Contribution. The second closing totalled an additional $51,715,000 in commitments and a make-up amount of $85,257.

The Harvest Period is the period commencing on the expiration or termination of the Investment Period and ending on the fourth anniversary thereof provided, however, that the Harvest Period may be extended twice by the General Partners, in their sole discretion, up to one year for each extension, upon at least thirty days' prior notice to the Limited Partners. The Master Funds entered the Harvest period at the end of April 2022 but continues to make Follow-on Investments which are portfolio investments made after the end of the Investment Period which the General Partners, in their sole discretion, believe is appropriate or necessary for the Master Funds to make to preserve, protect or enhance an existing Portfolio Investment.

1. Organization (continued)

Capitalized terms used but not defined herein shall have the meaning assigned to them in the Master Funds' offering memoranda.

2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Master Funds in the preparation of its combined financial statements.

Basis of Accounting

The Master Funds' accounting policies are in conformity with accounting principles generally accepted in the United States of America. The Master Funds maintain their financial records in United States dollars. The Master Funds are investment companies that follow the accounting and reporting guidance of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") No. 946, "*Financial Services - Investment Companies*". For financial reporting purposes, the Master Funds follow the accrual method of accounting.

The combined financial statements reflect holdings and operations of LibreMax Structured Opportunities Master Fund I, LP and LibreMax Structured Opportunities (ECI) Master Fund I, LP as these entities are under common control and management. The Investment Manager believes this to be a more meaningful presentation.

Investment Valuation

Any security listed on a national exchange or national market and freely transferable shall be valued at the last sale price on the principal exchange or market reflected on the consolidated tape at the close of the exchange or "official closing price" on the national exchange. If no sales occurred on the relevant business day, the security is valued at the mean between the last "bid" and "ask" price at the close of business on such day. A security that was not traded on its principal exchange or market shall be valued at the last quoted sales price on the next most active exchange or market unless the General Partners determine that such price is not representative of fair value, in which case quotations from financial publications or recognized pricing services will be used.

A put or call option that is listed on a national options exchange shall be valued at the mean between the last "bid" and "ask" price for such option on such date.

Any security traded over the counter and not listed on an exchange or market that is freely transferable is valued at the mean or "mid" between the last "bid" and "ask" price at the close of business on such day, or if no mid price is available, such security shall be valued at the bid price.

2. Summary of Significant Accounting Policies (continued)

Investment Valuation (continued)

The core positions of the Master Funds, primarily structured debt obligations, are valued using marks obtained from the broker/dealer community and pricing vendors. The Investment Manager seeks to obtain multiple marks for every position in the Master Funds, and averages the marks to arrive at the final price for the relevant valuation date. However, in certain cases, only one price may be available, in which case the position shall be valued using a single price.

Any futures or similar contract or any option on any such instrument traded on an exchange is valued using the most recent available closing quotation on such exchange.

Non-exchange traded derivatives, such as forward contracts, credit default swaps, total return swaps and swaptions are valued from a potential range of sources including the counterparty to a contract, a pricing vendor or broker quotes.

Certain investments in securities may be valued at fair value as determined by the General Partners, in consultation with the Investment Manager, in the absence of readily determinable market inputs. Among the factors considered by the Investment Manager in determining fair value are: the type of security, trading in unrestricted securities of the same issuer, the financial condition of the issuer, the Master Funds' cost at the date of purchase, inputs relevant to the fair valuation of the security (including, but not limited to: constant default rates, constant prepayment rates, loss severities, liquidity constraints, yield curves and manager behavior). The fair values determined in accordance with these procedures may differ significantly from the amounts which would be realized upon disposition of the securities. As of December 31, 2024, none of the Master Funds' investments were fair value based on an internal model developed by the Investment Manager.

The General Partners have delegated to the Investment Manager the determination of the fair value of securities in accordance with the principles set out above. Although the Investment Manager uses its best judgment and good faith in estimating the fair value of investments, there are inherent limitations in any estimation technique. Future events may affect the estimates of fair value, including the ultimate liquidation of investments, and the effect could be material to the combined financial statements.

2. Summary of Significant Accounting Policies (continued)

Investment Transactions, Income and Expenses

The Master Funds record investment transactions on a trade date basis. Discounts and premiums on investments are amortized over the remaining life of the respective investments using the effective interest method. Realized gains and losses on investments are determined on the specific identification basis. Interest income and expense are recorded on the accrual basis. Principal paydowns are recorded on a transaction date basis. Dividend income and expense are recorded on the ex-dividend date. Expenses are recorded on an accrual basis. Direct expenses related to the Feeder Funds, which are paid by the Master Funds are specifically allocated to the Feeder Funds to which they relate.

Cash and Cash Equivalents

Cash and cash equivalents include short-term investments with a maturity of three months or less when purchased and consists of cash and overnight time deposits held with financial institutions and short-term money market funds. At December 31, 2024, the Master Funds held $465,028 in Goldman Sachs Financial Square Government Fund Class FST and $1,268,870 in cash. The money market funds meet the criteria for Level I investment as defined in the fair value hierarchy as described in Note 3. The money market funds seek to maintain a stable net asset value per share of $1.00. While the Master Funds seek to purchase and sell shares at this net asset value, the share price of the money market funds could be negatively affected during periods of high redemption pressures or illiquid markets. Cash is held with financial institutions which may exceed insured limits. Cash deposited with banks is subject to credit risk, to the extent it is not covered by Federal Deposit Insurance Corporation (“FDIC”) insurance limits. In the event of a financial institution’s insolvency, the Master Funds may be unable to recover some or all of its cash balances that are not covered by FDIC.

Income Taxes

The Non-ECI Master Fund is organized as an exempted limited partnership under the laws of the Cayman Islands and, generally, is not subject to United States federal income tax, except for withholding taxes applicable to dividend and certain interest income.

The ECI Master Fund is not subject to U.S. federal, state or local taxes. Accordingly, no provision has been made in the accompanying combined financial statements for federal, state or local taxes. Each partner separately takes into account, on its tax return, its share of the income, gains, losses, deductions or credits for the ECI Master Fund’s taxable income and gain whether or not any distribution is made to any partner.

2. Summary of Significant Accounting Policies (continued)

Income Taxes (continued)

ASC 740, *"Income Taxes"*, provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the combined financial statements. The standard requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Master Funds' tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet a more-likely-than-not threshold would be recorded as a tax expense. For all open periods from August 18, 2021 (commencement of operations) to December 31, 2024, the Master Funds remain subject to examination by U.S. Federal and state jurisdictions where the Master Funds make investments. As a result of such evaluation by management, no income tax liability or expense, including penalties and interest, has been recorded in the accompanying combined financial statements.

Management has performed an analysis of the Master Funds' material tax positions and has determined that such positions meet a more-likely-than-not standard. Accordingly, no tax expense was recorded for the year ended December 31, 2024. The Investment Manager is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecorded taxes will significantly change in the next twelve months. The Investment Manager continually reviews the Master Funds' tax positions and such conclusions under the FASB guidance to determine if a liability should be recorded based on ongoing analyses of tax laws and regulations and interpretations thereof and other factors.

Use of Estimates

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the amounts reported in the combined financial statements and accompanying notes. Management believes that the estimates utilized in preparing the combined financial statements are reasonable and prudent; however, actual results could differ from those estimates.

Repurchase Agreements

Securities sold under agreements to repurchase ("Repurchase Agreements") represent the sale of a security by the Master Funds to a counterparty at a specified price with an agreement for the Master Funds to repurchase the same security from the same counterparty at a fixed rate or determinable price at a future date. A Repurchase Agreement allows the Master Funds to transfer possession of a security as collateral, to the counterparty, usually a broker, in exchange for cash from the counterparty. The Master Funds agree to repay cash plus interest in exchange for the return of the same security. The party taking possession of the security receives interest at an agreed upon rate.

2. Summary of Significant Accounting Policies (continued)

Repurchase Agreements (continued)

During the term of a Repurchase Agreement, the value of the underlying securities held as collateral on behalf of the Master Funds, including accrued interest, is required to equal or exceed the value of the Repurchase Agreement, including accrued interest. If the counterparty defaults or becomes insolvent, realization of the collateral by the Master Funds may be delayed or limited and there may be a decline in the value of the collateral during the period while the Master Funds assert their rights. The repurchase date is mutually agreed to by the Master Funds and the counterparty.

3. Fair Value Measurements and Disclosures

Fair value represents the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an orderly transaction between market participants at the measurement date (an exit price). The FASB issued an accounting standard that establishes a fair value hierarchy for the inputs used in valuation models and techniques used to measure fair value. An investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Assets and liabilities measured at fair value are classified into one of the following categories:

- Level I – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. The types of investments which would generally be included are equities and derivatives listed on a securities exchange.

- Level II – Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly (inputs include quoted prices for similar investments in active markets, interest rates and yield curves, credit risk assessments, etc.). The types of investments which would generally be included in this category are certain structured debt obligations such as mortgage-backed securities ("MBS"), asset-backed securities ("ABS"), or other similar investments and certain over-the-counter derivatives.

- Level III – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable (including the Investment Manager's own assumptions about what market participants would use in determining the fair value of investments). The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. The types of investments which would generally be included in this category are certain structured debt obligations, private equity and/or debt securities issued by private entities.

3. Fair Value Measurements and Disclosures (continued)

The Investment Manager has established a Valuation Committee responsible for overseeing the fair valuation of all securities held in the Master Funds' portfolios. The Valuation Committee meets on a monthly basis and as frequently as needed. Its primary functions include: adopting and reviewing fair valuation policies, determining fair values, establishing and reviewing fair valuation methodologies, and addressing the adequacy and consistency of application of fair valuation pricing policies and procedures.

The Investment Manager obtains market price quotations for use in the fair valuation of the Master Funds' portfolio on a monthly basis. The Investment Manager seeks to obtain quoted "bid" and "ask" or "mid" prices from at least two, if possible, broker/dealers, pricing services, valuation agents, or other independent pricing sources. If a "bid" and "ask" quotation is received, the mean or "mid" will be calculated. If two or more quotations are obtained by the Investment Manager for a security, the average of such quotations shall be used. If no mid price is available, such security shall be valued at the bid price. Certain market price quotations may be disregarded and deemed to be outliers if in the reasonable judgment of the Investment Manager the quotations are not representative of the market. Quotations that are deemed to be outliers would be presented and approved by the Valuation Committee.

Valuations for fixed income securities and derivatives presented in the Master Funds' fair value hierarchy tables are generally based on market price quotations or recently executed market transactions (where observable) and are generally classified as Level II. Inputs into market quotations are observable and may include quoted prices for similar investments in active or inactive markets, interest rates, yield curves and forward currency rates, constant default rates, constant prepayment rates, loss severities, liquidity constraints and manager behavior. If these inputs are unobservable and significant to the fair value, these investments will be classified as Level III.

In the absence of consistently available market price quotations that reflect observable market inputs, investments are generally classified as Level III. The Investment Manager may use a variety of valuation techniques in the fair value process including, but not limited to, recent market transactions, single market quotations, discounted cash flow models, market approaches and option value models. The Investment Manager may use one or a combination of these valuation techniques in determining the fair value of a Level III investment.

During the year ended December 31, 2024, there were no changes to the Master Funds' valuation techniques that had, or are expected to have, a material impact on its financial position or results of operations.

3. Fair Value Measurements and Disclosures (continued)

The following fair value hierarchy tables present information about the Master Funds' assets and liabilities measured at fair value on a recurring basis as of December 31, 2024. Refer to the Combined Condensed Schedule of Investments for further details on the industry and geographic concentrations, which has been prepared based on the geographic location of the issuer.

	Assets at Fair Value			
	Level I	**Level II**	**Level III**	**Total**
Investments in Securities				
Structured Debt Obligations				
CLO				
Equity	$ —	$ —	$ 1,213,786	$ 1,213,786
CRE				
Mezzanine	—	—	70,829,186	70,829,186
Single Family Rental				
Equity	—	—	23,995,242	23,995,242
CMBS				
Participation Junior	—	—	9,758,668	9,758,668
Consumer ABS				
Auto Subordinate	—	—	29,928,000	29,928,000
Aircraft Residual	—	—	4,026,113	4,026,113
Single Borrower				
Equity	—	—	49,654,029	49,654,029
Market Place Lending				
Whole Loans	—	—	5,834,667	5,834,667
Total Investments in Securities	$ —	$ —	$ 195,239,691	$ 195,239,691

	Derivative Assets at Fair Value			
	Level I	**Level II**	**Level III**	**Total**
Derivative Contracts - Assets				
Currency Options	$ —	$ —	$ 184,159	$ 184,159
Total Derivative Contracts - Assets	$ —	$ —	$ 184,159	$ 184,159

The following table summarizes the purchases and transfers of the Master Funds' Level III assets for the year ended December 31, 2024:

	Investments in Securities	**Derivative Contracts, Net**
	Structured Debt Obligations	**Currency Options**
Investment purchases	$ 41,852,900	$ 333,422

3. Fair Value Measurements and Disclosures (continued)

There were no transfers in or transfers out of Level III assets for the year ended December 31, 2024.

Master Funds' Level III Investments are valued using prices obtained from third party pricing specialists without adjustments.

Derivative Financial Instruments and Hedging Activities

The Master Funds may enter into derivative contracts to manage the Master Funds' currency exchange risk, interest rate risk, credit risk and other exposure risks. The types of derivative contracts generally used by the Master Funds are equity and equity index options, swaps, swaptions and futures. Investment companies account for their derivatives at fair value and record any changes in fair value in current period earnings. As such, even though the Master Funds may use derivatives in an attempt to achieve an economic hedge, the Master Funds' derivatives are not considered to be hedging instruments. Instead, the Master Funds have designated these derivative instruments as trading instruments.

Certain of the Master Funds' derivative contracts have been transacted pursuant to bilateral agreements with certain counterparties that give the counterparties the right to terminate the transactions if the Master Funds' net assets decline below an agreed upon level (a "Trigger Event"). If a Trigger Event had occurred at December 31, 2024 for those contracts in a net liability position where counterparties are permitted to terminate the open derivative contracts, additional amounts may not be required to be posted since the aggregate fair value of the required collateral posted exceeded the settlement amounts of the open derivative contracts. As of December 31, 2024, the Master Funds held $184,159 derivative contracts that were in a net asset position and none are subject to a Trigger Event. To the extent derivative contracts are in a net asset liability, if any, the Master Funds may need to post additional collateral. Please see the table in Note 4 "Offsetting Assets and Liabilities".

The following table summarizes the fair value of derivative instruments designated as trading instruments on a gross basis classified by type of risk of underlying investments as shown on the Combined Statement of Financial Condition as of December 31, 2024:

		Fair Value of Derivative Instruments			
		Assets		Liabilities	
Derivative Type	Primary Risk Exposure	Combined Statement of Financial Condition Location	Fair Value	Combined Statement of Financial Condition Location	Fair Value
Option Contracts	Foreign Exchange	Derivative contracts, at fair value	$ 184,159	Derivative contracts, at fair value	$ —
Total Derivative Contracts			$ 184,159		$ —

3. Fair Value Measurements and Disclosures (continued)

Derivative Financial Instruments and Hedging Activities (continued)

The following table summarizes the gains and losses reported on derivatives designated as trading instruments as included in the Combined Statement of Operations for the year ended December 31, 2024:

Derivative Type	Primary Risk Exposure	Net Realized Gain (Loss) on Derivatives	Net Change in Unrealized Gain (Loss) on Derivatives	Volume of Activity[1] Asset	Liability
Futures Contracts	Foreign Exchange	$ (1,560)	$ 3,488	—	—
Option Contracts	Foreign Exchange	(866,579)	627,449	159	—
Total Derivative Contracts		$ (868,139)	$ 630,937		

[1] The volume of activity represents the average quarterly notional exposure (in thousands) during the year.

4. Offsetting Assets and Liabilities

The Master Funds are required to disclose the impact of offsetting assets and liabilities represented in the Combined Statement of Financial Condition to enable users of the financial statements to evaluate the effect or potential effect of netting arrangements on its financial position for recognized assets and liabilities. These recognized assets and liabilities are financial instruments and derivative instruments that are either subject to an enforceable master netting arrangement or similar agreement or meet the following right of set off criteria: the amounts owed by the Master Funds to another party are determinable, the Master Funds have the right to set off the amounts owed with the amounts owed by the other party, the Master Funds intend to set off, and the Master Funds' right of set off is enforceable at law.

Excluding the criteria that the Master Funds intend to set off, securities purchased under agreements to resell and securities sold under agreements to repurchase need to meet the following additional criteria to be offset: positions are with the same counterparty, have the same explicit settlement date specified at the inception of the agreements, are executed in accordance with a master netting arrangement, have securities underlying the agreements that exist in book entry form and can be transferred only by means of entries in the records of the transfer system operator or securities custodian, will both be settled on a securities transfer system and have an associated banking arrangement in place as described by FASB, and intends to use the same account at the clearing bank or other financial institution at the settlement date in transacting both the cash inflows resulting from the settlement of the securities purchased under agreements to resell and the cash outflows in settlement of the offsetting securities sold under agreements to repurchase.

4. Offsetting Assets and Liabilities (continued)

As of December 31, 2024, the Master Funds hold financial instruments and derivative instruments that are eligible for offset in the Combined Statement of Financial Condition and are subject to a master netting arrangement. The master netting arrangement allows the counterparty to net applicable collateral held on behalf of the Master Funds against applicable liabilities or payment obligations of the Master Funds to the counterparty. These arrangements also allow the counterparty to net any of its applicable liabilities or payment obligations they have to the Master Funds against any collateral sent to the Master Funds. The Master Funds do not designate or account for any derivative instruments as hedging instruments as defined under ASC 815, *"Derivatives and Hedging"*. Additionally, the Master Funds have elected not to offset the cash collateral against the fair value of the derivative contracts on the Combined Statement of Financial Condition.

The following table provides disclosure regarding the potential effect of offsetting of recognized liabilities presented in the Combined Statement of Financial Condition as of December 31, 2024:

Assets					Gross Amounts Not Offset in the Combined Statement of Financial Condition		
Counterparty	**Description**	**Gross Amounts of Recognized Assets**	**Gross Amounts Offset in the Combined Statement of Financial Condition**	**Net Amounts of Recognized Assets presented in the Combined Statement of Financial Condition**	**Financial Instruments**	**Collateral Received**	**Net Amount**
Counterparty A	Derivative Contracts	$ 184,159	$ —	$ 184,159	$ —	$ (184,159)	$ —
	Total	$ 184,159	$ —	$ 184,159	$ —	$ (184,159)	$ —

Liabilities					Gross Amounts Not Offset in the Combined Statement of Financial Condition		
Counterparty	**Description**	**Gross Amounts of Recognized Liabilities**	**Gross Amounts Offset in the Combined Statement of Financial Condition**	**Net Amounts of Recognized Liabilities presented in the Combined Statement of Financial Condition**	**Financial Instruments**	**Collateral Pledged**	**Net Amount**
Counterparty B	Securities sold under agreements to repurchase	$ 18,127,363	$ —	$ 18,127,363	$ (18,127,363)	$ —	$ —
	Total	$ 18,127,363	$ —	$ 18,127,363	$ (18,127,363)	$ —	$ —

The actual collateral received and/or pledged may be more than the amount disclosed above due to overcollateralization.

5. Due from/to Brokers

Securities transactions of the Master Funds are primarily maintained, cleared and held by registered U.S. broker/dealers pursuant to clearance agreements. As of December 31, 2024, the due from brokers balance in the Combined Statement of Financial Condition includes cash at these brokers and amounts receivable for securities transactions pending settlement.

Investments in securities held by the clearing brokers are pledged to the clearing brokers on terms which permit the clearing brokers to sell or repledge the securities to others, subject to certain limitations. The Master Funds had substantial counterparty credit risk with these brokers and their affiliates.

5. Due from/to Brokers (continued)

In the ordinary course of business of trading in securities, the Master Funds may borrow funds on margin and, therefore, the clearing brokers will use securities pledged by the Master Funds to facilitate these activities. Margin interest is paid at floating interest rates based upon the Fed Funds rate or Secured Overnight Financing Rate (SOFR). SOFR is a benchmark interest rate for dollar-denominated derivatives and loans. SOFR uses actual costs of transactions in the overnight repo market, calculated by the New York Federal Reserve. As of December 31, 2024, the Master Funds did not have an outstanding margin balance.

Due from brokers and counterparties includes deposits of $210,000, which was pledged by the Master Funds for derivatives trading.

6. Financing Arrangements

On June 26, 2024, the Lexington SO1 Unlock Borrower, LLC with LibreMax Structured Opportunities (ECI) Master Fund I, LP as the Sponsor, entered into a loan and security agreement ("Loan Agreement") with East West Bank. Credit Extensions in an aggregate amount cannot exceed at any time the Revolving Loan Commitment of $30,000,000 and (ii) in an aggregate amount not to exceed at any time outstanding the lesser of the Maximum Loan Amount, as the same may be increased from time to time pursuant to the terms and provisions thereof, and the Borrowing Base.

The collateral for credit extensions are the right, title and interest of Borrower in and to the Trust, the Trust Fund and the Trust Certificates (including all Collections received thereunder and the beneficial rights evidenced thereby in any property that underlies or may be deemed to secure the respective interests in the Trust represented by the Trust Certificates) and any related rights, remedies, powers and privileges of the holder thereof under the related Unlock Agreements. The advances on the facility shall bear interest, on the outstanding daily balance at a rate of 1 Month Term SOFR plus spread of 3.15%.

During the year ended December 31, 2024, the Master Funds incurred interest expense in the amount of $521,429 and there was $18,127,363 principal balance outstanding on the facility at year end.

On October 28, 2021, the Master Funds entered into a loan and security agreement ("Loan Agreement") with Pacific Western Bank. Credit Extensions are available up to a maximum aggregate outstanding principal amount being the lesser of (i) one hundred million dollars and (ii) thirty percent of Capital Commitments. The collateral for credit extensions are All Uncalled Committed Capital of the Debtor's Partners, Capital Contributions of the Debtor's Partners, Capital Calls to the Debtor's Partners, and all other proceeds and rights to payment from the Debtor's Partner of such Partner's Uncalled Committed Capital.

6. Financing Arrangements (continued)

The advances on the facility shall bear interest, on the outstanding daily balance at a variable annual rate equal to the greater of: one half of one percent (0.50%) below the Prime Rate then in effect; or 2.85%. During the year ended December 31, 2024, the Master Funds incurred interest expense in the amount of $101,289 and there was $3,700,000 principal balance outstanding on the facility at year end.

7. Related Party Transactions

Management Fee and Other Expenses

The Master Funds will pay to the Investment Manager a monthly management fee calculated at an annual rate of 1.50% of the value of the Feeder Funds' partners' capital (the "Management Fee"). The Management Fee is paid monthly in advance based on the value of each Feeder Fund's partners' capital as of the first business day of each month, adjusted for contributions and withdrawals made during the month. The Investment Manager, in its sole discretion, may waive or modify the Management Fee for limited partners of the Feeder Funds that are members, employees or affiliates of the General Partners or the Investment Manager, relatives of such persons, and for certain large or strategic investors. An affiliate of the Anchor Investor is entitled to receive a portion of the Management Fee.

The Management Fee for the year ended December 31, 2024 amounted to $1,045,372.

Direct Fund Expenses Incurred by the Investment Manager

The Master Funds are responsible for the Management Fee, investment expenses such as commissions and research fees, audit and tax preparation expenses, administrative expenses, legal expenses, operating and accounting expenses (including external accounting expenses and reimbursement of the cost of operating and accounting expenses provided by the Investment Manager or its affiliates), valuation expenses, asset management services, organizational expenses, insurance expenses, fees and expenses of any service companies, other similar expenses related to the Master Funds, extraordinary expenses, and state, local and foreign taxes relating to portfolio investments. To the extent that expenses to be borne by the Master Funds are paid by the Investment Manager, or any of their affiliates, such expenses will be allocated from and reimbursed to such party by the Master Funds. For the year ended December 31, 2024, such expenses amounted to $101,300 and are included in market data expense and other expenses on the Combined Statement of Operations. As of December 31, 2024, there were no such expenses payable to the Investment Manager.

7. Related Party Transactions (continued)

Related Party Ownership

As of December 31, 2024, the General Partners and their affiliated parties' investment in the Master Funds (directly and indirectly) amounted to $1,001,753 or 0.64% of total partners' capital of the Master Funds.

8. Risk Management

Special risks may be associated with the Master Funds' investments in structured credit products, collateralized debt obligations, collateralized mortgage obligations, collateralized bond obligations, collateralized loan obligations, synthetic credit portfolio transactions and asset backed securities. For example, synthetic portfolio transactions may be structured with two or more classes of tranches that receive different proportions of the interest and principal distributions on a pool of credit assets. The yield to maturity of a tranche may be extremely sensitive to the rate of defaults in the underlying reference portfolio. A rapid change in the rate of defaults may have a material adverse effect on the yield to maturity. It is therefore possible that the Master Funds may incur losses on its investments in structured products regardless of their ratings by S&P or Moody's. Additionally, the securities in which the Investment Manager is authorized to invest include securities that are subject to legal or contractual restrictions on their resale or for which there is a relatively inactive trading market. Securities subject to resale restrictions may sell at a price lower than similar securities that are not subject to such restrictions.

Market risk is the risk of potential adverse changes to the fair value of financial instruments and their derivatives because of changes in market conditions such as interest and currency rate movements and volatility in security prices. Off-balance sheet market risk exists when the maximum potential loss on a particular investment is greater than the value of such investment, as reflected on the Combined Statement of Financial Condition. The off-balance sheet market risk associated with the various financial instruments that the Master Funds invest in as part of its investment strategy is discussed throughout the notes. The Master Funds invest in commercial real estate loans. Until commercial real estate loans are sold or mature, the Master Funds are exposed to credit risk relating to whether the borrower will meet its obligations when they come due. Commercial real estate loans held by the Master Funds may include financing commitments obligating the Master Funds to advance additional amounts on demand. At December 31, 2024, the Master Funds had unfunded commitments of $12,923,191.

Credit risk is the risk that counterparties may fail to fulfil their obligations or that the collateral value becomes inadequate. The Master Funds attempt to minimize its credit risk by monitoring the credit exposure with, and the creditworthiness of, counterparties. The Master Funds reduce its credit risk with counterparties by entering into master netting agreements with its counterparties, where possible.

8. Risk Management (continued)

Therefore, the Master Funds' exposure to certain counterparties will either be an asset, if the gross fair value of the derivatives in an asset position exceeds the gross fair value of the derivatives in a liability position, or a liability if the gross fair value of the derivatives in a liability position exceeds the gross fair value of the derivatives in an asset position.

The Master Funds also have a risk with counterparties that it may not always be possible to achieve segregation of the Master Funds' assets from other assets of the counterparties and there may be practical or timing problems associated with enforcing the Master Funds' rights to its assets in the case of the counterparties' insolvency.

There are risks involved in dealing with the custodians or prime brokers who settle trades. Under certain circumstances, including certain transactions where the Master Funds' assets are pledged as collateral for leverage from a non-broker-dealer custodian or a non-broker-dealer affiliate of the prime broker, the securities and other assets deposited with the custodian or broker may be exposed to a credit risk with regard to such parties. In addition, there may be practical or time problems associated with enforcing the Master Funds' rights to its assets in the case of an insolvency of any such party.

The Master Funds invest in fixed income securities. Until such investments are sold or mature, the Master Funds are exposed to credit risk relating to whether the issuer will meet its obligations as they come due.

The Master Funds have exposure to interest rate risks to the extent prevailing interest rates change and it could negatively affect the value of the Master Funds.

In the normal course of business, the Master Funds maintain their cash balances in financial institutions, which at times may exceed federally insured limits. The Master Funds are subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf. Management monitors the financial condition of such financial institutions and does not anticipate any losses from these counterparties.

The Master Funds are subject to risks associated with unforeseen or catastrophic events, including geopolitical issues, wars, terrorist attacks, natural disasters, and the emergence of a pandemic or other public health emergencies, which could create economic, financial and business disruptions. These events could lead to operational difficulties that could materially impair the General Partners' ability to manage the Master Funds' activities potentially resulting in material financial losses to the Master Funds and their investors.

8. Risk Management (continued)

Structured Debt Obligations

The Master Funds may invest in structured debt obligations such as collateralized debt obligations, collateralized mortgage obligations, collateralized bond obligations, collateralized loan obligations or similar instruments. Structured debt obligations may entail a variety of unique risks. Among other risks, structured debt obligations may be subject to prepayment risk. In addition, performance of a structured finance security will be affected by a variety of factors, including its priority in the capital structure of the issuer thereof, the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans or other assets that are being securitized, remoteness of those assets from the originator or transferor, the adequacy of and ability to realize any related collateral and the capability of the servicer of the securitized assets.

9. Indemnifications

The Master Funds enter into agreements that may contain indemnifications or warranties. Future events could occur that lead to the execution of these provisions against the Master Funds. Based on its history and experience, management considers that the likelihood of such an event is remote. The Master Funds also enter into contracts with its service providers and other parties that contain a variety of indemnifications. The Master Funds' maximum exposure under these arrangements is unknown. However, the Master Funds have not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote. Therefore, no liability has been recorded with respect to these indemnifications.

10. Partners' Capital

Committed Capital

The initial closing of the sale of Interests took place on August 18, 2021, as agreed to by the General Partners. Income will be allocated to the partners pro-rata based on each partners' capital commitment to the Master Funds.

The Master Funds will accept capital commitments during the initial closing and any subsequent closings at the discretion of the General Partners. Capital Contributions will be made pursuant to capital calls by the General Partners. The General Partners may call for Capital Contributions from time to time pro rata among the Partners based on their Capital Commitments in such increments of the Partners' Capital Commitments as the General Partners determine, subject, in each case, to adjustment for reductions or waivers of the Management Fee, to account for expenses specifically attributable to a Limited Partner or a group of Limited Partners and exclusions from certain types of investments.

10. Partners' Capital (continued)

Committed Capital (continued)

The General Partners will provide each Partner with a written drawdown notice at least ten business days prior to the date on which a Capital Contribution is due. During the Investment Period, the General Partners will be permitted to reinvest (or retain for reinvestment or for other purposes) all or a portion of any Investment Proceeds received during the Investment Period. After the Investment Period, all Investment Proceeds constituting Distribution Proceeds will generally be distributed by the General Partners. To the extent the Feeder Funds makes a distribution of Distribution Proceeds to the Partners during the Investment Period representing a return of capital under the distribution waterfall, such return of capital will be added to the Partners' remaining Capital Commitments and will be subject to recall. The Master Funds have total commitments of $224,315,000, of which $222,040,000 is committed by the Feeder Funds. As of December 31, 2024, $164,554,953 has been called with a distribution recall of $1,088,844 and remaining commitment of $58,573,891. Of the total commitments, the General Partners had commitments to the Master Funds of $2,275,000, $1,675,203 has been called with a distribution recall of $11,156 and remaining commitment amount of $610,954.

Distributions and Carried Interest Distributions

As stated in the Master Funds' confidential private placement memorandum, the General Partners will cause the Master Funds to make distributions at least quarterly to the Limited Partners of the Master Funds after the Investment Period (which is defined as commencement on the Initial Closing and end on the eight month end following the Initial Closing or at such earlier time as the General Partners may determine) of Investment Proceeds (defined below), in each case net of any expenses or other obligations of the Master Funds and reserves for existing or anticipated obligations of the Master Funds, including the Master Funds expenses, organizational expenses, operating reserves, and any amounts held back for Tax Distributions or any other permitted purpose ("Distribution Proceeds"); provided that the Master Funds will not be required to make a distribution with respect to a particular quarter unless it has at least $1,000,000 in Distribution Proceeds to distribute at such time.

"Investment Proceeds" means all proceeds, including all dividends and interest received by the Master Funds in respect of any payment, sale, principal payment, refinancing, recapitalization, redemption, repayment, exchange, distribution or other similar transaction with respect to any portfolio investments.

10. Partners' Capital (continued)

Distributions and Carried Interest Distributions (continued)

Distribution Proceeds will be calculated without taking into account Management Fees and expenses specifically attributable to the investment of a Limited Partner or group of Limited Partners, which are accounted for by separately calling capital for such amounts or deducting such amounts from such Limited Partner or group of Limited Partner's share of Distribution Proceeds (either on behalf of each such Limited Partner or group of Limited Partners) after the apportionment described below.

Immediately prior to a distribution, Distribution Proceeds will be apportioned among the General Partners, in their capacity as the general partners of each Master Fund, the Domestic Fund and the Intermediate Funds, and distributions will be made to the Intermediate Funds (on behalf of the Partnership on behalf of each Partner on a Partner-by-Partner basis) and to the Domestic Fund on behalf of each Domestic Investor on a Domestic Investor-by-Domestic Investor basis (i) in the case of Distribution Proceeds attributable to a specific portfolio investment, to the Domestic Fund, the General Partners and the Intermediate Funds in accordance with their respective Master Fund Participation Percentage with respect to such portfolio investment (subject to adjustment for excused participation, exclusion or default by a Limited Partner), and (ii) in the case of Distribution Proceeds not attributable to a specific portfolio investment, to the Domestic Fund, the General Partners and the Intermediate Funds in accordance with their respective Master Fund Participation Percentage at the time of such distribution.

Distribution Proceeds initially apportioned to the Intermediate Funds (on behalf of the Partnership), on behalf of a Limited Partner, will be distributed by the Master Funds to the Intermediate Funds (on behalf of the Partnership on behalf of a Limited Partner), on the one hand, and the General Partners, on the other hand, in the following order of priority (after deduction for Management Fees and expenses specifically attributable to the investment of such Limited Partner (e.g., any Investor-Related Taxes)):

(1) Return of Capital: First, 100% to the Feeder Funds, until the Feeder Funds have received, in aggregate, cash distributions equal to the Feeder Funds' capital contributions to the Master Funds (through the Intermediate Funds, where applicable), taking into account all prior distributions made pursuant to this clause (1);

10. Partners' Capital (continued)

Distributions and Carried Interest Distributions (continued)

(2) Hurdle Return: Second, 100% to the Feeder Funds, until the Feeder Funds, has received aggregate amounts (taking into account all prior distributions made pursuant to this clause and clause (4) below) equal to the Hurdle Return. The "Hurdle Return" means such payments that would result in a compounded rate of return equal to 8% per annum in respect of unreturned capital contributions made by the Feeder Funds to the Master Funds from the date on which the Feeder Funds were required to fund such capital contributions made by the Feeder Funds, to the Master Funds (or the date on which such capital contributions were funded, if later) until the date of return of such contributions to the Feeder Funds by the Master Funds (on a first-in, first-out basis), taking into account the amount and effective date of each capital contribution, distribution and recall of distribution; provided, however, that capital contributions made by the Feeder Funds in respect of the Initial Additional Capital Contribution for each Partner with respect to any New Commitment will be deemed to have been made as of the date of the corresponding Capital Contributions of the Partners admitted as of the Initial Closing (or if there have been multiple Capital Contributions of such Partners, then, on a pro rata basis, as of the respective dates of such Capital Contributions) for purposes of calculating the applicable Hurdle Return;

(3) Catch-up: Third, 100% to the General Partners until such time as the General Partners have received in respect of the Feeder Funds, 20% of the aggregate amount distributed in respect of the Feeder Funds under clause (2) and to the General Partners under this clause (3); and

(4) 80/20 Split: Fourth, (x) 80% to the Feeder Funds and (y) 20% to the General Partners (the "Carried Interest Distributions").

The General Partners may waive the Carried Interest Distributions with respect to any General Partners related investors, and the General Partners may waive or calculate differently the Carried Interest Distributions with respect to any other Limited Partners. For the year ended December 31, 2024, the Carried Interest earned by the General Partners was $3,515,549 and as of December 31, 2024, the cumulative Carried Interest earned by the General Partners was $6,452,090.

10. Partners' Capital (continued)

Co-Investments

The Investment Manager and its affiliates may, from time to time, offer one or more Limited Partners or investors in Other Accounts and/or other third-party investors the opportunity to co-invest with the Master Funds in particular investments. The Investment Manager will allocate co-investment opportunities in a manner consistent with its policies and procedures. The Investment Manager and its affiliates are not obligated to arrange co-investment opportunities, and no Limited Partner will be obligated to participate in such an opportunity. The Investment Manager and its affiliates have sole discretion as to the amount (if any) of a co-investment opportunity that will be allocated to a particular Limited Partner and may allocate co-investment opportunities instead to investors in Other Accounts or to third parties.

11. Financial Highlights

The following represents ratios to average limited partners' capital and internal rate of return information for the year ended December 31, 2024:

	Limited Partners
Ratios to average Limited Partners' capital	
Expenses before interest expense and carried interest	1.37 %
Interest expense	0.37
Carried interest	2.00
Total expenses	3.74 %
Net investment income before carried interest	8.57 %

The expense ratios and net investment income ratio above are calculated for all the limited partners taken as a whole. The computation of such ratios based on the amount of expenses, carried interest and net investment income assessed to an individual limited partner's capital may vary from these ratios based on the timing of capital transactions and different fee arrangements.

11. Financial Highlights (continued)

Internal Rate of Return (IRR)	Limited Partners
IRR since inception date August 18, 2021 to December 31, 2023	8.20 %
IRR since inception date August 18, 2021 to December 31, 2024	9.27 %

The IRR was computed based on the dates of cash inflows (capital contributions) and outflows (capital distributions), and the ending partners' capital at the end of the year (residual value) as of each measurement date. The IRR was computed net of all fees and carried interest to the General Partners.

The cumulative cash flow used in the IRR calculation are based on the inception-to-date contributions and residual value. An investor's actual economic return may not be consistent with the IRR return presented and could be materially different as a result of the limitations of the calculation.

12. Recent Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"). ASU 2023-09 modifies the reporting requirements for income tax disclosures related to effective tax rates and cash income taxes paid. Pursuant to ASU 2023-09, reporting entities are required to disclose certain categories in the income tax rate reconciliation, as well as additional information for reconciling items that meet a specific quantitative threshold. Additionally, ASU 2023-09 requires annual disclosures of income taxes paid for all entities, including the amount of income taxes paid, net of refunds received, disaggregated by federal, state, and foreign jurisdictions. The standard is effective for fiscal years beginning after December 15, 2025 for entities other than public business entities with early adoption permitted. The Master Funds are currently evaluating the impact of ASU 2023-09 on its financial statements.

13. Subsequent Events

Subsequent to December 31, 2024, the Master Funds distributed $49,945,648 to the Feeder Funds.

The General Partners of the Master Funds have approved a plan of reorganization under which the Master Funds will transfer substantially all of their investments to a newly formed registered closed-end interval fund, LibreMax Asset-Backed Income Fund (the "Successor Fund"). The Successor Fund intends to register its shares under the Investment Company Act of 1940 and the Securities Act of 1933 through the filing of a registration statement on Form N-2 with the U.S.30 Securities and Exchange Commission. The investment objectives and strategies of the Successor Fund are expected to be substantially similar to those of the Master Funds.

The General Partners and Investment Manager have evaluated subsequent events through October 23, 2025, the date the combined financial statements were available to be issued, and have determined that no additional items require disclosure.

FINANCIAL STATEMENTS

LibreMax Structured Opportunities Partners II, LP
Year Ended December 31, 2024
With Report of Independent Auditors

LibreMax Structured Opportunities Partners II, LP

Financial Statements

Year Ended December 31, 2024

Contents

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Report of Independent Auditors

The General Partner
LibreMax Structured Opportunities Partners II, LP

Opinion
We have audited the financial statements of LibreMax Structured Opportunities Partners II, LP (the "Partnership"), which comprise the statement of financial condition as of December 31, 2024, and the related statements of operations, changes in partners' capital, and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Partnership at December 31, 2024, and the results of its operations, changes in its partners' capital and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Partnership and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Ernst + Young LLP

March 31, 2025

LibreMax Structured Opportunities Partners II, LP

Statement of Financial Condition

December 31, 2024
(Expressed in US Dollars)

Assets		
Investment in LibreMax Structured Opportunities Fund (the "Master Funds"),		
at fair value	$	97,013,444
Cash and cash equivalents		2,000
Tax refund receivable		32,155
Total assets		97,047,599
Liabilities and Partners' Capital		
Professional fees payable		18,800
Due to Master Funds		9,230
Total liabilities		28,030
Partners' Capital		
Limited partners		97,019,569
Total partners' capital		97,019,569
Total liabilities and partners' capital	$	97,047,599

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund II.

LibreMax Structured Opportunities Partners II, LP

Statement of Operations

Year Ended December 31, 2024
(Expressed in US Dollars)

Net realized and change in unrealized gain/(loss) on investment transactions allocated from Master Funds		
Net realized gain on investment transactions	$ 350,886	
Net realized gain on derivative contracts	188,814	
Net realized gain on foreign currency transactions	1,024	
Net change in unrealized gain on investment transactions	5,541,733	
Net change in unrealized gain on derivative contracts	166,135	
Net gain on investment transactions		$ 6,248,592
Investment income allocated from Master Funds		
Interest income	9,349,623	
Dividend income	35,060	
Total investment income allocated from Master Funds	9,384,683	
Expenses allocated from Master Funds		
Interest expense	635,778	
Management fee	539,650	
Deal legal expense	386,841	
Professional fees	236,638	
Market data expense	35,065	
Other expenses	114,654	
Carried interest	1,701,695	
Total expenses	3,650,321	
Net investment income allocated from Master Funds before Partnership expenses	5,734,362	
Partnership expenses		
Professional fees and other expenses	47,580	
Total Partnership expenses	47,580	
Net investment income		5,686,782
Net income before tax expense	11,935,374	
Income tax expense/(benefit)	$ (32,155)	
Net income		$ 11,967,529

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund II.

LibreMax Structured Opportunities Partners II, LP

Statement of Changes in Partners' Capital

Year Ended December 31, 2024
(Expressed in US Dollars)

	Limited Partners	General Partner	Total
Partners' capital at beginning of year	$ 82,684,764	$ —	$ 82,684,764
Capital distributions	7,316,150	—	7,316,150
Distributions	(4,948,874)	—	(4,948,874)
Allocation of net income:			
Pro-rata income	11,967,529	—	11,967,529
Partners' capital at end of year	$ 97,019,569	$ —	$ 97,019,569

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund II.

LibreMax Structured Opportunities Partners II, LP

Statement of Cash Flows

Year Ended December 31, 2024
(Expressed in US Dollars)

Cash flows from operating activities		
Net income	$	11,967,529
Adjustments to reconcile net income to net cash used in operating activities:		
Net income allocated from Master Funds		(11,982,954)
Purchases of investment in Master Funds		(13,461,715)
Sales of investment in Master Funds		11,115,989
Net change in operating assets and liabilities:		
Tax refund receivable		(32,155)
Professional fees payable		18,800
Due to Master Funds		8,030
Net cash used in operating activities		(2,366,476)
Cash flows from financing activities		
Proceeds from capital contributions		7,316,150
Payments for distributions		(4,948,874)
Net cash provided by financing activities		2,367,276
Net change in cash and cash equivalents		800
Cash and cash equivalents at beginning of year		1,200
Cash and cash equivalents at end of year	$	2,000

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund II.

1. Organization

LibreMax Structured Opportunities Partners II, LP (the "Partnership") is organized as a Delaware limited partnership on January 31, 2022 and commenced operations on March 17, 2022. The Partnership and LibreMax Structured Opportunities Offshore Partners II, LP (the "Offshore Fund") invest substantially all of their investable assets through a "master-feeder" structure in the LibreMax Structured Opportunities Master Fund II, LP (the "Non-ECI Master Fund"), a Cayman Islands exempted limited partnership, and LibreMax Structured Opportunities (ECI) Master Fund II, LP, a Delaware limited partnership (the "ECI Master Fund" and together with the Non-ECI Master Fund, the "Master Funds").

The general partner of the Partnership is LibreMax GP, LLC (the "General Partner"), a Delaware limited liability company and an affiliate of LibreMax Capital, LLC (the "Investment Manager").

The Partnership's investment objective, through its investment in the Master Funds, is to generate attractive returns through investments in a variety of securitized and structured financial products and credit-related investments. To achieve the Master Funds' objectives, the Investment Manager employs an extensive micro-credit analysis and a rigorous underwriting process that complements a thematic macro approach to portfolio construction. The Investment Manager believes that a strategy based on the foregoing investment process will generate attractive returns. The Partnership's term will commence on the Initial Closing and, unless sooner dissolved pursuant to the Partnership Agreement, will continue until the final termination of the Harvest Period. The "Harvest Period" means the period commencing on the expiration or termination of the Investment Period (defined below) and ending on the fourth anniversary thereof (or such earlier date as may be determined by the General Partner, in its sole discretion, upon ten (10) business days' prior written notice to the Limited Partners); provided, however, that the Harvest Period may be extended twice by the General Partner, in its sole discretion, up to one year for each extension, upon at least thirty (30) days' prior notice to the Limited Partners prior to the expiration of the Harvest Period. At the end of the term of the Partnership, the General Partner will formally wind up and dissolve the Partnership. Partners will be required to fund their Capital Commitments during the investment period, which will commence on the Initial Closing and end on the twelfth month end following the Initial Closing or at such earlier time as the General Partner may determine in accordance with the terms set forth in the Partnership Agreement (the "Investment Period"). After the Investment Period, the Partners will be released from any further obligations with respect to their Capital Commitments, except to (1) fund a pending Capital Call Notice (defined below) received by the Partners prior to the end of the Investment Period; (2) fund an investment for up to six months after the end of the Investment Period that the Partnership has committed to

1. Organization (continued)

in writing prior to the termination of the Investment Period; (3) fund an investment for up to six months after the end of the Investment Period that was under active consideration by the Partnership prior to the end of the Investment Period pursuant to a written memorandum of understanding or letter of intent, whether or not binding; (4) pay for the Management Fee, Tax Distributions and actual or anticipated expenses (for the sake of clarity, excluding, without limitation, any obligation with respect to the acquisition of an investment which is not contemplated in clauses (1) – (3) above or (6) below) and to pay down the Master Funds' financing obligations, whether incurred before or after the end of the Investment Period (including amounts relating to any Commitment Facility); (5) engage in hedging or financing transactions with respect to the Master Funds' portfolio investments (which hedging or financing transactions will not be deemed to be portfolio investments); and (6) fund any investment that the General Partner, in its sole discretion, believes is appropriate or necessary for the Master Funds to make to preserve, protect or enhance an existing investment (each such investment made pursuant to this clause (6) after the end of the Investment Period, a "Follow-On Investment"); provided that the Follow-On Investments will not exceed 25% of Capital Commitments.

At the end of the Investment Period, the General Partner will disclose to all Limited Partners the amounts reserved for any unfunded investments along with a list of any actively considered investments, pursuant to clauses (1) – (3) of the preceding paragraph and any Follow-on Investments pursuant to clause (6) of the preceding paragraph.

LibreMax Capital, LLC, a Delaware limited liability company, serves as the Investment Manager to the Partnership and provides certain administrative services and investment management services to the Partnership. The Investment Manager also serves as investment manager to the Master Funds and the Offshore Fund. The Investment Manager is registered as an investment adviser with the Securities and Exchange Commission under the Investment Advisers Act of 1940.

International Fund Services (N.A.), L.L.C. (the "Administrator"), a subsidiary of State Street Alternative Investment Solutions, was appointed as the administrator for the Master Funds and the Partnership. The Administrator also acts as the transfer agent for the Master Funds and the Partnership. For the year ended December 31, 2024, the administration fee was $1,200, which is included in professional fees and other expenses on the Statement of Operations.

The General Partner is responsible for the supervision of the Partnership's partners' capital calculation, investment policy, valuation policy, performance of the Partnership, and to supervise the conduct of its affairs. The General Partner has delegated certain of these responsibilities to the Investment Manager and the Administrator. The General Partner is responsible for the supervision of the Investment Manager and the Administrator.

Capitalized terms used but not defined herein shall have the meaning assigned to them in the Partnership's offering memorandum.

2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Partnership in the preparation of its financial statements. The policies followed by the Master Funds are discussed in the notes to the Master Funds' combined financial statements which are attached hereto and should be read in conjunction with these financial statements.

Basis of Accounting

The Partnership's accounting policies are in conformity with accounting principles generally accepted in the United States of America. The Partnership maintains its financial records in United States dollars. The Partnership is an investment company that follows the accounting and reporting guidance of Financial Accounting standards Board ("FASB") Accounting Standards Codification ("ASC") No. 946, *"Financial services - Investment Companies"*. For financial reporting purposes, the Partnership follows the accrual method of accounting.

Investment Valuation

The Partnership's investment in the Master Funds is valued at fair value, which is represented by the Partnership's proportionate interest in the partners' capital of the Master Funds. The performance of the Partnership is directly affected by the performance of the Master Funds. Attached are the audited combined financial statements of the Master Funds, including the combined Condensed Schedule of Investments, which are an integral part of these financial statements. Valuation of investments held by the Master Funds are discussed in the notes to the Master Funds' combined financial statements. At December 31, 2024, the Partnership owned 71.92% of the Master Funds' partners' capital.

Investment Transactions, Income and Expenses

The Partnership records monthly its proportionate interest of the Master Funds' income, expenses, and realized and unrealized gains and losses. In addition, the Partnership accrues its own income and expenses. The Partnership records contributions and distributions related to its investment in the Master Funds on the transaction date. Expenses relating to the Partnership, as outlined in the confidential offering memorandum, are expensed as incurred.

Cash and Cash Equivalents

Cash and cash equivalents include short-term investments with a maturity of three months or less when purchased. Cash is held at a bank that is affiliated with the Administrator. As of December 31, 2024, the Partnership held $2,000 in cash. At December 31, 2024, there were no cash equivalents. Cash is held with financial institutions which may exceed insured limits. Cash deposited with banks is subject to credit risk, to the extent it is not covered by Federal Deposit Insurance Corporation ("FDIC") insurance limits. In the event of a financial institution's insolvency, the Partnership may be unable to recover some or all of its cash balances that are not covered by FDIC.

2. Summary of Significant Accounting Policies (continued)

Fair Value of Financial Instruments

The fair value of the Partnership's assets and liabilities which qualify as financial instruments under FASB guidance approximates the carrying amounts presented in the Statement of Financial Condition.

Income Taxes

The Partnership is not subject to federal, state or local taxes. Accordingly, no provision has been made in the accompanying financial statements for federal, state or local taxes. Each partner separately takes into account, on its tax return, its share of the income, gains, losses, deductions or credits for the Partnership's taxable income/loss whether or not any distribution is made to any partner.

ASC 740, *"Income Taxes"*, provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. The standard requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Partnership's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet a more-likely-than-not threshold would be recorded as a tax expense. For all open periods from March 17, 2022 (commencement of operations) to December 31, 2024, the Partnership remains subject to examination by U.S. Federal and state jurisdictions where the Partnership makes investments. As a result of such evaluation by management, no income tax liability or expense, including penalties and interest, has been recorded in the accompanying financial statements.

Management has performed an analysis of the Partnership's material tax positions and has determined that such positions meet a more-likely-than-not standard. Accordingly, no tax expense was recorded for the year ended December 31, 2024. The General Partner is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecorded taxes will significantly change in the next twelve months. The General Partner continually reviews the Partnership's tax positions and such conclusions under the FASB guidance to determine if a liability should be recorded based on ongoing analyses of tax laws and regulations and interpretations thereof and other factors.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilized in preparing the financial statements are reasonable and prudent; however, actual results could differ from those estimates.

3. Allocation of Net Income or Net Loss

At the end of each accounting period, any net capital appreciation or net capital depreciation of the Partnership is allocated to each capital account of each partner (including the General Partner) in proportion to the opening balance of such capital account for such accounting period.

4. Related Party Transactions

Management Fee

Pursuant to the investment management agreement, the Master Funds pay the Investment Manager a monthly management fee in advance equal to 0.125% (1.50% per annum) of the partners' capital of the Partnership on the first business day of each month (the "Management Fee"). The Management Fee is paid and collected by the Master Funds on behalf of the Partnership. The Management Fee for the year ended December 31, 2024 amounted to $539,650.

The Investment Manager may waive or modify the Management Fee with respect to certain persons who are members, employees, or affiliates of the Investment Manager, relatives of such persons, and for certain large or strategic investors.

Related Party Ownership

As of December 31, 2024, parties affiliated with the Investment Manager and General Partner held $1,217,082 of the Partnership's partners' capital.

5. Partners' Capital

Committed Capital

The initial closing of the sale of Interests took place on March 17, 2022, agreed to by the General Partner. Income will be allocated to the partners pro-rata based on each partner's capital commitment to the Partnership.

As of December 31, 2024, the limited partners of the Partnership have committed total amounts of $111,534,700. From the Partnership's inception, the limited partners have made contributions of $83,064,922. As of December 31, 2024, the limited partners of the Partnership had remaining capital commitments of $28,469,778. These contributions in aggregate represent approximately 74.47% of total commitments to the Partnership.

5. Partners' Capital (continued)

Distributions and Carried Interest Distributions

As stated in the Master Funds' confidential private placement memorandum, the General Partner will cause the Master Funds to make distributions at least quarterly to the limited partners of the Master Funds after the Investment Period (which is defined as commencement on the Initial Closing and end on the twelfth month end following the Initial Closing or at such earlier times as the General Partner may determine) of Investment Proceeds (defined below), in each case net of any expenses or other obligations of the Master Funds and reserves for existing or anticipated obligations of the Master Funds, including the Master Funds expenses, organizational expenses, operating reserves, and any amounts held back for Tax Distributions or any other permitted purpose ("Distribution Proceeds"); provided that the Partnership will not be required to make a distribution with respect to a particular quarter unless it has at least $1,000,000 in Distribution Proceeds to distribute at such time. "Investment Proceeds" means all proceeds, including all dividends and interest received by the Master Funds in respect of any payment, sale, principal payment, refinancing, recapitalization, redemption, repayment, exchange, distribution or other similar transaction with respect to any portfolio investments.

Distribution Proceeds will be calculated without taking into account Management Fees and expenses specifically attributable to the investment of a Limited Partner or group of Limited Partners, which are accounted for by separately calling capital for such amounts or deducting such amounts from such Limited Partner or group of Limited Partner's share of Distribution Proceeds (either on behalf of each such Limited Partner or group of Limited Partners) after the apportionment described in the attached combined financials of the Master Funds.

Immediately prior to a distribution, Distribution Proceeds will be apportioned among the General Partner, in its capacity as the general partner of each Master Fund, the Partnership and LibreMax Structured Opportunities Onshore II, LLC and LibreMax Structured Opportunities Offshore II, LLC (the "Intermediate Funds"), and distributions will be made to the Partnership (on behalf of each Partner on a Partner-by-Partner basis) and to the Intermediate Funds (on behalf of the Offshore Fund on behalf of each Offshore Investor on an Offshore Investor-by-Offshore Investor basis) (i) in the case of Distribution Proceeds attributable to a specific portfolio investment, to the Partnership, the General Partner and the Offshore Fund (through its investments in the Intermediate Funds, as defined in the offering documents) in accordance with their respective Master Fund Participation Percentage with respect to such portfolio investment (subject to adjustment for excused participation, exclusion or default by a Limited Partner), and (ii) in the case of Distribution Proceeds not attributable to a specific portfolio investment, to the Partnership, the General Partner and the Offshore Fund (through its investments in the Intermediate Funds, as defined in the offering documents) in accordance with their respective Master Fund Participation Percentage at the time of such distribution.

5. Partners' Capital (continued)

Distributions and Carried Interest Distributions (continued)

Distribution Proceeds initially apportioned to the General Partner will be distributed to it. Distribution Proceeds initially apportioned to the Partnership, on behalf of a Limited Partner, will be distributed by the Master Funds to the Partnership (on behalf of a Limited Partner), on the one hand, and the General Partner, on the other hand, in the following order of priority (after deduction for Management Fees and expenses specifically attributable to the investment of such Limited Partner (e.g., any Investor-Related Taxes)):

(1) Return of Capital: First, 100% to the Partnership (on behalf of such Limited Partner), until the Partnership (on behalf of such Limited Partner) have received, cash distributions equal to the Partnerships' capital contributions to the Master Funds (made on behalf of such Limited Partner), taking into account all prior distributions made pursuant to this clause (1);

(2) Hurdle Return: Second, 100% to the Partnership (on behalf of a Limited Partner), until the Partnership (on behalf of a Limited Partner), has received aggregate amounts (taking into account all prior distributions made pursuant to this clause and clause (4) below) equal to the Hurdle Return. The "Hurdle Return" means such payments that would result in a compounded rate of return equal to 8% per annum in respect of unreturned capital contributions made by the Partnership (on behalf of a Partner) to the Master Funds from the date on which the Partnership was required to fund such capital contributions made by the Partnership (on behalf of such Partner), to the Master Funds (or the date on which such capital contributions were funded, if later) until the date of return of such contributions to the Partnership (on behalf of such Partner) by the Master Funds (on a first-in, first-out basis), taking into account the amount and effective date of each capital contribution, distribution and recall of distribution; provided, however, that capital contributions made by the Partnership in respect of the Initial Additional Capital Contribution for each Partner with respect to any New Commitment will be deemed to have been made as of the date of the corresponding Capital Contributions of the Partners admitted as of the Initial Closing (or if there have been multiple Capital Contributions of such Partners, then, on a pro rata basis, as of the respective dates of such Capital Contributions) for purposes of calculating the applicable Hurdle Return;

(3) Catch-up: Third, 100% to the General Partner until such time as the General Partner has received in respect of the Partnership (on behalf of such Limited Partner), 20% of the aggregate amount distributed in respect of the Partnership (on behalf of such Limited Partner) under clause (2) and to the General Partner under this clause (3); and

(4) 80/20 Split: Fourth, (x) 80% to the Partnership (on behalf of such Limited Partner) and (y) 20% to the General Partner (the "Carried Interest Distributions").

5. Partners' Capital (continued)

Distributions and Carried Interest Distributions (continued)

The General Partner may waive the Carried Interest Distributions with respect to any General Partner related investors, and the General Partner may waive or calculate differently the Carried Interest Distributions with respect to any other Limited Partners.

As of December 31, 2024, the Partnership's carried interest amounted to $1,701,695.

6. Risk Management

Certain risks associated with an investment in the Partnership and the Master Funds are discussed in the notes to the Master Funds' combined financial statements.

Due to the nature of the "master-feeder" structure, the Partnership may be materially affected by the actions of the Fund and the Master Funds.

7. Indemnifications

The Partnership enters into agreements that may contain indemnifications or warranties. Future events could occur that lead to the execution of these provisions against the Partnership. Based on its history and experience, management considers that the likelihood of such an event is remote. The Partnership also enters into contracts with its service providers and other parties that contain a variety of indemnifications. The Partnership's maximum exposure under these arrangements is unknown. However, the Partnership has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote. Therefore, no liability has been recorded with respect to these indemnifications.

8. Financial Highlights

The following represents ratios to average limited partners' capital and internal rate of return information for the year ended December 31, 2024:

	Limited Partners
Ratios to average Limited Partners' capital	
Expenses before interest expense and carried interest	1.46 %
Interest expense	0.70
Carried interest	1.87
Total expenses	4.03 %
Net investment income	8.15 %

See attached combined financial statements of LibreMax Structured Opportunities Fund II.

8. Financial Highlights (continued)

The expense ratios and net investment income ratio above are calculated for all the limited partners taken as a whole. The computation of such ratios are based on the amount of expenses, carried interest and net investment income assessed to an individual limited partner's capital may vary from these ratios based on the timing of capital transactions and different fee arrangements. The above percentages include the Partnership's income and expenses and its proportionate share of income and expenses of the Master Funds.

Internal Rate of Return (IRR)	**Limited Partners**
IRR since commencement date March 17, 2022 to December 31, 2023	12.20 %
IRR since commencement date March 17, 2022 to December 31, 2024	13.40 %

IRR was computed based on the dates of cash inflows (capital contributions) and outflows (capital distributions), and the ending limited partners' capital at the end of the year (residual value) as of each measurement date. The IRR was computed net of all fees and Carried Interest to the General Partner.

The cumulative cash flow used in the IRR calculation are based on the inception-to-date contributions and residual value. An investor's actual economic return may not be consistent with the IRR return presented and could be materially different as a result of the limitations of the calculation.

9. Recent Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"). ASU 2023-09 modifies the reporting requirements for income tax disclosures related to effective tax rates and cash income taxes paid. Pursuant to ASU 2023-09, reporting entities are required to disclose certain categories in the income tax rate reconciliation, as well as additional information for reconciling items that meet a specific quantitative threshold. Additionally, ASU 2023-09 requires annual disclosures of income taxes paid for all entities, including the amount of income taxes paid, net of refunds received, disaggregated by federal, state, and foreign jurisdictions. The standard is effective for fiscal years beginning after December 15, 2025 for entities other than public business entities with early adoption permitted. The Partnership is currently evaluating the impact of ASU 2023-09 on its financial statements.

10. Subsequent Events

Subsequent to December 31, 2024, the Partnership received distributions of $25,157,223 from the Master Funds and subsequently distributed them to its investors.

The General Partner has evaluated subsequent events through March 31, 2025, the date the financial statements were available to be issued, and has determined that no additional items require disclosure.

CONSOLIDATED FINANCIAL STATEMENTS

LibreMax Structured Opportunities Offshore Partners II, LP and Subsidiaries
Year Ended December 31, 2024
With Report of Independent Auditors

LibreMax Structured Opportunities Offshore Partners II, LP and Subsidiaries

Consolidated Financial Statements

Year Ended December 31, 2024

Contents

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Report of Independent Auditors

To the General Partner
LibreMax Structured Opportunities Offshore Partners II, LP and Subsidiaries

Opinion

We have audited the consolidated financial statements of LibreMax Structured Opportunities Offshore Partners II, LP and Subsidiaries (the "Partnership"), which comprise the consolidated statement of financial condition as of December 31, 2024, and the related consolidated statements of operations, changes in partners' capital and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Partnership at December 31, 2024, and the results of its operations, changes in its partners' capital and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Partnership and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Shape the future
with confidence

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Ernst + Young Ltd.

March 31, 2025

LibreMax Structured Opportunities Offshore Partners II, LP and Subsidiaries

Consolidated Statement of Financial Condition

December 31, 2024
(Expressed in U.S. Dollars)

Assets		
Investment in LibreMax Structured Opportunities Fund (the "Master Funds"),		
at fair value	$	34,064,083
Cash and cash equivalents		2080
Tax refund receivable		264,448
Due from Master Funds		7,525
Other assets		35,142
Total assets		34,373,278
Liabilities and Partners' Capital		
Due to Master Funds		39,526
Professional fees payable		12,100
Accrued expenses and other liabilities		5,818
Total liabilities		57,444
Partners' Capital		
Limited partners		34,315,834
Total partners' capital		34,315,834
Total liabilities and partners' capital	$	34,373,278

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund II.

LibreMax Structured Opportunities Offshore Partners II, LP and Subsidiaries

Consolidated Statement of Operations

Year Ended December 31, 2024
(Expressed in U.S. Dollars)

Net realized and change in unrealized gain/(loss) on investment transactions allocated from the Master Funds		
Net realized gain on investment transactions	$ 123,135	
Net realized gain on derivative contracts	66,259	
Net realized gain on foreign currency transactions	359	
Net change in unrealized gain on investment transactions	1,944,732	
Net change in unrealized gain on derivative contracts	58,301	
Net gain on investment transactions		$ 2,192,786
Investment income allocated from Master Funds		
Interest income	3,281,015	
Dividend income	12,303	
Total investment income allocated from Master Funds	3,293,318	
Expenses allocated from Master Funds		
Interest expense	223,110	
Management fee	190,167	
Deal legal expense	135,752	
Professional fees	83,042	
Market data expense	12,305	
Other expenses	40,235	
Carried interest	617,925	
Total expenses	1,302,536	
Net investment income allocated from Master Funds before Partnership expenses	1,990,782	
Partnership expenses		
Professional fees and other expenses	122,543	
Total Partnership expenses	122,543	
Net investment income		1,868,239
Net income before tax expense	4,061,025	
Income tax expense/(benefit)	$ (264,448)	
Net income		$ 4,325,473

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund II.

LibreMax Structured Opportunities Offshore Partners II, LP and Subsidiaries

Consolidated Statement of Changes in Partners' Capital

Year Ended December 31, 2024
(Expressed in U.S. Dollars)

	Limited Partners	General Partner	Total
Partners' capital at beginning of year	$ 29,067,590	$ —	$ 29,067,590
Capital contributions	2,567,419	—	2,567,419
Distributions	(1,644,648)	—	(1,644,648)
Allocation of net income:			
Pro-rata income	4,325,473	—	4,325,473
Partners' capital at end of year	$ 34,315,834	$ —	$ 34,315,834

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund II.

LibreMax Structured Opportunities Offshore Partners II, LP and Subsidiaries

Consolidated Statement of Cash Flows

Year Ended December 31, 2024
(Expressed in U.S. Dollars)

Cash flows from operating activities		
Net income	$	4,325,473
Adjustments to reconcile net income to net cash used in operating activities:		
Net income allocated from Master Funds		(4,183,568)
Purchases of investment in Master Funds		(4,724,051)
Sales of investment in Master Funds		3,899,992
Net change in operating assets and liabilities:		
Tax refund receivable		(264,448)
Due from Master Funds		(7,525)
Other assets		13,604
Due to Master Funds		6,975
Professional fees payable		12,100
Accrued expenses and other liabilities		(443)
Net cash used in operating activities		(921,891)
Cash flows from financing activities		
Payments from capital distributions		2,567,419
Payments for distributions		(1,644,648)
Net cash provided by financing activities		922,771
Net change in cash and cash equivalents		880
Cash and cash equivalents at beginning of year		1,200
Cash and cash equivalents at end of year	$	2,080

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund II.

1. Organization

LibreMax Structured Opportunities Offshore Partners II, LP (the "Partnership") is organized as a Cayman Islands exempted limited partnership on February 9, 2022 and commenced operations on March 17, 2022.

The Partnership and LibreMax Structured Opportunities Partners II, LP (the "Domestic Fund") invest all of their investable assets through a "master-feeder" structure in LibreMax Structured Opportunities (ECI) Master Fund II, LP (the "ECI Master Fund"), a Delaware limited partnership, and LibreMax Structured Opportunities Master Fund II, LP, a Cayman Islands exempted limited partnership (the "Non-ECI Master Fund" and together with the ECI Master Fund, the "Master Funds"). The Partnership invests its assets in the Master Funds through its wholly owned subsidiaries LibreMax Structured Opportunities Onshore II, LLC, a Delaware limited liability company (the "ECI Intermediate Fund"), and LibreMax Structured Opportunities Offshore II, LLC, a Cayman Islands limited liability company (the "Non-ECI Intermediate Fund", and together with the ECI Intermediate Fund, the "Intermediate Funds"). The Partnership, through its investment in the Intermediate Funds, held approximately 25.25%, of the Master Funds as of December 31, 2024.

The general partner of the Partnership is LibreMax GP, LLC (the "General Partner"), a Delaware limited liability company and an affiliate of LibreMax Capital, LLC (the "Investment Manager").

The Partnership's investment objective, through its investment in the Master Funds, is to generate attractive returns through investments in a variety of securitized and structured financial products and credit-related investments. To achieve the Master Funds' objectives, the Investment Manager (as defined below) employs an extensive micro-credit analysis and a rigorous underwriting process that compliments a thematic macro approach to portfolio construction. The Investment Manager believes that a strategy based on the foregoing investment process will generate attractive returns.

The Partnership's term commenced on the date the Section 9 Statement was filed with the Registrar of Exempted Limited Partnerships in accordance with the Exempted Limited Partnership Act (As Revised) of the Cayman Islands (the "ELP Act") and, unless sooner dissolved pursuant to the Partnership Agreement, will continue until the final termination of the Harvest Period.

1. Organization (continued)

The "Harvest Period" means the period commencing on the expiration or termination of the Investment Period (defined below) and ending on the fourth anniversary thereof (or such earlier date as may be determined by the General Partner, in its sole discretion, upon ten (10) business days' prior written notice to the Limited Partners); provided, however, that the Harvest Period may be extended twice by the General Partner, in its sole discretion, up to one year for each extension, upon at least thirty (30) days' prior notice to the Limited Partners prior to the expiration of the Harvest Period. At the end of the term of the Partnership, the General Partner will formally wind up and dissolve the Partnership.

Partners will be required to fund their Capital Commitments during the investment period, which will commence on the Initial Closing and end on the twelve month end following the Initial Closing or at such earlier time as the General Partner may determine in accordance with the terms set forth in the Partnership Agreement (the "Investment Period").

After the Investment Period, the Partners will be released from any further obligations with respect to their Capital Commitments, except to (1) fund a pending Capital Call Notice (defined below) received by the Partners prior to the end of the Investment Period; (2) fund an investment for up to six months after the end of the Investment Period that the Partnership has committed to in writing prior to the termination of the Investment Period; (3) fund an investment for up to six months after the end of the Investment Period that was under active consideration by the Partnership prior to the end of the Investment Period pursuant to a written memorandum of understanding or letter of intent, whether or not binding; (4) pay for the Management Fee, Tax Distributions and actual or anticipated expenses (for the sake of clarity, excluding, without limitation, any obligation with respect to the acquisition of an investment which is not contemplated in clauses (1) – (3) above or (6) below) and to pay down the Master Funds' financing obligations, whether incurred before or after the end of the Investment Period (including amounts relating to any Commitment Facility); (5) engage in hedging or financing transactions with respect to the Master Funds' portfolio investments (which hedging or financing transactions will not be deemed to be portfolio investments); and (6) fund any investment that the General Partner, in its sole discretion, believes is appropriate or necessary for the Master Funds to make to preserve, protect or enhance an existing investment (each such investment made pursuant to this clause (6) after the end of the Investment Period, a "Follow-On Investment"); provided that the Follow-On Investments will not exceed 25% of Capital Commitments.

At the end of the Investment Period, the General Partner will disclose to all Limited Partners the amounts reserved for any unfunded investments along with a list of any actively considered investments, pursuant to clauses (1) – (3) of the preceding paragraph and any Follow-on Investments pursuant to clause (6) of the preceding paragraph.

LibreMax Capital, LLC, a Delaware limited liability company, serves as the investment manager to the Partnership and provides certain administrative services and investment management services to the Partnership. The Investment Manager also serves as investment manager to the Master Funds and the Domestic Fund. The Investment Manager is registered as an investment adviser with the Securities and Exchange Commission under the Investment Advisers Act of 1940.

1. Organization (continued)

International Fund Services (N.A.), L.L.C. (the "Administrator"), a subsidiary of State Street Alternative Investment Solutions, was appointed as the administrator for the Partnership and Master Funds. The Administrator also acts as the transfer agent for the Partnership and Master Funds. For the year ended December 31, 2024, the administration fee was $4,270, which is included in professional fees and other expenses on the Consolidated Statement of Operations.

The General Partner is responsible for the supervision of the Partnership's partners' capital calculation, investment policy, valuation policy, performance of the Partnership, and to supervise the conduct of its affairs. The General Partner has delegated certain of these responsibilities to the Investment Manager and the Administrator. The General Partner is responsible for the supervision of the Investment Manager and the Administrator.

Capitalized terms used but not defined herein shall have the meaning assigned to them in the Partnership's offering memorandum.

2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Partnership in the preparation of its consolidated financial statements. The policies followed by the Master Funds are discussed in the notes to the Master Funds' combined financial statements which are attached hereto and should be read in conjunction with these consolidated financial statements.

Basis of Accounting

The Partnership's accounting policies are in conformity with accounting principles generally accepted in the United States of America. The Partnership maintains its financial records in United States dollars. The Partnership is an investment company that follows the accounting and reporting guidance of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") No. 946, *"Financial Services - Investment Companies"*. For financial reporting purposes, the Partnership follows the accrual method of accounting.

Basis of Consolidation

As provided for in ASC Topic 946, the Partnership will generally consolidate its investment in wholly owned investment companies in which it holds a controlling financial interest. The consolidated financial statements include the accounts of the Partnership and its wholly owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

2. Summary of Significant Accounting Policies (continued)

Investment Valuation

The Partnership's investment in the Master Funds is valued at fair value, which is represented by the Partnership's proportionate interest in the partners' capital of the Master Funds. The performance of the Partnership is directly affected by the performance of the Master Funds. Attached are the audited combined financial statements of the Master Funds, including the Condensed Schedule of Investments, which are an integral part of these consolidated financial statements. Valuation of investments held by the Master Funds is discussed in the notes to the Master Funds' combined financial statements. At December 31, 2024, the Partnership owned 25.25% of the Master Funds' partners' capital.

Investment Transactions, Income and Expenses

The Partnership records monthly its proportionate interest of the Master Funds' income, expenses, and realized and unrealized gains and losses. In addition, the Partnership accrues its own income and expenses. The Partnership records contributions and distributions related to its investment in the Master Funds on the transaction date. Expenses relating to the Partnership, as outlined in the confidential offering memorandum, are expensed as incurred.

Cash and Cash Equivalents

Cash and cash equivalents include short-term investments with a maturity of three months or less when purchased. Cash is held at a bank that is affiliated with the Administrator. At December 31, 2024, the Partnership held $2,080 in cash. At December 31, 2024, there were no cash equivalents. Cash is held with financial institutions which may exceed insured limits. Cash deposited with banks is subject to credit risk, to the extent it is not covered by Federal Deposit Insurance Corporation ("FDIC") insurance limits. In the event of a financial institution's insolvency, the Partnership may be unable to recover some or all of its cash balances that are not covered by FDIC.

Fair Value of Financial Instruments

The fair value of the Partnership's assets and liabilities which qualify as financial instruments under FASB guidance approximates the carrying amounts presented in the Consolidated Statement of Financial Condition.

Income Taxes

The Partnership is organized as an exempted limited partnership under the laws of the Cayman Islands and, generally, is not subject to United States federal income tax, except for withholding taxes applicable to certain income. The Partnership has elected to be treated as a United States corporation for U.S. Federal income tax purposes.

2. Summary of Significant Accounting Policies (continued)

Income Taxes (continued)

LibreMax Structured Opportunities Onshore II, LLC, consolidated by the Partnership, is a corporation that incurs income tax expense. Tax expense is paid at the corporate level at a federal tax rate of 21% and state income tax rates which vary by state.

ASC 740, *"Income Taxes"*, provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the consolidated financial statements. The standard requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Partnership's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet a more-likely-than-not threshold would be recorded as a tax expense. For all open periods from March 17, 2022 (commencement of operations) to December 31, 2024, the Partnership remains subject to examination by U.S. Federal and state jurisdictions where the Partnership makes investments. As a result of such evaluation by management, no income tax liability or expense, including penalties and interest, has been recorded in the accompanying consolidated financial statements.

Management has performed an analysis of the Partnership's material tax positions and has determined that such positions meet a more-likely-than-not standard. Accordingly, no tax expense was recorded for the year ended December 31, 2024. The General Partner is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecorded taxes will significantly change in the next twelve months. The General Partner continually reviews the Partnership's tax positions and such conclusions under the FASB guidance to determine if a liability should be recorded based on ongoing analyses of tax laws and regulations and interpretations thereof and other factors.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Management believes that the estimates utilized in preparing the consolidated financial statements are reasonable and prudent; however, actual results could differ from those estimates.

3. Allocation of Net Income or Net Loss

At the end of each accounting period, any net capital appreciation or net capital depreciation of the Partnership is allocated to each capital account of each partner (including the General Partner) in proportion to the opening balance of such capital account for such accounting period.

4. Related Party Transactions

Management Fee

Pursuant to the investment management agreement, the Master Funds pay the Investment Manager a monthly management fee in advance equal to 0.125% (1.50% per annum) of the partners' capital of the Partnership on the first business day of each month (the "Management Fee"). The Management Fee is paid and collected by the Master Funds on behalf of the Partnership. The Management Fee for the year ended December 31, 2024 amounted to $190,167.

The Investment Manager may waive or modify the Management Fee with respect to certain persons who are members, employees, or affiliates of the Investment Manager, relatives of such persons, and for certain large or strategic investors.

Affiliated Party Ownership

At December 31, 2024, parties affiliated with the Investment Manager held none of the Partnership's partners' capital.

5. Risk Management

Certain risks associated with an investment in the Partnership and the Master Funds are discussed in the notes to the Master Funds' combined financial statements.

Due to the nature of the "master-feeder" structure, the Partnership may be materially affected by the actions of the Domestic Fund and the Master Funds.

6. Indemnifications

The Partnership enters into agreements that may contain indemnifications or warranties. Future events could occur that lead to the execution of these provisions against the Partnership. Based on its history and experience, management considers that the likelihood of such an event is remote. The Partnership also enters into contracts with its service providers and other parties that contain a variety of indemnifications. The Partnership's maximum exposure under these arrangements is unknown. However, the Partnership has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote. Therefore, no liability has been recorded with respect to these indemnifications.

7. Partners' Capital

As of December 31, 2024, the limited partners of the Partnership have committed total amounts of $39,140,300. From the Partnership's inception, the limited partners have made contributions of $29,498,310. As of December 31, 2024, the limited partners of the Partnership had remaining capital commitments of $9,641,990. These contributions in aggregate represent approximately 75.37% of total commitments to the Partnership.

7. Partners' Capital (continued)

Distributions and Carried Interest Distributions

As stated in the Master Funds' confidential private placement memorandum, the General Partner will cause the Master Funds to make distributions at least quarterly to the limited partners of the Master Funds after the Investment Period of Investment Proceeds, in each case net of any expenses or other obligations of the Master Funds and reserves for existing or anticipated obligations of the Master Funds, including the Master Funds' expenses, organizational expenses, operating reserves, and any amounts held back for Tax Distributions or any other permitted purpose ("Distribution Proceeds"); provided that the Partnership will not be required to make a distribution with respect to a particular quarter unless it has at least $1,000,000 in Distribution Proceeds to distribute at such time.

"Investment Proceeds" means all proceeds, including all dividends and interest received by the Master Funds in respect of any payment, sale, principal payment, refinancing, recapitalization, redemption, repayment, exchange, distribution or other similar transaction with respect to any portfolio investments.

Distribution Proceeds will be calculated without taking into account Management Fees and expenses specifically attributable to the investment of a Limited Partner or group of Limited Partners, which are accounted for by separately calling capital for such amounts or deducting such amounts from such Limited Partner or group of Limited Partner's share of Distribution Proceeds (either on behalf of each such Limited Partner or group of Limited Partners) after the apportionment as described in the combined financial statements of the Master Funds.

Immediately prior to a distribution, Distribution Proceeds will be apportioned among the General Partner, in its capacity as the general partner of each Master Fund, the Domestic Fund and the Intermediate Funds, and distributions will be made to the Intermediate Funds (on behalf of the Partnership on behalf of each Partner on a Partner-by-Partner basis) and to the Domestic Fund on behalf of each Domestic Investor on a Domestic Investor-by-Domestic Investor basis (i) in the case of Distribution Proceeds attributable to a specific portfolio investment, to the Domestic Fund, the General Partner and the Intermediate Funds in accordance with their respective Master Fund Participation Percentage with respect to such portfolio investment (subject to adjustment for excused participation, exclusion or default by a Limited Partner), and (ii) in the case of Distribution Proceeds not attributable to a specific portfolio investment, to the Domestic Fund, the General Partner and the Intermediate Funds in accordance with their respective Master Funds Participation Percentage at the time of such distribution. Distribution Proceeds initially apportioned to the General Partner will be distributed to it. Distribution Proceeds initially apportioned to the Intermediate Funds (on behalf of the Partnership), on behalf of a Limited Partner, will be distributed by the Master Funds to the Intermediate Funds (on behalf of the Partnership on behalf of a Limited Partner), on the one hand, and the General Partner, on the other hand, in the following order of priority (after deduction for Management Fees and expenses specifically attributable to the investment of such Limited Partner (e.g., any Investor-Related Taxes)):

7. Partners' Capital (continued)

Distributions and Carried Interest Distributions (continued)

(1) Return of Capital: First, 100% to the Intermediate Funds (on behalf of the Partnership on behalf of such Limited Partner), until the Intermediate Funds (on behalf of the Partnership on behalf of such Limited Partner) have received, in aggregate, cash distributions equal to the Intermediate Funds' capital contributions to the Master Funds (made on behalf of the Partnership on behalf of such Limited Partner), taking into account all prior distributions made pursuant to this clause (1);

(2) Hurdle Return: Second, 100% to the Intermediate Funds (on behalf of the Partnership on behalf of a Limited Partner), until the Intermediate Funds (on behalf of the Partnership on behalf of a Limited Partner), has received aggregate amounts (taking into account all prior distributions made pursuant to this clause and clause (4) below) equal to the Hurdle Return. The "Hurdle Return" means such payments that would result in a compounded rate of return equal to 8% per annum in respect of unreturned capital contributions made by the Intermediate Funds (on behalf of the Partnership on behalf of a Partner) to the Master Funds from the date on which the Intermediate Funds were required to fund such capital contributions made by the Intermediate Funds (on behalf of the Partnership on behalf of such Partner), to the Master Funds (or the date on which such capital contributions were funded, if later) until the date of return of such contributions to the Intermediate Funds (on behalf of the Partnership on behalf of such Partner) by the Master Funds (on a first-in, first-out basis), taking into account the amount and effective date of each capital contribution, distribution and recall of distribution; provided, however, that capital contributions made by the Intermediate Funds in respect of the Initial Additional Capital Contribution for each Partner with respect to any New Commitment will be deemed to have been made as of the date of the corresponding Capital Contributions of the Partners admitted as of the Initial Closing (or if there have been multiple Capital Contributions of such Partners, then, on a pro rata basis, as of the respective dates of such Capital Contributions) for purposes of calculating the applicable Hurdle Return;

(3) Catch-up: Third, 100% to the General Partner until such time as the General Partner has received in respect of the Intermediate Funds (on behalf of the Partnership on behalf of such Limited Partner), 20% of the aggregate amount distributed in respect of the Intermediate Funds (on behalf of the Partnership on behalf of such Limited Partner) under clause (2) and to the General Partner under this clause (3); and

(4) 80/20 Split: Fourth, (x) 80% to the Intermediate Funds (on behalf of the Partnership on behalf of such Limited Partner) and (y) 20% to the General Partner (the "Carried Interest Distributions").

7. Partners' Capital (continued)

Distributions and Carried Interest Distributions (continued)

The General Partner may waive the Carried Interest Distributions with respect to any General Partner related investors, and the General Partner may waive or calculate differently the Carried Interest Distributions with respect to any other Limited Partners.

As of December 31, 2024, the Partnership's carried interest amounted to $617,925.

8. Financial Highlights

The following represents ratios to average limited partners' capital and internal rate return information for the year ended December 31, 2024:

	Limited Partners
Ratios to average Limited Partners' capital	
Expenses before interest expense and carried interest	1.00 %
Interest expense	0.70
Carried interest	1.93
Total expenses	3.63 %
Net investment income	8.60 %

The expense ratios and net investment income ratio above are calculated for all the limited partners taken as a whole. The computation of such ratios are based on the amount of expenses, carried interest and net investment income assessed to an individual limited partner's capital may vary from these ratios based on the timing of capital transactions and different fee arrangements. The above percentages include the Partnership's income and expenses and its proportionate share of income and expenses of the Master Funds.

Internal Rate of Return (IRR)	Limited Partners
IRR since inception date March 17, 2022 to December 31, 2023	10.82 %
IRR since inception date March 17, 2022 to December 31, 2024	12.95 %

IRR was computed based on the dates of cash inflows (capital contributions) and outflows (capital distributions), and the ending limited partners' capital at the end of the year (residual value) as of each measurement date. The IRR was computed net of all fees and Carried Interest to the General Partner.

The cumulative cash flow used in the IRR calculation are based on the inception-to-date contributions and residual value. An investor's actual economic return may not be consistent with the IRR return presented and could be materially different as a result of the limitations of the calculation.

9. Recent Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"). ASU 2023-09 modifies the reporting requirements for income tax disclosures related to effective tax rates and cash income taxes paid. Pursuant to ASU 2023-09, reporting entities are required to disclose certain categories in the income tax rate reconciliation, as well as additional information for reconciling items that meet a specific quantitative threshold. Additionally, ASU 2023-09 requires annual disclosures of income taxes paid for all entities, including the amount of income taxes paid, net of refunds received, disaggregated by federal, state, and foreign jurisdictions. The standard is effective for fiscal years beginning after December 15, 2025 for entities other than public business entities with early adoption permitted. The Partnership is currently evaluating the impact of ASU 2023-09 on its financial statements.

10. Subsequent Events

Subsequent to December 31, 2024, the Partnership received distributions of $8,795,921 from the Master Funds and subsequently distributed them to its investors.

The General Partner has evaluated subsequent events through March 31, 2025, the date the consolidated financial statements were available to be issued, and has determined that no additional items require disclosure.

COMBINED FINANCIAL STATEMENTS

LibreMax Structured Opportunities Master Fund II, LP and
LibreMax Structured Opportunities (ECI) Master Fund II, LP,
collectively,
LibreMax Structured Opportunities Fund II
Year Ended December 31, 2024
With Report of Independent Auditors

LibreMax Structured Opportunities Fund II

Combined Financial Statements

Year Ended December 31, 2024

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Shape the future
with confidence

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Report of Independent Auditors

The General Partners
LibreMax Structured Opportunities Master Fund II, LP and
LibreMax Structured Opportunities (ECI) Master Fund II, LP,
collectively, LibreMax Structured Opportunities Fund II

Opinion

We have audited the combined financial statements of LibreMax Structured Opportunities Master Fund II, LP and LibreMax Structured Opportunities (ECI) Master Fund II, LP, collectively, LibreMax Structured Opportunities Fund II (collectively, the "Master Funds"), which comprise the combined statement of financial condition, including the combined condensed schedule of investments, as of December 31, 2024, and the related combined statements of operations, changes in partners' capital and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Master Funds at December 31, 2024, and the results of its operations, changes in its partners' capital and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Master Funds and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Master Funds' ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Master Funds' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Master Funds' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Ernst & Young Ltd.

October 23, 2025

LibreMax Structured Opportunities Fund II

Combined Statement of Financial Condition

December 31, 2024
(Expressed in U.S. Dollars)

Assets		
Cash and cash equivalents	$	1,275,731
Investments in securities, at fair value (cost $134,065,224)		146,767,467
Derivative contracts, at fair value		81,627
Interest receivable		1,191,037
Due from brokers		888,115
Tax receivable		91,500
Due from Feeder Funds		48,756
Other assets		521,318
Total assets		150,865,551
Liabilities and Partners' Capital		
Securities sold under agreements to repurchase		12,097,379
Credit facility		1,850,000
Loan payable		856,275
Distributions payable		780,000
Management fee payable		202,226
Professional fees payable		146,994
Interest payable		13,756
Due to Feeder Funds		7,525
Accrued expenses and other liabilities		26,793
Total liabilities		15,980,948
Partners' Capital		
Limited partners		131,077,527
General partners		3,807,076
Total partners' capital		134,884,603
Total liabilities and partners' capital	$	150,865,551

See accompanying notes.

LibreMax Structured Opportunities Fund II

Combined Schedule of Investments

December 31, 2024
(Expressed in U.S. Dollars)

Description		Notional	Fair Value	Percentage of Partners' Capital
Investments in Securities				
Structured Debt Obligations				
United States				
Single Borrower				
Equity				
Unlock Lex RIT 2022-2, coupon rate 0.00%, maturing 2026	$	26,178,581	$ 31,717,969	23.51 %
Unlock Home Equity, coupon rate 0.00%, maturing 2026	$	184,130	2,033,476	1.51
Total Single Borrower (cost $28,472,336)			33,751,445	25.02
Single Family Rental				
Equity				
Divvy Warehouse, coupon rate 15.00%, maturing 2031	$	13,330,690	13,330,690	9.88
Total Single Family Rental (cost $13,330,690)			13,330,690	9.88
Commercial Mortgage-Backed Securities ("CMBS")				
Preferred				
Tailor FT Myers Preferred Equity, coupon rate 15.23%, maturing 2035	$	18,328,224	18,245,747	13.53
Tacara San Antonio Preferred Equity, coupon rate 14.17%, maturing 2035	$	11,466,939	11,349,977	8.41
Total CMBS (cost $29,795,163)			29,595,724	21.94
Consumer Asset-Backed Securities ("Consumer ABS")				
Secured				
Worthington CRJ1000 JV 2025, coupon rate 0.00%, maturing 2025	$	9,770,994	14,463,373	10.72
Crestone JV2, coupon rate 0.00%, maturing 2026	$	4,169,422	5,411,812	4.02
Senior				
Sunnova Warehouse2 Class B, coupon rate 14.10%, maturing 2035	$	20,000,000	19,990,000	14.82
Residual				
Tast 2021-1 R1, coupon rate 14.90%, maturing 2030	$	10,500,000	10,503,150	7.79
Total Consumer ABS (cost $44,367,391)			50,368,335	37.35
Commercial Real Estate ("CRE")				
Senior				
Fulton Brooklyn B Note, coupon rate 13.83%, maturing 2067	$	8,677,420	8,736,426	6.48
Total CRE (cost $8,677,420)			8,736,426	6.48
Total United States (cost $124,643,000)			$ 135,782,620	100.67 %

See accompanying notes.

(Expressed in U.S. Dollars)

Description		Notional	Fair Value	Percentage of Partners' Capital
Investments in Securities (continued)				
Structured Debt Obligations (continued)				
Cayman Islands				
Collateralized Loan Obligations ("CLO")				
Mezzanine				
MP15 2019-1AE, coupon rate 12.41%, maturing 2032	$	3,000,000	2,980,851	3.77 %
CFIP 2018-1AE, coupon rate 10.91%, maturing 2031	$	2,100,000	2,106,258	1.56
Total CLO (cost $4,264,335)			5,087,109	3.77
Total Cayman Islands (cost $4,264,335)			5,087,109	3.77
Ireland				
Collateralized Loan Obligations ("CLO")				
Mezzanine				
FICLO 2021-1AE, coupon rate 9.01%, maturing 2034	$	3,000,000	3,129,364	2.32
HARVT25AER, coupon rate 9.06%, maturing 2034	$	2,630,000	2,768,374	2.05
Total CLO (cost $5,157,889)			5,897,738	4.37
Total Ireland (cost $5,157,889)			5,897,738	4.37
Total Structured Debt Obligations (cost $134,065,224)			146,767,467	108.81
Total Investments in Securities (cost $134,065,224)			$ 146,767,467	108.81 %
Derivative Contracts - Assets				
United States				
Currency Hedge				
Futures contracts				
Euro FX Currency Future March25	$	$ 5,750,000	$ 81,627	0.06 %
Total Currency Hedge			81,627	0.06
Total United States			81,627	0.06
Total Derivative Contracts - Assets			$ 81,627	0.06 %

LibreMax Structured Opportunities Fund II

Combined Statement of Operations

Year Ended December 31, 2024
(Expressed in U.S. Dollars)

Net realized and change in unrealized gain/(loss) on investment transactions		
Net realized gain on investment transactions	$ 479,605	
Net realized gain on derivative contracts	258,078	
Net realized gain on foreign currency transactions	1,400	
Net change in unrealized gain on investment transactions	7,574,659	
Net change in unrealized gain on derivative contracts	227,080	
Net gain on investment transactions		$ 8,540,822
Investment income		
Interest income	12,779,431	
Dividend income	47,921	
Total investment income	12,827,352	
Expenses		
Interest expense	869,007	
Management fee	729,817	
Deal legal expense	528,747	
Professional fees	323,447	
Market data expense	47,928	
Other expenses	156,716	
Total expenses	$ 2,655,662	
Net investment income		10,171,690
Net income		$ 18,712,512

LibreMax Structured Opportunities Fund II

Combined Statement of Changes in Partners' Capital

Year Ended December 31, 2024
(Expressed in U.S. Dollars)

	Limited Partners	General Partner	Total
Partners' capital at beginning of year	$ 111,741,220	$ 2,013,049	$ 113,754,269
Capital contributions	18,185,766	214,234	18,400,000
Distributions	(15,015,981)	(966,197)	(15,982,178)
Pro-rata allocation of net income	18,486,142	226,370	18,712,512
Carried Interest	(2,319,620)	2,319,620	—
Partners' capital at end of year	$ 131,077,527	$ 3,807,076	$ 134,884,603

See accompanying notes.

LibreMax Structured Opportunities Fund II

Combined Statement of Cash Flows

Year Ended December 31, 2024
(Expressed in U.S. Dollars)

Cash flows from operating activities		
Net income	$	18,712,512
Adjustments to reconcile net income to net cash used in operating activities:		
Net realized gain on investment transactions		(479,605)
Net change in unrealized gain on investment transactions		(7,574,659)
Net change in unrealized gain on derivative contracts		(227,080)
Purchase of investment securities		(44,241,335)
Proceeds from disposition of investment securities		30,768,453
Net change in operating assets and liabilities:		
Interest receivable		71,223
Due from brokers		(252,048)
Tax receivable		(91,500)
Due from Feeder Funds		(15,005)
Other assets		(273,891)
Management fee payable		(59,940)
Professional fees payable		(23,297)
Interest payable		(86,288)
Due to Feeder Funds		7,525
Due to brokers		(65,936)
Accrued expenses and other liabilities		3,431
Net cash used in operating activities		(3,827,440)
Cash flows from financing activities		
Proceeds from capital contributions		18,400,000
Payments for distributions, net of distributions payable		(16,002,178)
Payments on loan borrowing		305,045
Proceeds from credit facility		27,950,000
Payments on credit facility		(40,800,000)
Net proceeds for securities sold under agreements to repurchase		12,097,379
Net cash used in financing activities		1,950,246
Net change in cash and cash equivalents		(1,877,194)
Cash and cash equivalents at beginning of year		3,152,925
Cash and cash equivalents at end of year	$	1,275,731
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	$	955,295

See accompanying notes.

1. Organization

LibreMax Structured Opportunities Master Fund II, LP (the "Non-ECI Master Fund") was organized as a Cayman Islands exempted limited partnership on January 31, 2022. LibreMax Structured Opportunities (ECI) Master Fund II, LP (the "ECI Master Fund" and together with the Non-ECI Master Fund, the "Master Funds", or the "Debtors") was organized as a Delaware limited partnership on February 9, 2022. The Master Funds commenced operations on March 17, 2022. The Non-ECI Master Fund accepted capital starting March 1, 2023.

As of December 31, 2024, the Master Funds wholly owned or held majority interests in United States limited liability companies and trusts that invest directly in debt and equity securities. Unlock LEX Residential Investments Trust 2022-2 is wholly owned by LibreMax Structured Opportunities (ECI) Master Fund II, LP.

The investment objective of the Master Funds is to generate attractive returns through investments in a variety of securitized and structured products and credit-related investments. To achieve the Master Funds' objective, the Investment Manager (as defined below) employs an extensive micro-credit analysis and a rigorous underwriting process that complements a thematic macro approach to portfolio construction. The Investment Manager (defined below) believes that a strategy based on the foregoing investment process will generate attractive returns.

The Master Funds receive all of their investing capital from LibreMax Structured Opportunities Partners II, LP (the "Domestic Fund") and LibreMax Structured Opportunities Offshore Partners II, LP (the "Partnership") (collectively, the "Feeder Funds") and LibreMax GP, LLC (the "General Partner") and LibreMax Structured Opportunities (ECI) GP, LLC (the "General Partner", and collectively with LibreMax GP, LLC, the "General Partners"). The Partnership invests its assets in the Master Funds through LibreMax Structured Opportunities Onshore II, LLC (the "ECI Intermediate Fund") and LibreMax Structured Opportunities Offshore II, LLC (the "Non-ECI Intermediate Fund", and together with the ECI Intermediate Fund, the "Intermediate Funds"). The Domestic Fund and the Partnership held approximately 71.92% and 25.25%, respectively, of the Master Funds at December 31, 2024. In addition, the General Partners, affiliates of the Investment Manager, held 2.83% of the Master Funds as of December 31, 2024.

LibreMax Capital, LLC (the "Investment Manager"), a Delaware limited liability company, serves as the investment manager for the Master Funds, the Intermediate Funds and the Feeder Funds, and in such capacity, makes all investment decisions and provides certain administrative services to the Master Funds. The Investment Manager is registered as an investment adviser with the Securities and Exchange Commission under the Investment Advisers Act of 1940.

1. Organization (continued)

International Fund Services (N.A.), L.L.C. (the "Administrator"), a subsidiary of State Street Alternative Investment Solutions, was appointed as the administrator for the Master Funds. The Administrator also acts as the transfer agent for the Master Funds and Feeder Funds. For the year ended December 31, 2024, the administration fee was $126,000, which is included in professional fees on the Combined Statement of Operations.

The General Partners are responsible for the overall management and control of the Master Funds and have delegated the making and approval of any investment decisions to the Investment Manager and the day-to-day administrative functions to the Administrator.

The Master Funds are funded with Capital Commitments during the investment period, which commenced on the Initial Closing date of March 17, 2022 and will end on the twelfth month end following the Initial Closing or at such earlier time as the General Partners may determine. The Harvest Period is the period commencing on the expiration or termination of the Investment Period and ending on the fourth anniversary thereof provided, however, that the Harvest Period may be extended twice by the General Partners, in their sole discretion, up to one year for each extension, upon at least thirty days' prior notice to the Limited Partners. The Feeder Funds had one closing with the totalling capital commitments of $152,450,000. Any additional contribution subsequent to the first close must make a capital contribution in an amount equal to the aggregate amount of Capital Contributions that would have been made by such Additional Partner had such Additional Partner been admitted to the Feeder Funds on the Initial Closing (together with all other Additional Partners) with respect to such New Commitment. The additional contributions must also pay to the Feeder Funds, on the date of such Initial Additional Capital Contribution, an amount (the "Make-Up Amount") equal to interest at the rate equal to the sum of 8% per annum, calculated with respect to each set of Capital Contributions made prior to the Initial Additional Capital Contribution for the period starting on the applicable drawdown date for such Capital Contributions and ending on the due date for the Initial Additional Capital Contribution. The Master Funds did not have any additional closings.

Capitalized terms used but not defined herein shall have the meaning assigned to them in the Master Funds' offering memoranda.

2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Master Funds in the preparation of its combined financial statements.

2. Summary of Significant Accounting Policies (continued)

Basis of Accounting

The Master Funds' accounting policies are in conformity with accounting principles generally accepted in the United States of America. The Master Funds maintain their financial records in United States dollars. The Master Funds are investment companies that follow the accounting and reporting guidance of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") No. 946, "*Financial Services - Investment Companies*". For financial reporting purposes, the Master Funds follow the accrual method of accounting.

The combined financial statements reflect holdings and operations of LibreMax Structured Opportunities Master Fund II, LP and LibreMax Structured Opportunities (ECI) Master Fund II, LP as these entities are under common control and management. The Investment Manager believes this to be a more meaningful presentation.

Investment Valuation

Any security listed on a national exchange or national market and freely transferable shall be valued at the last sale price on the principal exchange or market reflected on the consolidated tape at the close of the exchange or "official closing price" on the national exchange. If no sales occurred on the relevant business day, the security is valued at the mean between the last "bid" and "ask" price at the close of business on such day. A security that was not traded on its principal exchange or market shall be valued at the last quoted sales price on the next most active exchange or market unless the General Partners determine that such price is not representative of fair value, in which case quotations from financial publications or recognized pricing services will be used.

A put or call option that is listed on a national options exchange shall be valued at the mean between the last "bid" and "ask" price for such option on such date.

Any security traded over the counter and not listed on an exchange or market that is freely transferable is valued at the mean or "mid" between the last "bid" and "ask" price at the close of business on such day, or if no mid price is available, such security shall be valued at the bid price.

The core positions of the Master Funds, primarily structured debt obligations, are valued using marks obtained from the broker/dealer community and pricing vendors. The Investment Manager seeks to obtain multiple marks for every position in the Master Funds, and averages the marks to arrive at the final price for the relevant valuation date. However, in certain cases, only one price may be available, in which case the position shall be valued using a single price.

2. Summary of Significant Accounting Policies (continued)

Investment Valuation (continued)

Any futures or similar contract or any option on any such instrument traded on an exchange is valued using the most recent available closing quotation on such exchange.

Non-exchange traded derivatives, such as forward contracts, credit default swaps, total return swaps and swaptions are valued from a potential range of sources including the counterparty to a contract, a pricing vendor or broker quotes.

Certain investments in securities may be valued at fair value as determined by the General Partners, in consultation with the Investment Manager, in the absence of readily determinable market inputs. Among the factors considered by the Investment Manager in determining fair value are: the type of security, trading in unrestricted securities of the same issuer, the financial condition of the issuer, the Master Funds' cost at the date of purchase, inputs relevant to the fair valuation of the security (including, but not limited to: constant default rates, constant prepayment rates, loss severities, liquidity constraints, yield curves and manager behavior). The fair values determined in accordance with these procedures may differ significantly from the amounts which would be realized upon disposition of the securities. As of December 31, 2024, none of the Master Funds' investments were fair value based on an internal model developed by the Investment Manager.

The General Partners have delegated to the Investment Manager the determination of the fair value of securities in accordance with the principles set out above. Although the Investment Manager uses its best judgment and good faith in estimating the fair value of investments, there are inherent limitations in any estimation technique. Future events may affect the estimates of fair value, including the ultimate liquidation of investments, and the effect could be material to the combined financial statements.

Investment Transactions, Income and Expenses

The Master Funds record investment transactions on a trade date basis. Discounts and premiums on investments are amortized over the remaining life of the respective investments using the effective interest method. Realized gains and losses on investments are determined on the specific identification basis. Interest income and expense are recorded on the accrual basis. Principal paydowns are recorded on a transaction date basis. Dividend income and expense are recorded on the ex-dividend date. Expenses are recorded on an accrual basis. Direct expenses related to the Feeder Funds, which are paid by the Master Funds are specifically allocated to the Feeder Funds to which they relate.

2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents include short-term investments with a maturity of three months or less when purchased and consists of cash and overnight time deposits held with financial institutions and short-term money market funds. At December 31, 2024, the Master Funds held $801,190 in Goldman Sachs Financial Square Government Fund Class FST and $474,541 in cash. The money market funds meet the criteria for Level I investment as defined in the fair value hierarchy as described in Note 3. The money market funds seek to maintain a stable net asset value per share of $1.00. While the Master Funds seek to purchase and sell shares at this net asset value, the share price of the money market funds could be negatively affected during periods of high redemption pressures or illiquid markets. Cash is held with financial institutions which may exceed insured limits. Cash deposited with banks is subject to credit risk, to the extent it is not covered by Federal Deposit Insurance Corporation ("FDIC") insurance limits. In the event of a financial institution's insolvency, the Master Funds may be unable to recover some or all of its cash balances that are not covered by FDIC.

Income Taxes

The Non-ECI Master Fund is organized as an exempted limited partnership under the laws of the Cayman Islands and, generally, is not subject to United States federal income tax, except for withholding taxes applicable to certain income.

The ECI Master Fund is not subject to U.S. federal, state or local taxes. Accordingly, no provision has been made in the accompanying combined financial statements for federal, state or local taxes. Each partner separately takes into account, on its tax return, its share of the income, gains, losses, deductions or credits for the ECI Master Fund's taxable income and gain whether or not any distribution is made to any partner.

ASC 740, *"Income Taxes"*, provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the combined financial statements. The standard requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Master Funds' tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet a more-likely-than-not threshold would be recorded as a tax expense. For all open periods from March 17, 2022 (commencement of operations) to December 31, 2024, the Master Funds remains subject to examination by U.S. Federal and state jurisdictions where the Master Funds make investments. As a result of such evaluation by management, no income tax liability or expense, including penalties and interest, has been recorded in the accompanying combined financial statements.

2. Summary of Significant Accounting Policies (continued)

Income Taxes (continued)

Management has performed an analysis of the Master Funds' material tax positions and has determined that such positions meet a more-likely-than-not standard. Accordingly, no tax expense was recorded for the year ended December 31, 2024. The Investment Manager is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecorded taxes will significantly change in the next twelve months. The Investment Manager continually reviews the Master Funds' tax positions and such conclusions under the FASB guidance to determine if a liability should be recorded based on ongoing analyses of tax laws and regulations and interpretations thereof and other factors.

Use of Estimates

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the amounts reported in the combined financial statements and accompanying notes. Management believes that the estimates utilized in preparing the combined financial statements are reasonable and prudent; however, actual results could differ from those estimates.

3. Fair Value Measurements and Disclosures

Fair value represents the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an orderly transaction between market participants at the measurement date (an exit price). The FASB issued an accounting standard that establishes a fair value hierarchy for the inputs used in valuation models and techniques used to measure fair value. An investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Assets and liabilities measured at fair value are classified into one of the following categories:

- Level I – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. The types of investments which would generally be included are equities and derivatives listed on a securities exchange.

- Level II – Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly (inputs include quoted prices for similar investments in active markets, interest rates and yield curves, credit risk assessments, etc.).

3. Fair Value Measurements and Disclosures (continued)

The types of investments which would generally be included in this category are certain structured debt obligations such as mortgage-backed securities ("MBS"), asset-backed securities ("ABS"), or other similar investments and certain over-the-counter derivatives.

- Level III – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable (including the Investment Manager's own assumptions about what market participants would use in determining the fair value of investments). The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. The types of investments which would generally be included in this category are certain structured debt obligations, private equity and/or debt securities issued by private entities.

The Investment Manager has established a Valuation Committee responsible for overseeing the fair valuation of all securities held in the Master Funds' portfolios. The Valuation Committee meets on a monthly basis and as frequently as needed. Its primary functions include: adopting and reviewing fair valuation policies, determining fair values, establishing and reviewing fair valuation methodologies, and addressing the adequacy and consistency of application of fair valuation pricing policies and procedures.

The Investment Manager obtains market price quotations for use in the fair valuation of the Master Funds' portfolio on a monthly basis. The Investment Manager seeks to obtain quoted "bid" and "ask" or "mid" prices from at least two, if possible, broker/dealers, pricing services, valuation agents, or other independent pricing sources. If a "bid" and "ask" quotation is received, the mean or "mid" will be calculated. If two or more quotations are obtained by the Investment Manager for a security, the average of such quotations shall be used. If no mid price is available, such security shall be valued at the bid price. Certain market price quotations may be disregarded and deemed to be outliers if in the reasonable judgment of the Investment Manager the quotations are not representative of the market. Quotations that are deemed to be outliers would be presented and approved by the Valuation Committee.

Valuations for fixed income securities and derivatives presented in the Master Funds' fair value hierarchy tables are generally based on market price quotations or recently executed market transactions (where observable) and are generally classified as Level II. Inputs into market quotations are observable and may include quoted prices for similar investments in active or inactive markets, interest rates, yield curves and forward currency rates, constant default rates, constant prepayment rates, loss severities, liquidity constraints and manager behavior. If these inputs are unobservable and significant to the fair value, these investments will be classified as Level III.

3. Fair Value Measurements and Disclosures (continued)

In the absence of consistently available market price quotations that reflect observable market inputs, investments are generally classified as Level III. The Investment Manager may use a variety of valuation techniques in the fair value process including, but not limited to, recent market transactions, single market quotations, discounted cash flow models, market approaches and option value models. The Investment Manager may use one or a combination of these valuation techniques in determining the fair value of a Level III investment.

During the year ended December 31, 2024, there were no changes to the Master Funds' valuation techniques that had, or are expected to have, a material impact on its financial position or results of operations.

The following fair value hierarchy tables present information about the Master Funds' assets and liabilities measured at fair value on a recurring basis as of December 31, 2024. Refer to the Combined Condensed Schedule of Investments for further details on the industry and geographic concentrations, which has been prepared based on the geographic location of the issuer.

	Assets at Fair Value			
	Level I	**Level II**	**Level III**	**Total**
Investments in Securities				
Structured Debt Obligations				
Single Borrower				
Equity	$ —	$ —	$ 33,751,445	$ 33,751,445
Single Family Rental				
Equity	—	—	13,330,690	13,330,690
CMBS				
Preferred	—	—	29,595,724	29,595,724
Consumer ABS				
Secured	—	—	19,875,185	19,875,185
Senior	—	—	19,990,000	19,990,000
Residual	—	—	10,503,150	10,503,150
CRE				
Senior	—	—	8,736,426	8,736,426
CLO				
Mezzanine	—	10,984,847	—	10,984,847
Total Investments in Securities	**$ —**	**$ 10,984,847**	**$ 135,782,620**	**$ 146,767,467**

	Derivative Assets at Fair Value			
	Level I	**Level II**	**Level III**	**Total**
Derivative Contracts - Assets				
Futures Contracts	$ 81,627	$ —	$ —	$ 81,627
Total Derivative Contracts - Assets	**$ 81,627**	**$ —**	**$ —**	**$ 81,627**

3. Fair Value Measurements and Disclosures (continued)

The following table summarizes the purchases and transfers of the Master Funds' Level III assets for the year ended December 31, 2024

	Investments in Securities
	Structured Debt Obligations
Investment purchases	$ 44,241,335

There were no transfers in or transfers out of Level III during the year ended December 31, 2024.

Master Funds' Level III Investments are valued using prices obtained from third party pricing specialists without adjustments.

Derivative Financial Instruments and Hedging Activities

The Master Funds may enter into derivative contracts to manage the Master Funds' currency exchange risk, interest rate risk, credit risk and other exposure risks. The types of derivative contracts generally used by the Master Funds are equity and equity index options, swaps, swaptions and futures. Investment companies account for their derivatives at fair value and record any changes in fair value in current period earnings. As such, even though the Master Funds may use derivatives in an attempt to achieve an economic hedge, the Master Funds' derivatives are not considered to be hedging instruments. Instead, the Master Funds have designated these derivative instruments as trading instruments.

Certain of the Master Funds' derivative contracts have been transacted pursuant to bilateral agreements with certain counterparties that give the counterparties the right to terminate the transactions if the Master Funds' net assets decline below an agreed upon level (a "Trigger Event"). If a Trigger Event had occurred at December 31, 2024 for those contracts in a net liability position where counterparties are permitted to terminate the open derivative contracts, additional amounts may not be required to be posted since the aggregate fair value of the required collateral posted exceeded the settlement amounts of the open derivative contracts. As of December 31, 2024, the Master Funds held $81,627 derivative contracts that were in a net asset position and none are subject to a Trigger Event. To the extent derivative contracts are in a net liability position, if any, the Master Funds may need to post additional collateral. Please see the table in Note 4 "Offsetting Assets and Liabilities".

3. Fair Value Measurements and Disclosures (continued)

Derivative Financial Instruments and Hedging Activities (continued)

The following table summarizes the fair value of derivative instruments designated as trading instruments on a gross basis classified by type of risk of underlying investments as shown on the Combined Statement of Financial Condition as of December 31, 2024:

		Fair Value of Derivative Instruments			
		Assets		Liabilities	
Derivative Type	Primary Risk Exposure	Combined Statement of Financial Condition Location	Fair Value	Combined Statement of Financial Condition Location	Fair Value
Futures Contracts	Foreign Exchange	Derivative contracts, at fair value	$ 81,627	Derivative contracts, at fair value	$ —
Total Derivative Contracts			$ 81,627		$ —

The following table summarizes the gains and losses reported on derivatives designated as trading instruments as included in the Combined Statement of Operations for the year ended December 31, 2024:

Derivative Type	Primary Risk Exposure	Net Realized Gain (Loss) on Derivatives	Net Change in Unrealized Gain (Loss) on Derivatives	Volume of Activity(1) Asset	Volume of Activity(1) Liability
Forward Contracts	Foreign Exchange	$ 186	$ —	—	—
Futures Contracts	Foreign Exchange	257,892	227,080	4,561	1,605
Total Derivative Contracts		$ 258,078	$ 227,080		

(1) The volume of activity represents the average quarterly notional exposure (in thousands) during the year.

4. Offsetting Assets and Liabilities

The Master Funds are required to disclose the impact of offsetting assets and liabilities represented in the Combined Statement of Financial Condition to enable users of the financial statements to evaluate the effect or potential effect of netting arrangements on its financial position for recognized assets and liabilities. These recognized assets and liabilities are financial instruments and derivative instruments that are either subject to an enforceable master netting arrangement or similar agreement or meet the following right of set off criteria: the amounts owed by the Master Funds to another party are determinable, the Master Funds have the right to set off the amounts owed with the amounts owed by the other party, the Master Funds intend to set off, and the Master Funds' right of set off is enforceable at law.

4. Offsetting Assets and Liabilities (continued)

Excluding the criteria that the Master Funds intend to set off, securities purchased under agreements to resell and securities sold under agreements to repurchase need to meet the following additional criteria to be offset: positions are with the same counterparty, have the same explicit settlement date specified at the inception of the agreements, are executed in accordance with a master netting arrangement, have securities underlying the agreements that exist in book entry form and can be transferred only by means of entries in the records of the transfer system operator or securities custodian, will both be settled on a securities transfer system and have an associated banking arrangement in place as described by FASB, and intends to use the same account at the clearing bank or other financial institution at the settlement date in transacting both the cash inflows resulting from the settlement of the securities purchased under agreements to resell and the cash outflows in settlement of the offsetting securities sold under agreements to repurchase.

As of December 31, 2024, the Master Funds hold financial instruments and derivative instruments that are eligible for offset in the Combined Statement of Financial Condition and are subject to a master netting arrangement. The master netting arrangement allows the counterparty to net applicable collateral held on behalf of the Master Funds against applicable liabilities or payment obligations of the Master Funds to the counterparty. These arrangements also allow the counterparty to net any of its applicable liabilities or payment obligations they have to the Master Funds against any collateral sent to the Master Funds. The Master Funds do not designate or account for any derivative instruments as hedging instruments as defined under ASC 815, *"Derivatives and Hedging"*. Additionally, the Master Funds have elected not to offset the cash collateral against the fair value of the derivative contracts on the Combined Statement of Financial Condition.

The following table provides disclosure regarding the potential effect of offsetting of recognized liabilities presented in the Combined Statement of Financial Condition as of December 31, 2024:

Assets					Gross Amounts Not Offset in the Combined Statement of Financial Condition		
Counterparty	**Description**	**Gross Amounts of Recognized Assets**	**Gross Amounts Offset in the Combined Statement of Financial Condition**	**Net Amounts of Recognized Assets presented in the Combined Statement of Financial Condition**	**Financial Instruments**	**Collateral Received**	**Net Amount**
Counterparty A	Derivative Contracts	$ 81,627	$ —	$ 81,627	$ —	$ —	$ 81,627
	Total	$ 81,627	$ —	$ 81,627	$ —	$ —	$ 81,627

Liabilities					Gross Amounts Not Offset in the Combined Statement of Financial Condition		
Counterparty	**Description**	**Gross Amounts of Recognized Liabilities**	**Gross Amounts Offset in the Combined Statement of Financial Condition**	**Net Amounts of Recognized Liabilities presented in the Combined Statement of Financial Condition**	**Financial Instruments**	**Collateral Pledged**	**Net Amount**
Counterparty B	Securities sold under agreements to repurchase	$ 12,097,379	$ —	$ 12,097,379	$ (12,097,379)	$ —	$ —
	Total	$ 12,097,379	$ —	$ 12,097,379	$ (12,097,379)	$ —	$ —

The actual collateral received and/or pledged may be more than the amount disclosed above due to overcollateralization.

5. Due from/to Brokers

Securities transactions of the Master Funds are primarily maintained, cleared and held by registered U.S. broker/dealers pursuant to clearance agreements. At December 31, 2024, the due from brokers balance in the Combined Statement of Financial Condition includes cash at these brokers and amounts receivable for securities transactions pending settlement.

Investments in securities held by the clearing brokers are pledged to the clearing brokers on terms which permit the clearing brokers to sell or repledge the securities to others, subject to certain limitations. The Master Funds had substantial counterparty credit risk with these brokers and their affiliates.

In the ordinary course of business of trading in securities, the Master Funds may borrow funds on margin and, therefore, the clearing brokers will use securities pledged by the Master Funds to facilitate these activities. Margin interest is paid at floating interest rates based upon the Fed Funds rate or Secured Overnight Financing Rate (SOFR). SOFR is a benchmark interest rate for dollar-denominated derivatives and loans. SOFR uses actual costs of transactions in the overnight repo market, calculated by the New York Federal Reserve. As of December 31, 2024, the Master Funds did not have an outstanding margin balance.

6. Financing Arrangements

On June 26, 2024, the Lexington SO2 Unlock Borrower, LLC with LibreMax Structured Opportunities (ECI) Master Fund II, LP as the Sponsor, entered into a loan and security agreement (“Loan Agreement”) with East West Bank. Credit Extensions in an aggregate amount cannot exceed at any time the Revolving Loan Commitment of $20,000,000 and (ii) in an aggregate amount not to exceed at any time outstanding the lesser of the Maximum Loan Amount, as the same may be increased from time to time pursuant to the terms and provisions thereof, and the Borrowing Base.

The collateral for credit extensions are the right, title and interest of Borrower in and to the Trust, the Trust Fund and the Trust Certificates (including all Collections received thereunder and the beneficial rights evidenced thereby in any property that underlies or may be deemed to secure the respective interests in the Trust represented by the Trust Certificates) and any related rights, remedies, powers and privileges of the holder thereof under the related Unlock Agreements. The advances on the facility shall bear interest, on the outstanding daily balance at a rate of 1 Month Term SOFR plus spread of 3.15%.

During the year ended December 31, 2024, the Master Funds incurred interest expense in the amount of $364,767 and there was $12,097,379 principal balance outstanding on the facility at year end.

6. Financing Arrangements (continued)

On April 1, 2022, the Master Funds entered into a loan and security agreement ("Loan Agreement") with Pacific Western Bank. Credit Extensions are available up to a maximum aggregate outstanding principal amount being the lesser of (i) one hundred million dollars and (ii) thirty percent of Capital Commitments. The collateral for credit extensions are All Uncalled Committed Capital of the Debtor's Partners, Capital Contributions of the Debtor's Partners, Capital Calls to the Debtor's Partners, and all other proceeds and rights to payment from the Debtor's Partner of such Partner's Uncalled Committed Capital. The advances on the facility shall bear interest, on the outstanding daily balance at a variable annual rate equal to the greater of: one half of one percent (0.50%) below the Prime Rate then in effect; or 2.85%.

During the year ended December 31, 2024, the Master Funds incurred interest expense in the amount of $497,011 and there was $1,850,000 principal balance outstanding on the facility at year end.

7. Related Party Transactions

Management Fee and Other Expenses

The Master Funds will pay to the Investment Manager a monthly management fee calculated at an annual rate of 1.50% of the value of the Feeder Funds' partners' capital (the "Management Fee"). The Management Fee is paid monthly in advance based on the value of each Feeder Fund's partners' capital as of the first business day of each month, adjusted for contributions and withdrawals made during the month. The Investment Manager, in its sole discretion, may waive or modify the Management Fee for limited partners of the Feeder Funds that are members, employees or affiliates of LibreMax GP, LLC or the Investment Manager, relatives of such persons, and for certain large or strategic investors. An affiliate of the Anchor Investor is entitled to receive a portion of the Management Fee.

The Management Fee for the year ended December 31, 2024 amounted to $729,817.

Direct Fund Expenses Incurred by the Investment Manager

The Master Funds are responsible for the Management Fee, investment expenses such as commissions and research fees, audit and tax preparation expenses, administrative expenses, legal expenses, operating and accounting expenses (including external accounting expenses and reimbursement of the cost of operating and accounting expenses provided by the Investment Manager or its affiliates), valuation expenses, asset management services, organizational expenses, insurance expenses, fees and expenses of any service companies, other similar expenses related to the Master Funds, extraordinary expenses, and state, local and foreign taxes relating to portfolio investments.

7. Related Party Transactions (continued)

Direct Fund Expenses Incurred by the Investment Manager (continued)

To the extent that expenses to be borne by the Master Funds are paid by the Investment Manager, or any of their affiliates, such expenses will be allocated from and reimbursed to such party by the Master Funds. For the year ended December 31, 2024, such expenses amounted to $85,511 and are included in market data expense and other expenses on the Combined Statement of Operations. As of December 31, 2024, there were no such expenses payable to the Investment Manager.

Related Party Ownership

As of December 31, 2024, the General Partners and their affiliated parties' investment in the Master Funds (directly and indirectly) amounted to $437,082 or 0.32% of total partners' capital of the Master Funds.

8. Risk Management

Special risks may be associated with the Master Funds' investments in structured credit products, collateralized debt obligations, collateralized mortgage obligations, collateralized bond obligations, collateralized loan obligations, synthetic credit portfolio transactions and asset backed securities. For example, synthetic portfolio transactions may be structured with two or more classes of tranches that receive different proportions of the interest and principal distributions on a pool of credit assets. The yield to maturity of a tranche may be extremely sensitive to the rate of defaults in the underlying reference portfolio. A rapid change in the rate of defaults may have a material adverse effect on the yield to maturity. It is therefore possible that the Master Funds may incur losses on its investments in structured products regardless of their ratings by S&P or Moody's. Additionally, the securities in which the Investment Manager is authorized to invest include securities that are subject to legal or contractual restrictions on their resale or for which there is a relatively inactive trading market. Securities subject to resale restrictions may sell at a price lower than similar securities that are not subject to such restrictions.

Market risk is the risk of potential adverse changes to the fair value of financial instruments and their derivatives because of changes in market conditions such as interest and currency rate movements and volatility in security prices. Off-balance sheet market risk exists when the maximum potential loss on a particular investment is greater than the value of such investment, as reflected on the Combined Statement of Financial Condition. The off-balance sheet market risk associated with the various financial instruments that the Master Funds invest in as part of its investment strategy is discussed throughout the notes. The Master Funds invest in commercial real estate loans. Until commercial real estate loans are sold or mature, the Master Funds are exposed to credit risk relating to whether the borrower will meet its obligations when they come due.

8. Risk Management (continued)

Commercial real estate loans held by the Master Funds' may include financing commitments obligating the Master Funds to advance additional amounts on demand. At December 31, 2024, the Master Funds had unfunded commitments of $2,712,580.

Credit risk is the risk that counterparties may fail to fulfil their obligations or that the collateral value becomes inadequate. The Master Funds attempt to minimize its credit risk by monitoring the credit exposure with, and the creditworthiness of, counterparties. The Master Funds reduces its credit risk with counterparties by entering into master netting agreements with its counterparties, where possible. Therefore, the Master Funds exposure to certain counterparties will either be an asset, if the gross fair value of the derivatives in an asset position exceeds the gross fair value of the derivatives in a liability position, or a liability if the gross fair value of the derivatives in a liability position exceeds the gross fair value of the derivatives in an asset position.

The Master Funds also have a risk with counterparties that it may not always be possible to achieve segregation of the Master Funds assets from other assets of the counterparties and there may be practical or timing problems associated with enforcing the Master Funds rights to its assets in the case of the counterparties' insolvency.

There are risks involved in dealing with the custodians or prime brokers who settle trades. Under certain circumstances, including certain transactions where the Master Funds' assets are pledged as collateral for leverage from a non-broker-dealer custodian or a non-broker-dealer affiliate of the prime broker, the securities and other assets deposited with the custodian or broker may be exposed to a credit risk with regard to such parties. In addition, there may be practical or time problems associated with enforcing the Master Funds' rights to its assets in the case of an insolvency of any such party.

The Master Funds invest in fixed income securities. Until such investments are sold or mature, the Master Funds are exposed to credit risk relating to whether the issuer will meet its obligations as they come due.

The Master Funds has exposure to interest rate risks to the extent prevailing interest rates change and it could negatively affect the value of the Master Funds.

In the normal course of business, the Master Funds maintain their cash balances in financial institutions, which at times may exceed federally insured limits. The Master Funds are subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf. Management monitors the financial condition of such financial institutions and does not anticipate any losses from these counterparties.

8. Risk Management (continued)

The Master Funds are subject to risks associated with unforeseen or catastrophic events, including geopolitical issues, wars, terrorist attacks, natural disasters, and the emergence of a pandemic or other public health emergencies, which could create economic, financial and business disruptions. These events could lead to operational difficulties that could materially impair the General Partners' ability to manage the Master Funds' activities potentially resulting in material financial losses to the Master Funds and its shareholders.

Structured Debt Obligations

The Master Funds may invest in structured debt obligations such as collateralized debt obligations, collateralized mortgage obligations, collateralized bond obligations, collateralized loan obligations or similar instruments. Structured debt obligations may entail a variety of unique risks. Among other risks, structured debt obligations may be subject to prepayment risk. In addition, performance of a structured finance security will be affected by a variety of factors, including its priority in the capital structure of the issuer thereof, the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans or other assets that are being securitized, remoteness of those assets from the originator or transferor, the adequacy of and ability to realize any related collateral and the capability of the servicer of the securitized assets.

9. Indemnifications

The Master Funds enter into agreements that may contain indemnifications or warranties. Future events could occur that lead to the execution of these provisions against the Master Funds. Based on its history and experience, management considers that the likelihood of such an event is remote. The Master Funds also enter into contracts with its service providers and other parties that contain a variety of indemnifications. The Master Funds maximum exposure under these arrangements is unknown. However, the Master Funds have not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote. Therefore, no liability has been recorded with respect to these indemnifications.

10. Partners' Capital

Committed Capital

The initial closing of the sale of Interests took place on March 17, 2022, as agreed to by the General Partners. Income will be allocated to the partners pro-rata based on each partners' capital commitment to the Master Funds.

10. Partners' Capital (continued)

Committed Capital (continued)

The Master Funds will accept capital commitments during the initial closing and any subsequent closings at the discretion of the General Partners. Capital Contributions will be made pursuant to capital calls by the General Partners. The General Partners may call for Capital Contributions from time to time pro rata among the Partners based on their Capital Commitments in such increments of the Partners' Capital Commitments as the General Partners determine, subject, in each case, to adjustment for reductions or waivers of the Management Fee, to account for expenses specifically attributable to a Limited Partner or a group of Limited Partners and exclusions from certain types of investments. The General Partners will provide each Partner with a written drawdown notice at least ten business days prior to the date on which a Capital Contribution is due. During the Investment Period, the General Partners will be permitted to reinvest (or retain for reinvestment or for other purposes) all or a portion of any Investment Proceeds received during the Investment Period. After the Investment Period, all Investment Proceeds constituting Distribution Proceeds will generally be distributed by the General Partners.

To the extent the Feeder Funds make a distribution of Distribution Proceeds to the Partners during the Investment Period representing a return of capital under the distribution waterfall, such return of capital will be added to the Partners' remaining Capital Commitments and will be subject to recall. Of the $152,450,000 of commitments in the Master Funds, $113,881,763 has been called with a remaining commitment of $38,568,237. Of the total commitments, the General Partners have commitments to the Master Funds of $1,775,000 and $1,318,530 has been called with a remaining commitment of $456,470.

Distributions and Carried Interest Distributions

As stated in the Master Funds' confidential private placement memorandum, the General Partner will cause the Master Funds to make distributions at least quarterly to the limited partners of the Master Funds after the Investment Period (which is defined as commencement on the Initial Closing and end on the twelfth month end following the Initial Closing or at such earlier time as the General Partners may determine) of Investment Proceeds (defined below), in each case net of any expenses or other obligations of the Master Funds and reserves for existing or anticipated obligations of the Master Funds, including the Master Funds' expenses, organizational expenses, operating reserves, and any amounts held back for Tax Distributions or any other permitted purpose ("Distribution Proceeds"); provided that the Feeder Funds will not be required to make a distribution with respect to a particular quarter unless it has at least $1,000,000 in Distribution Proceeds to distribute at such time.

10. Partners' Capital (continued)

Distributions and Carried Interest Distributions (continued)

"Investment Proceeds" means all proceeds, including all dividends and interest received by the Master Funds in respect of any payment, sale, principal payment, refinancing, recapitalization, redemption, repayment, exchange, distribution or other similar transaction with respect to any portfolio investments.

Distribution Proceeds will be calculated without taking into account Management Fees and expenses specifically attributable to the investment of a Limited Partner or group of Limited Partners, which are accounted for by separately calling capital for such amounts or deducting such amounts from such Limited Partner or group of Limited Partner's share of Distribution Proceeds (either on behalf of each such Limited Partner or group of Limited Partners) after the apportionment described below.

Immediately prior to a distribution, Distribution Proceeds will be apportioned among the General Partners, in their capacity as the general partners of each Master Fund, the Domestic Fund and the Intermediate Funds, and distributions will be made to the Intermediate Funds (on behalf of the Partnership on behalf of each Partner on a Partner-by-Partner basis) and to the Domestic Fund on behalf of each Domestic Investor on a Domestic Investor-by-Domestic Investor basis (i) in the case of Distribution Proceeds attributable to a specific portfolio investment, to the Domestic Fund, the General Partners and the Intermediate Funds in accordance with their respective Master Fund Participation Percentage with respect to such portfolio investment (subject to adjustment for excused participation, exclusion or default by a Limited Partner), and (ii) in the case of Distribution Proceeds not attributable to a specific portfolio investment, to the Domestic Fund, the General Partners and the Intermediate Funds in accordance with their respective Master Fund Participation Percentage at the time of such distribution.

Distribution Proceeds initially apportioned to the Intermediate Funds (on behalf of the Partnership), on behalf of a Limited Partner, will be distributed by the Master Funds to the Intermediate Funds (on behalf of the Partnership on behalf of a Limited Partner), on the one hand, and the General Partners, on the other hand, in the following order of priority (after deduction for Management Fees and expenses specifically attributable to the investment of such Limited Partner (e.g., any Investor-Related Taxes)):

(1) Return of Capital: First, 100% to the Feeder Funds, until the Feeder Funds have received, in aggregate, cash distributions equal to the Feeder Funds' capital contributions to the Master Funds (through the Intermediate Funds, where applicable), taking into account all prior distributions made pursuant to this clause (1);

10. Partners' Capital (continued)

Distributions and Carried Interest Distributions (continued)

(2) Hurdle Return: Second, 100% to the Feeder Funds, until the Feeder Funds, has received aggregate amounts (taking into account all prior distributions made pursuant to this clause and clause (4) below) equal to the Hurdle Return. The "Hurdle Return" means such payments that would result in a compounded rate of return equal to 8% per annum in respect of unreturned capital contributions made by the Feeder Funds to the Master Funds from the date on which the Feeder Funds were required to fund such capital contributions made by the Feeder Funds, to the Master Funds (or the date on which such capital contributions were funded, if later) until the date of return of such contributions to the Feeder Funds by the Master Funds (on a first-in, first-out basis), taking into account the amount and effective date of each capital contribution, distribution and recall of distribution; provided, however, that capital contributions made by the Feeder Funds in respect of the Initial Additional Capital Contribution for each Partner with respect to any New Commitment will be deemed to have been made as of the date of the corresponding Capital Contributions of the Partners admitted as of the Initial Closing (or if there have been multiple Capital Contributions of such Partners, then, on a pro rata basis, as of the respective dates of such Capital Contributions) for purposes of calculating the applicable Hurdle Return;

(3) Catch-up: Third, 100% to the General Partner until such time as the General Partners have received in respect of the Feeder Funds, 20% of the aggregate amount distributed in respect of the Feeder Funds under clause (2) and to the General Partners under this clause (3); and

(4) 80/20 Split: Fourth, (x) 80% to the Feeder Funds and (y) 20% to the General Partners (the "Carried Interest Distributions").

The General Partners may waive the Carried Interest Distributions with respect to any General Partners related investors, and the General Partners may waive or calculate differently the Carried Interest Distributions with respect to any other Limited Partners. For the year ended December 31, 2024, the Carried Interest earned by the General Partners was $2,319,620 and as of December 31, 2024, the cumulative Carried Interest earned by the General Partners was $3,795,842.

Co-Investments

The Investment Manager and its affiliates may, from time to time, offer one or more Limited Partners or investors in Other Accounts and/or other third-party investors the opportunity to co-invest with the Master Funds in particular investments. The Investment Manager will allocate co-investment opportunities in a manner consistent with its policies and procedures. The Investment Manager and its affiliates are not obligated to arrange co-investment opportunities, and no Limited Partner will be obligated to participate in such an opportunity.

10. Partners' Capital (continued)

Co-Investments (continued)

The Investment Manager and its affiliates have sole discretion as to the amount (if any) of a co-investment opportunity that will be allocated to a particular Limited Partner and may allocate co-investment opportunities instead to investors in Other Accounts or to third parties.

11. Financial Highlights

The following represents ratios to average limited partners' capital and internal rate of return information for the year ended December 31, 2024:

	Limited Partners
Ratios to average Limited Partners' capital	
Expenses before interest expense and carried interest	1.44 %
Interest expense	0.70
Carried interest	1.89
Total expenses	4.03 %
Net investment income	8.16 %

The expense ratios and net investment income ratio above are calculated for all the limited partners taken as a whole. The computation of such ratios based on the amount of expenses, carried interest and net investment income assessed to an individual limited partner's capital may vary from these ratios based on the timing of capital transactions and different fee arrangements.

Internal Rate of Return (IRR)	Limited Partners
IRR since inception date March 17, 2022 to December 31, 2023	12.26 %
IRR since inception date March 17, 2022 to December 31, 2024	13.13 %

The IRR was computed based on the dates of cash inflows (capital contributions) and outflows (capital distributions), and the ending partners' capital at the end of the year (residual value) as of each measurement date. The IRR was computed net of all fees and carried interest to the General Partners.

The cumulative cash flow used in the IRR calculation are based on the inception-to-date contributions and residual value. An investor's actual economic return may not be consistent with the IRR return presented and could be materially different as a result of the limitations of the calculation.

12. Recent Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"). ASU 2023-09 modifies the reporting requirements for income tax disclosures related to effective tax rates and cash income taxes paid. Pursuant to ASU 2023-09, reporting entities are required to disclose certain categories in the income tax rate reconciliation, as well as additional information for reconciling items that meet a specific quantitative threshold. Additionally, ASU 2023-09 requires annual disclosures of income taxes paid for all entities, including the amount of income taxes paid, net of refunds received, disaggregated by federal, state, and foreign jurisdictions. The standard is effective for fiscal years beginning after December 15, 2025 for entities other than public business entities with early adoption permitted. The Master Funds are currently evaluating the impact of ASU 2023-09 on its financial statements.

13. Subsequent Events

Subsequent to December 31, 2024, the Master Funds distributed $49, 844, 085 to the Feeder Funds.

The General Partners of the Master Funds have approved a plan of reorganization under which the Master Funds will transfer substantially all of their investments to a newly formed registered closed-end interval fund, LibreMax Asset-Backed Income Fund (the "Successor Fund"). The Successor Fund intends to register its shares under the Investment Company Act of 1940 and the Securities Act of 1933 through the filing of a registration statement on Form N-2 with the U.S Securities and Exchange Commission. The investment objectives and strategies of the Successor Fund are expected to be substantially similar to those of the Master Funds.

The General Partners and Investment Manager have evaluated subsequent events through October 23, 2025, the date the combined financial statements were available to be issued, and have determined that no additional items require disclosure.

APPENDIX C

Unaudited Financial Statements of Structured Opportunities Fund I and Structured Opportunities Fund II

December 31, 2025

FINANCIAL STATEMENTS (UNAUDITED)

LibreMax Structured Opportunities Partners I, LP
Year Ended December 31, 2025

LibreMax Structured Opportunities Partners I, LP

Financial Statements (Unaudited)

Year Ended December 31, 2025

Contents

LibreMax Structured Opportunities Partners I, LP

Statement of Financial Condition

December 31, 2025
(Expressed in U.S. Dollars)

Assets		
Investment in LibreMax Structure Opportunities Fund (the "Master Funds"),		
at fair value	$	85,216,876
Cash and cash equivalents	$	1,120,872
Distributions receivable from Master Funds		1,055,338
Total assets		87,393,086
Liabilities and Partners' Capital		
Distributions payable		1,055,338
Due to Master Funds		92,669
Professional fees payable		36,500
Accrued expenses and other liabilities		2,470
Total liabilities		1,186,977
Partners' Capital		
Limited partners		86,206,109
Total partners' capital		86,206,109
Total liabilities and partners' capital	$	87,393,086

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund.

LibreMax Structured Opportunities Partners I, LP

Statement of Operations

Year Ended December 31, 2025
(Expressed in U.S. Dollars)

Net realized and change in unrealized gain/(loss) on investment transactions allocated from Master Funds		
Net realized gain on investment transactions	$ 9,211,106	
Net realized loss on derivative contracts	(256,672)	
Net change in unrealized loss on investment transactions	(3,337,838)	
Net change in unrealized gain on derivative contracts	114,904	
Net gain on investment transactions		$ 5,731,500
Investment income allocated from Master Funds		
Interest income	7,309,785	
Dividend income	122,869	
Total investment income allocated from Master Funds	7,432,654	
Expenses		
Interest expense	1,245,804	
Deal legal expense	1,123,086	
Management fee	595,382	
Professional fees	336,541	
Market data expense	36,302	
Other expenses	219,145	
Carried Interest	1,186,428	
Total expenses	4,742,688	
Net investment income allocated from Master Funds before Partnership expenses	2,689,966	
Partnership expenses		
Professional fees and other expenses	69,363	
Total Partnership expenses	69,363	
Net investment income		2,620,603
Net income		$ 8,352,103

LibreMax Structured Opportunities Partners I, LP

Statement of Changes in Partners' Capital

Year ended December 31, 2025
(Expressed in U.S. Dollars)

	Limited Partners	General Partners	Total
Partners' capital at beginning of year	$ 118,287,135	—	$ 118,287,135
Distributions	(40,433,129)	—	(40,433,129)
Allocation of net income:			
Pro-rata income	8,352,103	—	8,352,103
Partners' capital at end of year	$ 86,206,109	$ —	$ 86,206,109

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund.

LibreMax Structured Opportunities Partners I, LP

Statement of Cash Flows

Year Ended December 31, 2025
(Expressed in U.S. Dollars)

Cash flows from operating activities		
Net income	$	8,352,103
Adjustments to reconcile net income to net cash provided by operating activities:		
Net income allocated from Master Funds		(8,421,466)
Purchases of investment in Master Funds		(1,765,708)
Sales of investment in Master Funds		59,164,480
Net change in operating assets and liabilities:		
Due to Master Funds		18,207
Professional fees payable		17,700
Accrued expenses and other liabilities		2,470
Net cash provided by operating activities		57,367,786
Cash flows from financing activities		
Payments for distributions, net of distributions payable		56,313,647
Net cash used in financing activities		56,313,647
Net change in cash and cash equivalents		1,054,139
Cash and cash equivalents at beginning of year		66,733
Cash and cash equivalents at end of period	$	1,120,872

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund.

1. Organization

LibreMax Structured Opportunities Partners I, LP (the "Partnership") was organized as a Delaware limited partnership on May 14, 2021 and commenced operations on August 18, 2021. The Partnership and LibreMax Structured Opportunities Offshore Partners I, LP (the "Offshore Fund") invest substantially all of their investable assets through a "master-feeder" structure in LibreMax Structured Opportunities Master Fund I, LP. (the "Non-ECI Master Fund"), a Cayman Islands exempted limited partnership, and LibreMax Structured Opportunities (ECI) Master Fund I, LP, a Delaware limited partnership (the "ECI Master Fund" and together with the Non-ECI Master Fund, the "Master Funds").

The general partner of the Partnership is LibreMax GP, LLC (the "General Partner"), a Delaware limited liability company and an affiliate of LibreMax Capital, LLC (the "Investment Manager").

The Partnership's investment objective, through its investment in the Master Funds, is to generate attractive returns through investments in a variety of securitized and structured financial products and credit-related investments. To achieve the Master Funds' objectives, the Investment Manager employs an extensive micro-credit analysis and a rigorous underwriting process that complements a thematic macro approach to portfolio construction. The Investment Manager believes that a strategy based on the foregoing investment process will generate attractive returns.

The Partnership's term commenced on the Initial Closing and, unless sooner dissolved pursuant to the Partnership Agreement, will continue until the final termination of the Harvest Period. The "Harvest Period" means the period commencing on the expiration or termination of the Investment Period (defined below) and ending on the fourth anniversary thereof (or such earlier date as may be determined by the General Partner, in its sole discretion, upon ten (10) business days' prior written notice to the Limited Partners); provided, however, that the Harvest Period may be extended twice by the General Partner, in its sole discretion, up to one year for each extension, upon at least thirty (30) days' prior notice to the Limited Partners prior to the expiration of the Harvest Period. At the end of the term of the Partnership, the General Partner will formally wind up and dissolve the Partnership.

Partners will be required to fund their Capital Commitments during the investment period, which will commence on the Initial Closing and end on the eighth month end following the Initial Closing or at such earlier time as the General Partner may determine in accordance with the terms set forth in the Partnership Agreement (the "Investment Period"). After the Investment Period, the Partners will be released from any further obligations with respect to their Capital Commitments, except to (1) fund a pending Capital Call Notice (defined below) received by the Partners prior to the end of the Investment Period; (2) fund an investment for up to six months after the end of the Investment Period that the Partnership has committed to in writing prior to the termination of the Investment Period; (3) fund an investment for up to

1. Organization (continued)

six months after the end of the Investment Period that was under active consideration by the Partnership prior to the end of the Investment Period pursuant to a written memorandum of understanding or letter of intent, whether or not binding; (4) pay for the Management Fee, Tax Distributions and actual or anticipated expenses (for the sake of clarity, excluding, without limitation, any obligation with respect to the acquisition of an investment which is not contemplated in clauses (1) – (3) above or (6) below) and to pay down the Master Funds' financing obligations, whether incurred before or after the end of the Investment Period (including amounts relating to any Commitment Facility); (5) engage in hedging or financing transactions with respect to the Master Funds' portfolio investments (which hedging or financing transactions will not be deemed to be portfolio investments); and (6) fund any investment that the General Partner, in its sole discretion, believes is appropriate or necessary for the Master Funds to make to preserve, protect or enhance an existing investment (each such investment made pursuant to this clause (6) after the end of the Investment Period, a "Follow-On Investment"); provided that the Follow-On Investments will not exceed 25% of Capital Commitments.

At the end of the Investment Period, the General Partner will disclose to all Limited Partners the amounts reserved for any unfunded investments along with a list of any actively considered investments, pursuant to clauses (1) – (3) of the preceding paragraph and any Follow-on Investments pursuant to clause (6) of the preceding paragraph.

LibreMax Capital, LLC, a Delaware limited liability company, serves as the Investment Manager to the Partnership and provides certain administrative services and investment management services to the Partnership. The Investment Manager also serves as investment manager to the Master Funds and the Offshore Fund. The Investment Manager is registered as an investment adviser with the Securities and Exchange Commission under the Investment Advisers Act of 1940.

International Fund Services (N.A.), L.L.C. (the "Administrator"), a subsidiary of State Street Alternative Investment Solutions, was appointed as the administrator for the Master Funds and the Partnership. The Administrator also acts as the transfer agent for the Master Funds and the Partnership. For the year ended December 31, 2025, the administration fee was $1,200, which is included in professional fees and other expenses on the Statement of Operations.

The General Partner is responsible for the supervision of the Partnership's partners' capital calculation, investment policy, valuation policy, performance of the Partnership, and to supervise the conduct of its affairs. The General Partner has delegated certain of these responsibilities to the Investment Manager and the Administrator. The General Partner is responsible for the supervision of the Investment Manager and the Administrator.

Capitalized terms used but not defined herein shall have the meaning assigned to them in the Partnership's offering memorandum.

2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Partnership in the preparation of its financial statements. The policies followed by the Master Funds are discussed in the notes to the Master Funds' combined financial statements which are attached hereto and should be read in conjunction with these financial statements.

Basis of Accounting

The Partnership's accounting policies are in conformity with accounting principles generally accepted in the United States of America. The Partnership maintains its financial records in United States dollars. The Partnership is an investment company that follows the accounting and reporting guidance of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") No. 946, *"Financial Services - Investment Companies"*. For financial reporting purposes, the Partnership follows the accrual method of accounting.

Investment Valuation

The Partnership's investment in the Master Funds is valued at fair value, which is represented by the Partnership's proportionate interest in the partners' capital of the Master Funds. The performance of the Partnership is directly affected by the performance of the Master Funds. Attached are the audited combined financial statements of the Master Funds, including the Combined Condensed Schedule of Investments, which are an integral part of these financial statements. Valuation of investments held by the Master Funds are discussed in the notes to the Master Funds' combined financial statements. At December 31, 2025, the Partnership owned 74.88% of the Master Funds' partners' capital.

Investment Transactions, Income and Expenses

The Partnership records monthly its proportionate interest of the Master Funds' income, expenses, and realized and unrealized gains and losses. In addition, the Partnership accrues its own income and expenses. The Partnership records contributions and distributions related to its investment in the Master Funds on the transaction date. Expenses relating to the Partnership, as outlined in the confidential offering memorandum, are expensed as incurred.

Cash and Cash Equivalents

Cash and cash equivalents include short-term investments with a maturity of three months or less when purchased. Cash is held at a bank that is affiliated with the Administrator. At December 31, 2025, the Partnership held $1,120,872 in cash. At December 31, 2025, there were no cash equivalents. Cash is held with financial institutions which may exceed insured limits. Cash deposited with banks is subject to credit risk, to the extent it is not covered by Federal Deposit Insurance Corporation ("FDIC") insurance limits. In the event of a financial institution's insolvency, the Partnership may be unable to recover some or all of its cash balances that are not covered by FDIC.

2. Summary of Significant Accounting Policies (continued)

Fair Value of Financial Instruments

The fair value of the Partnership's assets and liabilities which qualify as financial instruments under FASB guidance approximates the carrying amounts presented in the Statement of Financial Condition.

Income Taxes

The Partnership is not subject to federal, state or local taxes. Accordingly, no provision has been made in the accompanying financial statements for federal, state or local taxes. Each partner separately takes into account, on its tax return, its share of the income, gains, losses, deductions or credits for the Partnership's taxable income/loss whether or not any distribution is made to any partner.

ASC 740, *"Income Taxes"*, provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. The standard requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Partnership's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet a more-likely-than-not threshold would be recorded as a tax expense. For all open periods from January 1, 2022 to December 31, 2025, the Partnership remains subject to examination by U.S. Federal and state jurisdictions where the Partnership makes investments.

Management has performed an analysis of the Partnership's material tax positions and has determined that such positions meet a more-likely-than-not standard. The General Partner is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecorded taxes will significantly change in the next twelve months. The General Partner continually reviews the Partnership's tax positions and such conclusions under the FASB guidance to determine if a liability should be recorded based on ongoing analyses of tax laws and regulations and interpretations thereof and other factors. As of and during the year ended December 31, 2025, the Partnership did not have any liabilities or expense for any unrecognized tax positions. The Partnership recognizes interest and penalties, if any, related to unrecognized tax positions as income tax expense in the Statement of Operations. During the year, the Partnership did not incur any tax related to interest or penalties.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilized in preparing the financial statements are reasonable and prudent; however, actual results could differ from those estimates.

3. Allocation of Net Income or Net Loss

At the end of each accounting period, any net capital appreciation or net capital depreciation of the Partnership is allocated to each capital account of each partner (including the General Partner) in proportion to the opening balance of such capital account for such accounting period.

4. Related Party Transactions

Management Fee

Pursuant to the investment management agreement, the Master Funds pay the Investment Manager a monthly management fee in advance equal to 0.125% (1.50% per annum) of the partners' capital of the Partnership on the first business day of each month (the "Management Fee"). The Management Fee is paid and collected by the Master Funds on behalf of the Partnership. The Management Fee for the year ended December 31, 2025 amounted to $595,382.

The Investment Manager may waive or modify the Management Fee with respect to certain persons who are members, employees, or affiliates of the Investment Manager, relatives of such persons, and for certain large or strategic investors.

Affiliated Party Ownership

As of December 31, 2025, parties affiliated with the Investment Manager and General Partner held none of the Partnership's partners' capital.

5. Partners' Capital

Committed Capital

The initial closing of the sale of Interests took place on August 18, 2021, agreed to by the General Partner. Income will be allocated to the partners pro-rata based on each partner's capital commitment to the Partnership.

As of December 31, 2025, the limited partners of the Partnership have committed total amounts of $172,680,300. From the Partnership's inception, the limited partners have made contributions of $127,794,874 and distribution recall total amounts of $846,793. As of December 31, 2025, the limited partners of the Partnership had remaining capital commitments of $45,732,219. These contributions and distributions in aggregate represent approximately 73.5% of total commitments to the Partnership.

5. Partners' Capital (continued)

Distributions and Carried Interest Distributions

As stated in the Master Funds' confidential private placement memorandum, the General Partner will cause the Master Funds to make distributions at least quarterly to the limited partners of the Master Funds after the Investment Period (which is defined as commencing on the Initial Closing and ending on the eight month end following the Initial Closing or at such earlier times as the General Partner may determine) of Investment Proceeds (defined below), in each case net of any expenses or other obligations of the Master Funds and reserves for existing or anticipated obligations of the Master Funds, including the Master Funds expenses, organizational expenses, operating reserves, and any amounts held back for Tax Distributions or any other permitted purpose ("Distribution Proceeds"); provided that the Partnership will not be required to make a distribution with respect to a particular quarter unless it has at least $1,000,000 in Distribution Proceeds to distribute at such time. "Investment Proceeds" means all proceeds, including all dividends and interest received by the Master Funds in respect of any payment, sale, principal payment, refinancing, recapitalization, redemption, repayment, exchange, distribution or other similar transaction with respect to any portfolio investments.

Distribution Proceeds will be calculated without taking into account Management Fees and expenses specifically attributable to the investment of a Limited Partner or group of Limited Partners, which are accounted for by separately calling capital for such amounts or deducting such amounts from such Limited Partner or group of Limited Partner's share of Distribution Proceeds (either on behalf of each such Limited Partner or group of Limited Partners) after the apportionment as described in the attached combined financial statements of the Master Funds.

Immediately prior to a distribution, Distribution Proceeds will be apportioned among the General Partner, in its capacity as the general partner of each Master Fund, the Partnership and LibreMax Structured Opportunities Onshore I, LLC and LibreMax Structured Opportunities Offshore I, LLC (the "Intermediate Funds"), and distributions will be made to the Partnership (on behalf of each Partner on a Partner-by-Partner basis) and to the Intermediate Funds (on behalf of the Offshore Fund on behalf of each Offshore Investor on an Offshore Investor-by-Offshore Investor basis) (i) in the case of Distribution Proceeds attributable to a specific portfolio investment, to the Partnership, the General Partner and the Offshore Fund (through its investments in the Intermediate Funds, as defined in the offering documents) in accordance with their respective Master Fund Participation Percentage with respect to such portfolio investment (subject to adjustment for excused participation, exclusion or default by a Limited Partner), and (ii) in the case of Distribution Proceeds not attributable to a specific portfolio investment, to the Partnership, the General Partner and the Offshore Fund (through its investments in the Intermediate Funds, as defined in the offering documents) in accordance with their respective Master Fund Participation Percentage at the time of such distribution.

5. Partners' Capital (continued)

Distributions and Carried Interest Distributions (continued)

Distribution Proceeds initially apportioned to the General Partner will be distributed to it. Distribution Proceeds initially apportioned to the Partnership, on behalf of a Limited Partner, will be distributed by the Master Funds to the Partnership (on behalf of a Limited Partner), on the one hand, and the General Partner, on the other hand, in the following order of priority (after deduction for Management Fees and expenses specifically attributable to the investment of such Limited Partner (e.g., any Investor-Related Taxes)):

(1) Return of Capital: First, 100% to the Partnership (on behalf of such Limited Partner), until the Partnership (on behalf of such Limited Partner) have received, cash distributions equal to the Partnerships' capital contributions to the Master Funds (made on behalf of such Limited Partner), taking into account all prior distributions made pursuant to this clause (1);

(2) Hurdle Return: Second, 100% to the Partnership (on behalf of a Limited Partner), until the Partnership (on behalf of a Limited Partner), has received aggregate amounts (taking into account all prior distributions made pursuant to this clause and clause (4) below) equal to the Hurdle Return. The "Hurdle Return" means such payments that would result in a compounded rate of return equal to 8% per annum in respect of unreturned capital contributions made by the Partnership (on behalf of a Partner) to the Master Funds from the date on which the Partnership was required to fund such capital contributions made by the Partnership (on behalf of such Partner), to the Master Funds (or the date on which such capital contributions were funded, if later) until the date of return of such contributions to the Partnership (on behalf of such Partner) by the Master Funds (on a first-in, first-out basis), taking into account the amount and effective date of each capital contribution, distribution and recall of distribution; provided, however, that capital contributions made by the Partnership in respect of the Initial Additional Capital Contribution for each Partner with respect to any New Commitment will be deemed to have been made as of the date of the corresponding Capital Contributions of the Partners admitted as of the Initial Closing (or if there have been multiple Capital Contributions of such Partners, then, on a pro rata basis, as of the respective dates of such Capital Contributions) for purposes of calculating the applicable Hurdle Return;

(3) Catch-up: Third, 100% to the General Partner until such time as the General Partner has received in respect of the Partnership (on behalf of such Limited Partner), 20% of the aggregate amount distributed in respect of the Partnership (on behalf of such Limited Partner) under clause (2) and to the General Partner under this clause (3); and

(4) 80/20 Split: Fourth, (x) 80% to the Partnership (on behalf of such Limited Partner) and (y) 20% to the General Partner (the "Carried Interest Distributions").

5. Partners' Capital (continued)

Distributions and Carried Interest Distributions (continued)

The General Partner may waive the Carried Interest Distributions with respect to any General Partner related investors, and the General Partner may waive or calculate differently the Carried Interest Distributions with respect to any other Limited Partners.

For the year ended December 31, 2025, the carried interest earned by the General Partners of the Master Funds was $1,186,428 and, as of December 31, 2025, the cumulative carried interest earned by the General Partners of the Master Funds was $6,309,018.

6. Risk Management

Certain risks associated with an investment in the Partnership and the Master Funds are discussed in the notes to the Master Funds' combined financial statements.

Due to the nature of the "master-feeder" structure, the Partnership may be materially affected by the actions of the Master Funds.

7. Indemnifications

The Partnership enters into agreements that may contain indemnifications or warranties. Future events could occur that lead to the execution of these provisions against the Partnership. Based on its history and experience, management considers that the likelihood of such an event is remote. The Partnership also enters into contracts with its service providers and other parties that contain a variety of indemnifications. The Partnership's maximum exposure under these arrangements is unknown. However, the Partnership has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote. Therefore, no liability has been recorded with respect to these indemnifications.

8. Financial Highlights

The following represents ratios to average limited partners' capital and internal rate of return information for the year ended December 31, 2025:

	Limited Partners
Ratios to average Limited Partners' capital	
Expenses before interest expense and carried interest	2.48 %
Interest expense	1.30
Carried interest	1.23
Total expenses	5.01 %
Net investment income before carried interest	3.96 %

8. Financial Highlights (continued)

The expense ratios and net investment income ratio above are calculated for all the limited partners taken as a whole. The computation of such ratios based on the amount of expenses, carried interest and net investment income assessed to an individual limited partner's capital may vary from these ratios based on the timing of capital transactions and different fee arrangements. The above percentages include the Partnership's income and expenses and its proportionate share of income and expenses of the Master Funds.

Internal Rate of Return (IRR)	**Limited Partners**
IRR since inception date August 18, 2021 to December 31, 2024	9.35 %
IRR since inception date August 18, 2021 to December 31, 2025	9.39 %

IRR was computed based on the dates of cash inflows (capital contributions) and outflows (capital distributions), and the ending limited partners' capital at the end of the year (residual value) as of each measurement date. The IRR was computed net of all fees and Carried Interest to the General Partner.

The cumulative cash flow used in the IRR calculation are based on the inception-to-date contributions and residual value. An investor's actual economic return may not be consistent with the IRR return presented and could be materially different as a result of the limitations of the calculation.

9. Subsequent Events

Subsequent to December 31, 2025, the Partnership distributed $8,515,786 to the Partners.

The General Partners of the Master Funds have approved a plan of reorganization under which the Master Funds will transfer substantially all of their investments to a newly formed registered closed-end interval fund, LibreMax Asset-Backed Income Fund (the "Successor Fund"). The Successor Fund intends to register its shares under the Investment Company Act of 1940 and the Securities Act of 1933 through the filing of a registration statement on Form N-2 with the U.S.30 Securities and Exchange Commission. The investment objectives and strategies of the Successor Fund are expected to be substantially similar to those of the Master Funds.

The General Partner has evaluated subsequent events through March 31, 2026, the date the financial statements were available to be issued, and has determined that no additional items require disclosure.

CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

LibreMax Structured Opportunities Offshore Partners I, LP and Subsidiaries
Year Ended December 31, 2025

LibreMax Structured Opportunities Offshore Partners I, LP and Subsidiaries

Consolidated Financial Statements (Unaudited)

Year Ended December 31, 2025

Contents

LibreMax Structured Opportunities Offshore Partners I, LP and Subsidiaries

Consolidated Statement of Financial Condition

December 31, 2025
(Expressed in U.S. Dollars)

Assets		
Investment in LibreMax Structure Opportunities Fund (the "Master Funds"),		
at fair value	$	25,289,888
Cash and cash equivalents	$	1,881
Due from Master Funds		166,225
Total assets		25,457,994
Liabilities and Partners' Capital		
Professional fees payable		29,500
Due to Master Funds		19,454
Due to broker		13,147
Accrued expenses and other liabilities		34,944
Total liabilities		97,045
Partners' Capital		
Limited partners		25,360,949
Total partners' capital		25,360,949
Total liabilities and partners' capital	$	25,457,994

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund.

LibreMax Structured Opportunities Offshore Partners I, LP and Subsidiaries

Consolidated Statement of Operations

Year Ended December 31, 2025
(Expressed in U.S. Dollars)

Net realized and change in unrealized gain/(loss) on investment transactions allocated from Master Funds		
Net realized gain on investment transactions	$ 2,634,749	
Net realized loss on derivative contracts	(73,368)	
Net change in unrealized loss on investment transactions	956,533	
Net change in unrealized gain on derivative contracts	32,845	
Net gain on investment transactions		$ 1,637,693
Investment income allocated from Master Funds		
Interest income	2,092,920	
Dividend income	35,143	
Total investment income allocated from Master Funds	218,063	
Expenses		
Interest expense	356,369	
Deal legal expense	321,248	
Management fee	174,649	
Professional fees	96,377	
Market data expense	10,385	
Other expenses	62,661	
Carried Interest	268,925	
Total expenses	1,290,614	
Net investment income allocated from Master Funds before Partnership expenses	837,449	
Partnership expenses		
Professional fees and other expenses	229,075	
Total Partnership expenses	229,075	
Net investment income		608,374
Net income before tax expense	2,246,067	
Income tax expense/(benefit)	$ 363,589	
Net income		$ 1,882,478

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund.

LibreMax Structured Opportunities Offshore Partners I, LP and Subsidiaries

Consolidated Statement of Changes in Partners’ Capital

Year ended December 31, 2025
(Expressed in U.S. Dollars)

	Limited Partners	General Partners	Total
Partners’ capital at beginning of year	$ 34,490,603	$ —	$ 34,490,603
Distributions	(11,012,132)	—	(11,012,132)
Allocation of net income:			
Pro-rata income	1,882,478	—	1,882,478
Partners’ capital at end of year	$ 25,360,979	$ —	$ 25,630,949

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund.

Consolidated Statement of Cash Flows

Year Ended December 31, 2025
(Expressed in U.S. Dollars)

Cash flows from operating activities		
Net income	$	1,882,478
Adjustments to reconcile net income to net cash provided by operating activities:		
Net income allocated from Master Funds		(2,475,142)
Purchases of investment in Master Funds		510,751
Sales of investment in Master Funds		16,486,926
Net change in operating assets and liabilities:		
Due from Master Funds		(123,415)
Tax refund receivable		589,413
Other assets		40,000
Professional fees payable		20,500
Due to Master Funds		(85,343)
Due to broker		1,220
Accrued expenses and other liabilities		29,136
Net cash provided by operating activities		15,855,022
Cash flows from financing activities		
Payments for distributions, net of distributions payable		(15,853,152)
Net cash used in financing activities		(15,853,152)
Net change in cash and cash equivalents		1,870
Cash and cash equivalents at beginning of year		11
Cash and cash equivalents at end of period	$	1,881
Supplemental disclosure of cash flow information		
Cash paid during the year for taxes	$	366,608

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund.

1. Organization

LibreMax Structured Opportunities Offshore Partners I, LP (the "Partnership") is organized as a Cayman Islands exempted limited partnership on May 20, 2021 and commenced operations on August 18, 2021.

The Partnership and LibreMax Structured Opportunities Partners I, LP (the "Domestic Fund") invest all of their investable assets through a "master-feeder" structure in the LibreMax Structured Opportunities (ECI) Master Fund I, LP., a Delaware limited partnership (the "ECI Master Fund"), and LibreMax Structured Opportunities Master Fund I, LP, a Delaware limited partnership (the "Non-ECI Master Fund" and together with the ECI Master Fund, the "Master Funds"). The Partnership invests its assets in the Master Funds through its wholly owned subsidiaries LibreMax Structured Opportunities Onshore I, LLC, a Delaware limited liability company (the "ECI Intermediate Fund"), and LibreMax Structured Opportunities Offshore I, LLC, a Cayman Islands limited liability company (the "Non-ECI Intermediate Fund", and together with the ECI Intermediate Fund, the "Intermediate Funds"). The Partnership, through its investments in the Intermediate Funds, held approximately 21.95% of the Master Funds as of December 31, 2025.

The general partner of the Partnership is LibreMax GP, LLC (the "General Partner"), a Delaware limited liability company and an affiliate of LibreMax Capital, LLC (the "Investment Manager").

The Partnership's investment objective, through its investment in the Master Funds, is to generate attractive returns through investments in a variety of securitized and structured financial products and credit-related investments. To achieve the Master Funds' objectives, the Investment Manager employs an extensive micro-credit analysis and a rigorous underwriting process that compliments a thematic macro approach to portfolio construction. The Investment Manager believes that a strategy based on the foregoing investment process will generate attractive returns.

The Partnership's term commenced on the date the Section 9 Statement was filed with the Registrar of Exempted Limited Partnerships in accordance with the Exempted Limited Partnership Act (As Revised) of the Cayman Islands (the "ELP Act") and, unless sooner dissolved pursuant to the Partnership Agreement, will continue until the final termination of the Harvest Period.

The "Harvest Period" means the period commencing on the expiration or termination of the Investment Period (defined below) and ending on the fourth anniversary thereof (or such earlier date as may be determined by the General Partner, in its sole discretion, upon ten (10) business days' prior written notice to the Limited Partners); provided, however, that the Harvest Period may be extended twice by the General Partner, in its sole discretion, up to one year for each extension, upon at least thirty (30) days' prior notice to the Limited Partners prior to the expiration of the Harvest Period. At the end of the term of the Partnership, the General Partner will formally wind up and dissolve the Partnership.

1. Organization (continued)

Partners will be required to fund their Capital Commitments during the investment period, which will commence on the Initial Closing and end on the eighth month end following the Initial Closing or at such earlier time as the General Partner may determine in accordance with the terms set forth in the Partnership Agreement (the "Investment Period").

After the Investment Period, the Partners will be released from any further obligations with respect to their Capital Commitments, except to (1) fund a pending Capital Call Notice (defined below) received by the Partners prior to the end of the Investment Period; (2) fund an investment for up to six months after the end of the Investment Period that the Partnership has committed to in writing prior to the termination of the Investment Period; (3) fund an investment for up to six months after the end of the Investment Period that was under active consideration by the Partnership prior to the end of the Investment Period pursuant to a written memorandum of understanding or letter of intent, whether or not binding; (4) pay for the Management Fee, Tax Distributions and actual or anticipated expenses (for the sake of clarity, excluding, without limitation, any obligation with respect to the acquisition of an investment which is not contemplated in clauses (1) – (3) above or (6) below) and to pay down the Master Funds' financing obligations, whether incurred before or after the end of the Investment Period (including amounts relating to any Commitment Facility); (5) engage in hedging or financing transactions with respect to the Master Funds' portfolio investments (which hedging or financing transactions will not be deemed to be portfolio investments); and (6) fund any investment that the General Partner, in its sole discretion, believes is appropriate or necessary for the Master Funds to make to preserve, protect or enhance an existing investment (each such investment made pursuant to this clause (6) after the end of the Investment Period, a "Follow-On Investment"); provided that the Follow-On Investments will not exceed 25% of Capital Commitments.

At the end of the Investment Period, the General Partner will disclose to all Limited Partners the amounts reserved for any unfunded investments along with a list of any actively considered investments, pursuant to clauses (1) – (3) of the preceding paragraph and any Follow-on Investments pursuant to clause (6) of the preceding paragraph.

LibreMax Capital, LLC, a Delaware limited liability company, serves as the investment manager to the Partnership and provides certain administrative services and investment management services to the Partnership. The Investment Manager also serves as investment manager to the Master Funds and the Domestic Fund. The Investment Manager is registered as an investment adviser with the Securities and Exchange Commission under the Investment Advisers Act of 1940.

1. Organization (continued)

International Fund Services (N.A.), L.L.C. (the "Administrator"), a subsidiary of State Street Alternative Investment Solutions, was appointed as the administrator for the Partnership and Master Funds. The Administrator also acts as the transfer agent for the Partnership and Master Funds. For the year ended December 31, 2025, the administration fee was $433, which is included in professional fees and other expenses on the Consolidated Statement of Operations.

The General Partner is responsible for the supervision of the Partnership's partners' capital calculation, investment policy, valuation policy, performance of the Partnership, and to supervise the conduct of its affairs. The General Partner has delegated certain of these responsibilities to the Investment Manager and the Administrator. The General Partner is responsible for the supervision of the Investment Manager and the Administrator.

Capitalized terms used but not defined herein shall have the meaning assigned to them in the Partnership's offering memorandum.

2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Partnership in the preparation of its consolidated financial statements. The policies followed by the Master Funds are discussed in the notes to the Master Funds' combined financial statements which are attached hereto and should be read in conjunction with these consolidated financial statements.

Basis of Accounting

The Partnership's accounting policies are in conformity with accounting principles generally accepted in the United States of America. The Partnership maintains its financial records in United States dollars. The Partnership is an investment company that follows the accounting and reporting guidance of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") No. 946, *"Financial Services - Investment Companies"*. For financial reporting purposes, the Partnership follows the accrual method of accounting.

Basis of Consolidation

As provided for in ASC Topic 946, the Partnership will generally consolidate its investment in wholly owned investment companies in which it holds a controlling financial interest. The consolidated financial statements include the accounts of the Partnership and its wholly owned subsidiaries, the Intermediate Funds. All intercompany transactions and balances have been eliminated in consolidation.

2. Summary of Significant Accounting Policies (continued)

Investment Valuation

The Partnership's investment in the Master Funds is valued at fair value, which is represented by the Partnership's proportionate interest in the partners' capital of the Master Funds. The performance of the Partnership is directly affected by the performance of the Master Funds. Attached are the audited combined financial statements of the Master Funds, including the Combined Condensed Schedule of Investments, which are an integral part of these consolidated financial statements. Valuation of investments held by the Master Funds is discussed in the notes to the Master Funds' combined financial statements. At December 31, 2025, the Partnership owned 21.95% of the Master Funds' partners' capital.

Investment Transactions, Income and Expenses

The Partnership records monthly its proportionate interest of the Master Funds' income, expenses, and realized and unrealized gains and losses. In addition, the Partnership accrues its own income and expenses. The Partnership records contributions and distributions related to its investment in the Master Funds on the transaction date. Expenses relating to the Partnership, as outlined in the confidential offering memorandum, are expensed as incurred.

Cash and Cash Equivalents

Cash and cash equivalents include short-term investments with a maturity of three months or less when purchased. Cash is held at a bank that is affiliated with the Administrator. At December 31, 2025, the Partnership held $1,881 in cash. At December 31, 2025, there were no cash equivalents. Cash is held with financial institutions which may exceed insured limits. Cash deposited with banks is subject to credit risk, to the extent it is not covered by Federal Deposit Insurance Corporation ("FDIC") insurance limits. In the event of a financial institution's insolvency, the Partnership may be unable to recover some or all of its cash balances that are not covered by FDIC.

Fair Value of Financial Instruments

The fair value of the Partnership's assets and liabilities which qualify as financial instruments under FASB guidance approximates the carrying amounts presented in the Consolidated Statement of Financial Condition.

Income Taxes

The Partnership is organized as an exempted limited partnership under the laws of the Cayman Islands and, generally, is not subject to United States federal income tax, except for withholding taxes applicable to certain income. The Partnership has elected to be treated as a United States corporation for U.S. Federal income tax purposes.

2. Summary of Significant Accounting Policies (continued)

Income Taxes (continued)

LibreMax Structured Opportunities Onshore I, LLC, consolidated by the Partnership, is a corporation that incurs income tax expense. Tax expense is paid at the corporate level at a federal tax rate of 21% and state income tax rates which vary by state.

ASC 740, "*Income Taxes*", provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the consolidated financial statements. The standard requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Partnership's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet a more-likely-than-not threshold would be recorded as a tax expense. For all open periods from January 1, 2022 to December 31, 2025, the Partnership remains subject to examination by U.S. Federal and state jurisdictions where the Partnership makes investments.

Management has performed an analysis of the Partnership's material tax positions and has determined that such positions meet a more-likely-than-not standard. The General Partner is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecorded taxes will significantly change in the next twelve months. The General Partner continually reviews the Partnership's tax positions and such conclusions under the FASB guidance to determine if a liability should be recorded based on ongoing analyses of tax laws and regulations and interpretations thereof and other factors. As of and during the year ended December 31, 2025, the Partnership did not have any liabilities or expense for any unrecognized tax positions. The Partnership recognizes interest and penalties, if any, related to unrecognized tax positions as income tax expense in the Consolidated Statement of Operations. During the year, the Partnership did not incur any tax related to interest or penalties.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Management believes that the estimates utilized in preparing the consolidated financial statements are reasonable and prudent; however, actual results could differ from those estimates.

3. Allocation of Net Income or Net Loss

At the end of each accounting period, any net capital appreciation or net capital depreciation of the Partnership is allocated to each capital account of each partner (including the General Partner) in proportion to the opening balance of such capital account for such accounting period.

4. Related Party Transactions

Management Fee

Pursuant to the investment management agreement, the Master Funds pay the Investment Manager a monthly management fee in advance equal to 0.125% (1.50% per annum) of the partners' capital of the Partnership on the first business day of each month (the "Management Fee"). The Management Fee is paid and collected by the Master Funds on behalf of the Partnership. The Management Fee for the year ended December 31, 2025 amounted to $174,649.

The Investment Manager may waive or modify the Management Fee with respect to certain persons who are members, employees, or affiliates of the Investment Manager, relatives of such persons, and for certain large or strategic investors.

Affiliated Party Ownership

At December 31, 2025, parties affiliated with the Investment Manager held none of the Partnership's partners' capital.

5. Risk Management

Certain risks associated with an investment in the Partnership and the Master Funds are discussed in the notes to the Master Funds' combined financial statements.

Due to the nature of the "master-feeder" structure, the Partnership may be materially affected by the actions of the Domestic Fund and the Master Funds.

6. Indemnifications

The Partnership enters into agreements that may contain indemnifications or warranties. Future events could occur that lead to the execution of these provisions against the Partnership. Based on its history and experience, management considers that the likelihood of such an event is remote. The Partnership also enters into contracts with its service providers and other parties that contain a variety of indemnifications. The Partnership's maximum exposure under these arrangements is unknown. However, the Partnership has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote. Therefore, no liability has been recorded with respect to these indemnifications.

7. Partners' Capital

As of December 31, 2025, the limited partners of the Partnership have committed total amounts of $49,359,700. From the Partnership's inception, the limited partners have made contributions of $36,760,079 and have had distribution recall amounts of $242,051. As of December 31, 2025, the limited partners of the Partnership had remaining capital commitments of $12,841,672. These contributions in aggregate represent approximately 74.0% of total commitments to the Partnership.

7. Partners' Capital (continued)

Distributions and Carried Interest Distributions

As stated in the Master Funds' confidential private placement memoranda, the General Partner will cause the Master Funds to make distributions at least quarterly to the limited partners of the Master Funds after the Investment Period of Investment Proceeds, in each case net of any expenses or other obligations of the Master Funds and reserves for existing or anticipated obligations of the Master Funds, including the Master Funds' expenses, organizational expenses, operating reserves, and any amounts held back for Tax Distributions or any other permitted purpose ("Distribution Proceeds"); provided that the Partnership will not be required to make a distribution with respect to a particular quarter unless it has at least $1,000,000 in Distribution Proceeds to distribute at such time.

"Investment Proceeds" means all proceeds, including all dividends and interest received by the Master Funds in respect of any payment, sale, principal payment, refinancing, recapitalization, redemption, repayment, exchange, distribution or other similar transaction with respect to any portfolio investments.

Distribution Proceeds will be calculated without taking into account Management Fees and expenses specifically attributable to the investment of a Limited Partner or group of Limited Partners, which are accounted for by separately calling capital for such amounts or deducting such amounts from such Limited Partner or group of Limited Partner's share of Distribution Proceeds (either on behalf of each such Limited Partner or group of Limited Partners) after the apportionment as described in the combined financial statements of the Master Funds.

Immediately prior to a distribution, Distribution Proceeds will be apportioned among the General Partner, in its capacity as the general partner of each Master Fund, the Domestic Fund and the Intermediate Funds, and distributions will be made to the Intermediate Funds (on behalf of the Partnership on behalf of each Partner on a Partner-by-Partner basis) and to the Domestic Fund on behalf of each Domestic Investor on a Domestic Investor-by-Domestic Investor basis (i) in the case of Distribution Proceeds attributable to a specific portfolio investment, to the Domestic Fund, the General Partner and the Intermediate Funds in accordance with their respective Master Fund Participation Percentage with respect to such portfolio investment (subject to adjustment for excused participation, exclusion or default by a Limited Partner), and (ii) in the case of Distribution Proceeds not attributable to a specific portfolio investment, to the Domestic Fund, the General Partner and the Intermediate Funds in accordance with their respective Master Fund Participation Percentage at the time of such distribution. Distribution Proceeds initially apportioned to the General Partner will be distributed to it. Distribution Proceeds initially apportioned to the Intermediate Funds (on behalf of the Partnership), on behalf of a Limited Partner, will be distributed by the Master Funds to the Intermediate Funds (on behalf of the Partnership on behalf of a Limited Partner), on the one hand, and the General Partner, on the other hand, in the following order of priority (after deduction for Management Fees and expenses specifically attributable to the investment of such Limited Partner (e.g., any Investor-Related Taxes)):

7. Partners' Capital (continued)

Distributions and Carried Interest Distributions (continued)

(1) Return of Capital: First, 100% to the Intermediate Funds (on behalf of the Partnership on behalf of such Limited Partner), until the Intermediate Funds (on behalf of the Partnership on behalf of such Limited Partner) have received, in aggregate, cash distributions equal to the Intermediate Funds' capital contributions to the Master Funds (made on behalf of the Partnership on behalf of such Limited Partner), taking into account all prior distributions made pursuant to this clause (1);

(2) Hurdle Return: Second, 100% to the Intermediate Funds (on behalf of the Partnership on behalf of a Limited Partner), until the Intermediate Funds (on behalf of the Partnership on behalf of a Limited Partner), has received aggregate amounts (taking into account all prior distributions made pursuant to this clause and clause (4) below) equal to the Hurdle Return. The "Hurdle Return" means such payments that would result in a compounded rate of return equal to 8% per annum in respect of unreturned capital contributions made by the Intermediate Funds (on behalf of the Partnership on behalf of a Partner) to the Master Funds from the date on which the Intermediate Funds were required to fund such capital contributions made by the Intermediate Funds (on behalf of the Partnership on behalf of such Partner), to the Master Funds (or the date on which such capital contributions were funded, if later) until the date of return of such contributions to the Intermediate Funds (on behalf of the Partnership on behalf of such Partner) by the Master Funds (on a first-in, first-out basis), taking into account the amount and effective date of each capital contribution, distribution and recall of distribution; provided, however, that capital contributions made by the Intermediate Funds in respect of the Initial Additional Capital Contribution for each Partner with respect to any New Commitment will be deemed to have been made as of the date of the corresponding Capital Contributions of the Partners admitted as of the Initial Closing (or if there have been multiple Capital Contributions of such Partners, then, on a pro rata basis, as of the respective dates of such Capital Contributions) for purposes of calculating the applicable Hurdle Return;

(3) Catch-up: Third, 100% to the General Partner until such time as the General Partner has received in respect of the Intermediate Funds (on behalf of the Partnership on behalf of such Limited Partner), 20% of the aggregate amount distributed in respect of the Intermediate Funds (on behalf of the Partnership on behalf of such Limited Partner) under clause (2) and to the General Partner under this clause (3); and

(4) 80/20 Split: Fourth, (x) 80% to the Intermediate Funds (on behalf of the Partnership on behalf of such Limited Partner) and (y) 20% to the General Partner (the "Carried Interest Distributions").

7. Partners' Capital (continued)

Distributions and Carried Interest Distributions (continued)

The General Partner may waive the Carried Interest Distributions with respect to any General Partner related investors, and the General Partner may waive or calculate differently the Carried Interest Distributions with respect to any other Limited Partners.

For the year ended December 31, 2025, the carried interest earned by the General Partners of the Master Funds was $268,925 and, as of December 31, 2025, the cumulative carried interest earned by the General Partners of the Master Funds was $1,598,425.

8. Financial Highlights

The following represents ratios to average limited partners' capital and internal rate return information for the year ended December 31, 2025:

	Limited Partners
Ratios to average Limited Partners' capital	
Expenses before interest expense and carried interest	4.48 %
Interest expense	1.27
Carried interest	0.96
Total expenses	6.71 %
Net investment income before carried interest	1.83 %

The expense ratios and net investment income ratio above are calculated for all the limited partners taken as a whole. The computation of such ratios based on the amount of expenses, carried interest and net investment income assessed to an individual limited partner's capital may vary from these ratios based on the timing of capital transactions and different fee arrangements. The above percentages include the Partnership's income and expenses and its proportionate share of income and expenses of the Master Funds.

Internal Rate of Return (IRR)	Limited Partners
IRR since inception date August 18, 2021 to December 31, 2024	8.35 %
IRR since inception date August 18, 2021 to December 31, 2025	8.18 %

IRR was computed based on the dates of cash inflows (capital contributions) and outflows (capital distributions), and the ending limited partners' capital at the end of the year (residual value) as of each measurement date. The IRR was computed net of all fees and Carried Interest to the General Partner.

8. Financial Highlights (continued)

The cumulative cash flow used in the IRR calculation are based on the inception-to-date contributions and residual value. An investor's actual economic return may not be consistent with the IRR return presented and could be materially different as a result of the limitations of the calculation.

9. Subsequent Events

Subsequent to December 31, 2025, the Partnership distributed $3,484,214 to the Partners.

The General Partners of the Master Funds have approved a plan of reorganization under which the Master Funds will transfer substantially all of their investments to a newly formed registered closed-end interval fund, LibreMax Asset-Backed Income Fund (the "Successor Fund"). The Successor Fund intends to register its shares under the Investment Company Act of 1940 and the Securities Act of 1933 through the filing of a registration statement on Form N-2 with the U.S.30 Securities and Exchange Commission. The investment objectives and strategies of the Successor Fund are expected to be substantially similar to those of the Master Funds.

The General Partner has evaluated subsequent events through March 31, 2026, the date the financial statements were available to be issued, and has determined that no additional items require disclosure.

COMBINED FINANCIAL STATEMENTS (UNAUDITED)

LibreMax Structured Opportunities Master Fund I, LP and
LibreMax Structured Opportunities (ECI) Master Fund I, LP,
collectively
LibreMax Structured Opportunities Fund
Year Ended December 31, 2025

LibreMax Structured Opportunities Fund

Combined Financial Statements (Unaudited)

Year Ended December 31, 2025

Contents

LibreMax Structured Opportunities Fund

Combined Statement of Financial Condition

December 31, 2025
(Expressed in U.S. Dollars)

Assets		
Cash and cash equivalents	$	460,931
Investments in securities, at fair value (cost $115,553,435)		121,301,562
Interest receivable		6,190,922
Due from Feeder Funds		112,123
Total assets		128,065,538
Liabilities and Partners' Capital		
Securities sold under agreements to repurchase		8,364,250
Distributions payable		3,570,338
Management fee payable		357,286
Professional fees payable		187,271
Due to Feeder Funds		166,225
Due to brokers		140,733
Interest payable		4,503
Accrued expenses and other liabilities		55,564
Total liabilities		12,846,170
Partners' Capital		
Limited partners		111,562,102
General partners		3,657,266
Total partners' capital		115,219,368
Total liabilities and partners' capital	$	128,065,538

See accompanying notes.

LibreMax Structured Opportunities Fund

Combined Schedule of Investments

December 31, 2025
(Expressed in U.S. Dollars)

Description		Notional	Fair Value	Percentage of Partners' Capital	
Investments in Securities					
Structured Debt Obligations					
United States					
Commercial Mortgage-Backed Securities ("CMBS")					
Participation Junior					
Iota Denver Preferred Equity, coupon rate 14.00%, maturing 2035	$	9,876,636	9,941,822	8.63	%
Total CMBS (cost $9,876,636)			**9,941,822**	**8.63**	
Commercial Real Estate ("CRE")					
Mezzanine					
Royal Bloomfield Mezzanine Loan, coupon rate 12.00%, maturing 2035	$	28,273,547	28,273,547	24.54	
Royal Bloomfield Senior Loan, coupon rate 7.75%, maturing 2035	$	27,182,500	27,182,500	23.59	
Totowa Mezzanine Loan, coupon rate 15.12%, maturing 2035	$	13,680,000	14,179,320	12.31	
Advantis Palm Bay Mezzanine Loane, coupon rate 15.68% maturing 2030	$	7,452,354	7,480,673	6.49	
Total CRE (cost $76,588,401)			**77,116,040**	**66.93**	
Consumer Asset-Backed Securities ("Consumer ABS")					
Aircraft					
Crestone JV, coupon rate 0.00%, maturing 2030	$	1,563,502	4,077,998	3.54	
Total Consumer ABS (cost $1,563,503)			**4,077,998**	**3.54**	
Home Equity Agreement					
Equity					
Unlock HEA Trust 2025-2, Class D, coupon rate 0.00%, maturing 2041	$	7,623,370	3,357,631	2.91	
Unlock HEA Trust 2025-2, Certificates, coupon rate 0.00%, maturing 2041	$	3,839,281	4,363,252	3.79	
Unlock HEA Trust 2025-1, Class D, coupon rate 0.00%, maturing 2041	$	986,497	1,227,052	1.06	
Unlock HEA Trust 2025-1, Certificates, coupon rate 0.00%, maturing 2041	$	393,639	187,934	0.16	
Mezzanine					
Unlock HEA Trust 2025-2, Class C, coupon rate 6.00%, maturing 2041	$	11,769,930	9,204,708	7.99	
Senior					
Unlock HEA Trust 2025-2, Class A, coupon rate 6.00%, maturing 2041	$	8,125,436	8,112,690	7.04	
Total Home Equity Agreement (cost $25,724,834)			**$ 26,453,267**	**22.96**	**%**

LibreMax Structured Opportunities Fund

Combined Schedule of Investments (continued)

December 31, 2025
(Expressed in U.S. Dollars)

Description		Notional	Fair Value	Percentage of Partners' Capital	
Investments in Securities (continued)					
Structured Debt Obligations (continued)					
United States (continued)					
Single Borrower					
Equity					
Unlock Home Equity, coupon rate 0.00%	$	276,210	3,712,435	3.22	%
Total Single Borrower (cost $1,800,061			**3,712,435**	**3.22**	
Total United States (cost $115,553,435)			**121,301,562**	**105.28**	
Total Structured Debt Obligations (cost $115,553,435)			**121,301,562**	**105.28**	
Total Investments in Securities (cost $115,553,435)			**$ 121,301,562**	**105.28 %**	**%**

LibreMax Structured Opportunities Fund

Combined Statement of Operations

Year Ended December 31, 2025
(Expressed in U.S. Dollars)

Net realized and change in unrealized gain/(loss) on investment transactions		
Net realized gain on investment transactions	$ 11,967,292	
Net realized loss on derivative contracts	(333,422)	
Net change in unrealized loss on investment transactions	(4,338,459)	
Net change in unrealized gain on derivative contracts	149,263	
Net gain on investment transactions		$ 7,444,674
Investment income		
Interest income	9,499,171	
Dividend income	159,633	
Total investment income	9,658,804	
Expenses		
Interest expense	1,618,599	
Deal legal expense	1,459,142	
Management fee	770,031	
Professional fees	450,928	
Market data expense	47,169	
Other expenses	284,690	
Total expenses	$ 4,630,559	
Net investment income		5,028,245
Net income		$ 12,472,919

LibreMax Structured Opportunities Fund

Combined Statement of Changes in Partners' Capital

Year ended December 31, 2025
(Expressed in U.S. Dollars)

	Limited Partners	General Partners	Total
Partners' capital at beginning of year	$ 152,263,565	$ 5,116,239	$ 157,379,804
Capital contributions	—	—	—
Distributions	(51,598,071)	(3,035,284)	(54,633,355)
Pro-rata allocation of net income	12,351,961	120,958	12,472,919
Carried Interest	(1,455,353)	1,455,353	—
Partners' capital at end of year	$ 11,562,102	$ 3,657,266	$ 115,219,368

See accompanying notes.

LibreMax Structured Opportunities Fund

Combined Statement of Cash Flows

Year Ended December 31, 2025
(Expressed in U.S. Dollars)

Cash flows from operating activities		
Net income	$	12,472,919
Adjustments to reconcile net income to net cash provided by operating activities:		
Net realized gain on investment transactions		(11,967,292)
Net realized loss on derivative contracts		333,422
Net change in unrealized loss on investment transactions		4,338,459
Net change in unrealized gain on derivative contracts		(149,263)
Purchase of investment securities		71,268,655
Proceeds from disposition of investment securities		152,973,444
Amortization of premiums/accretion of discounts		(137,827)
Net change in operating assets and liabilities:		
Interest receivable		(1,665,527)
Due from Feeder Funds		67,136
Due from brokers		261,360
Tax receivable		235,900
Other assets		726,773
Management fee payable		88,594
Professional fees payable		40,277
Due to Feeder Funds		123,415
Due to brokers		140,733
Interest payable		(22,061)
Accrued expenses and other liabilities		31,356
Net cash provided by operating activities		86,623,163
Cash flows from financing activities		
Proceeds from capital contributions		2,300,000
Payments for distributions, net of distributions payable		(76,733,017)
Proceeds from credit facility		4,000,000
Payments on credit facility		(77,000,000)
Net proceeds for securities sold under agreements to repurchase		(9,763,113)
Net cash used in financing activities		(87,896,130)
Net change in cash and cash equivalents		(1,272,967)
Cash and cash equivalents at beginning of year		1,733,898
Cash and cash equivalents at end of period	$	460,931
Supplemental disclosure of cash flow information		
Cash paid during the period for interest	$	1,640,660

1. Organization

LibreMax Structured Opportunities Master Fund I, LP (the "Non-ECI Master Fund") was organized as a Cayman Islands exempted limited partnership, under the Private Funds Acts (2021 Revision) on May 20, 2021. LibreMax Structured Opportunities (ECI) Master Fund I, LP (the "ECI Master Fund" and together with the Non-ECI Master Fund, collectively, "LibreMax Structured Opportunities Fund", the "Master Funds" or the "Debtors") was organized as a Delaware limited partnership on May 14, 2021. The Master Funds commenced operations on August 18, 2021.

As of December 31, 2025, the Master Funds wholly owned or held majority interests in United States limited liability companies and trusts that invest directly in debt and equity securities. Lexington SO Totowa, LLC, Lexington SO Bloomfield, LLC, Lexington SO Everett, LLC, Lexington SO Bellingham, LLC, Lexington SO Palm Bay, LLC, Lexington SO FT Lauderdale, LLC and Unlock LEX Residential Investments Trust 2022-1 are wholly owned by LibreMax Structured Opportunities (ECI) Master Fund I, LP, and Lexington SO Fox Park, LLC is wholly owned by LibreMax Structured Opportunities Master Fund I, LP.

The investment objective of the Master Funds is to generate attractive returns through investments in a variety of securitized and structured products and credit-related investments. To achieve the Master Funds' objective, the Investment Manager (as defined below) employs an extensive micro-credit analysis and a rigorous underwriting process that complements a thematic macro approach to portfolio construction. The Investment Manager (defined below) believes that a strategy based on the foregoing investment process will generate attractive returns.

The Master Funds receive all of their investing capital from LibreMax Structured Opportunities Partners I, LP (the "Domestic Fund") and LibreMax Structured Opportunities Offshore Partners I, LP (the "Partnership") (collectively, the "Feeder Funds") and LibreMax GP, LLC, the ("General Partner") and LibreMax Structured Opportunities (ECI) GP, LLC (the "General Partner" and collectively with LibreMax GP, LLC, the "General Partners"). The Partnership invests its assets in the Master Funds through LibreMax Structured Opportunities Onshore I, LLC (the "ECI Intermediate Fund") and LibreMax Structured Opportunities Offshore I, LLC (the "Non-ECI Intermediate Fund", and together with the ECI Intermediate Fund, the "Intermediate Funds"). The Domestic Fund and the Partnership held approximately 74.88% and 21.95%, respectively, of the Master Funds partners' capital at December 31, 2025. In addition, the General Partners, affiliates of the Investment Manager, held 3.17% of the Master Funds as of December 31, 2025.

1. Organization (continued)

LibreMax Capital, LLC (the "Investment Manager"), a Delaware limited liability company, serves as the investment manager for the Master Funds, the Intermediate Funds and the Feeder Funds, and in such capacity, makes all investment decisions and provides certain administrative services to the Master Funds. The Investment Manager is registered as an investment adviser with the Securities and Exchange Commission under the Investment Advisers Act of 1940.

International Fund Services (N.A.), L.L.C. (the "Administrator"), a subsidiary of State Street Alternative Investment Solutions, was appointed as the administrator for the Master Funds. The Administrator also acts as the transfer agent for the Master Funds and Feeder Funds. For the year ended December 31, 2025, the administration fee was $92,854, which is included in professional fees on the Combined Statement of Operations.

The General Partners are responsible for the overall management and control of the Master Funds and have delegated the making and approval of any investment decisions to the Investment Manager and the day-to-day administrative functions to the Administrator.

The Master Funds are funded with Capital Commitments during the investment period, which commenced on the Initial Closing date of August 18, 2021 and will end on the eighth month end following the Initial Closing or at such earlier time as the General Partners may determine. The Feeder Funds had two closings with the first totalling capital commitments of $172,600,000. Any additional contribution subsequent to the first close must make a capital contribution in an amount equal to the aggregate amount of Capital Contributions that would have been made by such Additional Partner had such Additional Partner been admitted to the Feeder Funds on the Initial Closing (together with all other Additional Partners) with respect to such New Commitment. The additional contributions must also pay to the Feeder Funds, on the date of such Initial Additional Capital Contribution, an amount (the "Make-Up Amount") equal to interest at the rate equal to the sum of 8% per annum, calculated with respect to each set of Capital Contributions made prior to the Initial Additional Capital Contribution for the period starting on the applicable drawdown date for such Capital Contributions and ending on the due date for the Initial Additional Capital Contribution. The second closing totalled an additional $51,715,000 in commitments and a make-up amount of $85,257.

The Harvest Period is the period commencing on the expiration or termination of the Investment Period and ending on the fourth anniversary thereof provided, however, that the Harvest Period may be extended twice by the General Partners, in their sole discretion, up to one year for each extension, upon at least thirty days' prior notice to the Limited Partners. The Master Funds entered the Harvest period at the end of April 2022 but continues to make Follow-on Investments which are portfolio investments made after the end of the Investment Period which the General Partners, in their sole discretion, believe is appropriate or necessary for the Master Funds to make to preserve, protect or enhance an existing Portfolio Investment.

1. Organization (continued)

Capitalized terms used but not defined herein shall have the meaning assigned to them in the Master Funds' offering memoranda.

2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Master Funds in the preparation of its combined financial statements.

Basis of Accounting

The Master Funds' accounting policies are in conformity with accounting principles generally accepted in the United States of America. The Master Funds maintain their financial records in United States dollars. The Master Funds are investment companies that follow the accounting and reporting guidance of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") No. 946, "*Financial Services - Investment Companies*". These combined financial statements are unaudited and do not include all of the disclosures required for a full set of annual financial statements. For financial reporting purposes, the Master Funds follow the accrual method of accounting.

The combined financial statements reflect holdings and operations of LibreMax Structured Opportunities Master Fund I, LP and LibreMax Structured Opportunities (ECI) Master Fund I, LP as these entities are under common control and management. The Investment Manager believes this to be a more meaningful presentation.

Investment Valuation

Any security listed on a national exchange or national market and freely transferable shall be valued at the last sale price on the principal exchange or market reflected on the consolidated tape at the close of the exchange or "official closing price" on the national exchange. If no sales occurred on the relevant business day, the security is valued at the mean between the last "bid" and "ask" price at the close of business on such day. A security that was not traded on its principal exchange or market shall be valued at the last quoted sales price on the next most active exchange or market unless the General Partners determine that such price is not representative of fair value, in which case quotations from financial publications or recognized pricing services will be used.

A put or call option that is listed on a national options exchange shall be valued at the mean between the last "bid" and "ask" price for such option on such date.

Any security traded over the counter and not listed on an exchange or market that is freely transferable is valued at the mean or "mid" between the last "bid" and "ask" price at the close of business on such day, or if no mid price is available, such security shall be valued at the bid price.

2. Summary of Significant Accounting Policies (continued)

Investment Valuation (continued)

The core positions of the Master Funds, primarily structured debt obligations, are valued using marks obtained from the broker/dealer community and pricing vendors. The Investment Manager seeks to obtain multiple marks for every position in the Master Funds, and averages the marks to arrive at the final price for the relevant valuation date. However, in certain cases, only one price may be available, in which case the position shall be valued using a single price.

Any futures or similar contract or any option on any such instrument traded on an exchange is valued using the most recent available closing quotation on such exchange.

Non-exchange traded derivatives, such as forward contracts, credit default swaps, total return swaps and swaptions are valued from a potential range of sources including the counterparty to a contract, a pricing vendor or broker quotes.

Certain investments in securities may be valued at fair value as determined by the General Partners, in consultation with the Investment Manager, in the absence of readily determinable market inputs. Among the factors considered by the Investment Manager in determining fair value are: the type of security, trading in unrestricted securities of the same issuer, the financial condition of the issuer, the Master Funds' cost at the date of purchase, inputs relevant to the fair valuation of the security (including, but not limited to: constant default rates, constant prepayment rates, loss severities, liquidity constraints, yield curves and manager behavior). The fair values determined in accordance with these procedures may differ significantly from the amounts which would be realized upon disposition of the securities. As of December 31, 2025, none of the Master Funds' investments were fair valued based on an internal model developed by the Investment Manager.

The General Partners have delegated to the Investment Manager the determination of the fair value of securities in accordance with the principles set out above. Although the Investment Manager uses its best judgment and good faith in estimating the fair value of investments, there are inherent limitations in any estimation technique. Future events may affect the estimates of fair value, including the ultimate liquidation of investments, and the effect could be material to the combined financial statements.

2. Summary of Significant Accounting Policies (continued)

Investment Transactions, Income and Expenses

The Master Funds record investment transactions on a trade date basis. Discounts and premiums on investments are amortized over the remaining life of the respective investments using the effective interest method. Realized gains and losses on investments are determined on the specific identification basis. Interest income and expense are recorded on the accrual basis. Principal paydowns are recorded on a transaction date basis. Dividend income and expense are recorded on the ex-dividend date. Expenses are recorded on an accrual basis. Direct expenses related to the Feeder Funds, which are paid by the Master Funds are specifically allocated to the Feeder Funds to which they relate.

Cash and Cash Equivalents

Cash and cash equivalents include short-term investments with a maturity of three months or less when purchased and consists of cash and overnight time deposits held with financial institutions and short-term money market funds. At December 31, 2025, the Master Funds held $460,931 in Goldman Sachs Financial Square Government Fund Class FST. The money market funds meet the criteria for Level I investment as defined in the fair value hierarchy as described in Note 3. The money market funds seek to maintain a stable net asset value per share of $1.00. While the Master Funds seek to purchase and sell shares at this net asset value, the share price of the money market funds could be negatively affected during periods of high redemption pressures or illiquid markets. Cash is held with financial institutions which may exceed insured limits. Cash deposited with banks is subject to credit risk, to the extent it is not covered by Federal Deposit Insurance Corporation ("FDIC") insurance limits. In the event of a financial institution's insolvency, the Master Funds may be unable to recover some or all of its cash balances that are not covered by FDIC.

Income Taxes

The Non-ECI Master Fund is organized as an exempted limited partnership under the laws of the Cayman Islands and, generally, is not subject to United States federal income tax, except for withholding taxes applicable to dividend and certain interest income.

The ECI Master Fund is not subject to U.S. federal, state or local taxes. Accordingly, no provision has been made in the accompanying combined financial statements for federal, state or local taxes. Each partner separately takes into account, on its tax return, its share of the income, gains, losses, deductions or credits for the ECI Master Fund's taxable income and gain whether or not any distribution is made to any partner.

2. Summary of Significant Accounting Policies (continued)

Income Taxes (continued)

ASC 740, *"Income Taxes"*, provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the combined financial statements. The standard requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Master Funds' tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet a more-likely-than-not threshold would be recorded as a tax expense. For all open periods from January 1, 2022 to December 31, 2025, the Master Funds remain subject to examination by U.S. Federal and state jurisdictions where the Master Funds make investments.

Management has performed an analysis of the Master Funds' material tax positions and has determined that such positions meet a more-likely-than-not standard. The Investment Manager is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecorded taxes will significantly change in the next twelve months. The Investment Manager continually reviews the Master Funds' tax positions and such conclusions under the FASB guidance to determine if a liability should be recorded based on ongoing analyses of tax laws and regulations and interpretations thereof and other factors. As of and during the year ended December 31, 2025, the Master Funds did not have any liabilities or expense for any unrecognized tax positions. The Master Funds recognize interest and penalties, if any, related to unrecognized tax positions as income tax expense in the Combined Statement of Operations. During the year, the Master Funds did not incur any tax related to interest or penalties.

Use of Estimates

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the amounts reported in the combined financial statements and accompanying notes. Management believes that the estimates utilized in preparing the combined financial statements are reasonable and prudent; however, actual results could differ from those estimates.

Repurchase Agreements

Securities sold under agreements to repurchase ("Repurchase Agreements") represent the sale of a security by the Master Funds to a counterparty at a specified price with an agreement for the Master Funds to repurchase the same security from the same counterparty at a fixed rate or determinable price at a future date. A Repurchase Agreement allows the Master Funds to transfer possession of a security as collateral, to the counterparty, usually a broker, in exchange for cash from the counterparty. The Master Funds agree to repay cash plus interest in exchange for the return of the same security. The party taking possession of the security receives interest at an agreed upon rate.

2. Summary of Significant Accounting Policies (continued)

Repurchase Agreements (continued)

During the term of a Repurchase Agreement, the value of the underlying securities held as collateral on behalf of the Master Funds, including accrued interest, is required to equal or exceed the value of the Repurchase Agreement, including accrued interest. If the counterparty defaults or becomes insolvent, realization of the collateral by the Master Funds may be delayed or limited and there may be a decline in the value of the collateral during the period while the Master Funds assert their rights. The repurchase date is mutually agreed to by the Master Funds and the counterparty.

3. Fair Value Measurements and Disclosures

Fair value represents the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an orderly transaction between market participants at the measurement date (an exit price). The FASB issued an accounting standard that establishes a fair value hierarchy for the inputs used in valuation models and techniques used to measure fair value. An investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Assets and liabilities measured at fair value are classified into one of the following categories:

- Level I – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. The types of investments which would generally be included are equities and derivatives listed on a securities exchange.

- Level II – Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly (inputs include quoted prices for similar investments in active markets, interest rates and yield curves, credit risk assessments, etc.). The types of investments which would generally be included in this category are certain structured debt obligations such as mortgage-backed securities ("MBS"), asset-backed securities ("ABS"), or other similar investments and certain over-the-counter derivatives.

- Level III – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable (including the Investment Manager's own assumptions about what market participants would use in determining the fair value of investments). The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. The types of investments which would generally be included in this category are certain structured debt obligations, private equity and/or debt securities issued by private entities.

3. Fair Value Measurements and Disclosures (continued)

The Investment Manager has established a Valuation Committee responsible for overseeing the fair valuation of all securities held in the Master Funds' portfolios. The Valuation Committee meets on a monthly basis and as frequently as needed. Its primary functions include: adopting and reviewing fair valuation policies, determining fair values, establishing and reviewing fair valuation methodologies, and addressing the adequacy and consistency of application of fair valuation pricing policies and procedures.

The Investment Manager obtains market price quotations for use in the fair valuation of the Master Funds' portfolio on a monthly basis. The Investment Manager seeks to obtain quoted "bid" and "ask" or "mid" prices from at least two, if possible, broker/dealers, pricing services, valuation agents, or other independent pricing sources. If a "bid" and "ask" quotation is received, the mean or "mid" will be calculated. If two or more quotations are obtained by the Investment Manager for a security, the average of such quotations shall be used. If no mid price is available, such security shall be valued at the bid price. Certain market price quotations may be disregarded and deemed to be outliers if in the reasonable judgment of the Investment Manager the quotations are not representative of the market. Quotations that are deemed to be outliers would be presented and approved by the Valuation Committee.

Valuations for fixed income securities and derivatives presented in the Master Funds' fair value hierarchy tables are generally based on market price quotations or recently executed market transactions (where observable) and are generally classified as Level II. Inputs into market quotations are observable and may include quoted prices for similar investments in active or inactive markets, interest rates, yield curves and forward currency rates, constant default rates, constant prepayment rates, loss severities, liquidity constraints and manager behavior. If these inputs are unobservable and significant to the fair value, these investments will be classified as Level III.

In the absence of consistently available market price quotations that reflect observable market inputs, investments are generally classified as Level III. The Investment Manager may use a variety of valuation techniques in the fair value process including, but not limited to, recent market transactions, single market quotations, discounted cash flow models, market approaches and option value models. The Investment Manager may use one or a combination of these valuation techniques in determining the fair value of a Level III investment.

During the year ended December 31, 2025, there were no changes to the Master Funds' valuation techniques that had, or are expected to have, a material impact on its financial position or results of operations.

3. Fair Value Measurements and Disclosures (continued)

The following fair value hierarchy tables present information about the Master Funds' assets and liabilities measured at fair value on a recurring basis as of December 31, 2025. Refer to the Combined Condensed Schedule of Investments for further details on the industry and geographic concentrations, which has been prepared based on the geographic location of the issuer.

	Assets at Fair Value			
	Level I	**Level II**	**Level III**	**Total**
Investments in Securities				
Structured Debt Obligations				
CMBS				
Participation Junior	$ —	$ —	$ 9,941,822	$ 9,941,822
CRE				
Mezzanine	—	—	77,116,040	77,116,040
Consumer ABS				
Aircraft	—	—	4,077,998	4,077,998
Home Equity Agreement				
Equity	—	9,135,869	—	9,135,869
Mezzanine	—	9,204,708	—	9,204,708
Senior	—	8,112,690	—	8,112,690
Single Borrower				
Equity	—	—	3,712,435	3,712,435
Total Investments in Securities	$ —	$ 26,453,267	$ 94,848,295	$ 121,301,562

The following table summarizes the purchases and transfers of the Master Funds' Level III assets for the year ended December 31, 2025:

	Investments in Securities
	Structured Debt Obligations
Investment purchases	$ 43,649,034

There were no transfers in or transfers out of Level III assets for the period from January 1, 2025 through June 30, 2025.

Master Funds' Level III Investments are valued using prices obtained from third party pricing specialists without adjustments.

3. Fair Value Measurements and Disclosures (continued)

Derivative Financial Instruments and Hedging Activities

The Master Funds may enter into derivative contracts to manage the Master Funds' currency exchange risk, interest rate risk, credit risk and other exposure risks. The types of derivative contracts generally used by the Master Funds are equity and equity index options, swaps, swaptions and futures. Investment companies account for their derivatives at fair value and record any changes in fair value in current period earnings. As such, even though the Master Funds may use derivatives in an attempt to achieve an economic hedge, the Master Funds' derivatives are not considered to be hedging instruments. Instead, the Master Funds have designated these derivative instruments as trading instruments.

Certain of the Master Funds' derivative contracts have been transacted pursuant to bilateral agreements with certain counterparties that gives the counterparties the right to terminate the transactions if the Master Funds' partners' capital decline below an agreed upon level (a "Trigger Event"). If a Trigger Event had occurred at December 31, 2025 for those contracts in a net liability position where counterparties are permitted to terminate the open derivative contracts, additional amounts may be required to be posted. As of December 31, 2025, the Master Funds were not subject to a Trigger Event. Please see the table in Note 4 "Offsetting Assets and Liabilities".

As of December 31, 2025, the Master Funds do not hold any derivative contracts.

The following table summarizes the gains and losses reported on derivatives designated as trading instruments as included in the Combined Statement of Operations for the year ended December 31, 2025:

Derivative Type	Primary Risk Exposure	Net Realized Gain (Loss) on Derivatives	Net Change in Unrealized Gain (Loss) on Derivatives	Volume of Activity[1] Asset	Volume of Activity[1] Liability
Option Contracts	Equity	$ (333,422)	$ 149,263	130	—
Total Derivative Contracts		$ (333,422)	$ 149,263		

[1]The volume of activity represents the average quarterly notional exposure (in thousands) during the period.

4. Offsetting Assets and Liabilities

The Master Funds are required to disclose the impact of offsetting assets and liabilities represented in the Combined Statement of Financial Condition to enable users of the financial statements to evaluate the effect or potential effect of netting arrangements on its financial position for recognized assets and liabilities. These recognized assets and liabilities are financial instruments and derivative instruments that are either subject to an enforceable master netting arrangement or similar agreement or meet the following right of set off criteria: the amounts owed by the Master Funds to another party are determinable, the Master Funds have the right to set off the amounts owed with the amounts owed by the other party, the Master Funds intend to set off, and the Master Funds' right of set off is enforceable at law.

Excluding the criteria that the Master Funds intend to set off, securities purchased under agreements to resell and securities sold under agreements to repurchase need to meet the following additional criteria to be offset: positions are with the same counterparty, have the same explicit settlement date specified at the inception of the agreements, are executed in accordance with a master netting arrangement, have securities underlying the agreements that exist in book entry form and can be transferred only by means of entries in the records of the transfer system operator or securities custodian, will both be settled on a securities transfer system and have an associated banking arrangement in place as described by FASB, and intends to use the same account at the clearing bank or other financial institution at the settlement date in transacting both the cash inflows resulting from the settlement of the securities purchased under agreements to resell and the cash outflows in settlement of the offsetting securities sold under agreements to repurchase.

As of December 31, 2025, the Master Funds hold financial instruments and derivative instruments that are eligible for offset in the Combined Statement of Financial Condition and are subject to a master netting arrangement. The master netting arrangement allows the counterparty to net applicable collateral held on behalf of the Master Funds against applicable liabilities or payment obligations of the Master Funds to the counterparty. These arrangements also allow the counterparty to net any of its applicable liabilities or payment obligations they have to the Master Funds against any collateral sent to the Master Funds. The Master Funds do not designate or account for any derivative instruments as hedging instruments as defined under ASC 815, *"Derivatives and Hedging"*. Additionally, the Master Funds have elected not to offset the cash collateral against the fair value of the derivative contracts on the Combined Statement of Financial Condition.

4. Offsetting Assets and Liabilities (continued)

The following table provides disclosure regarding the potential effect of offsetting of recognized liabilities presented in the Combined Statement of Financial Condition as of December 31, 2025:

Liabilities					Gross Amounts Not Offset in the Combined Statement of Financial Condition		
Counterparty	Description	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Combined Statement of Financial Condition	Net Amounts of Recognized Liabilities presented in the Combined Statement of Financial Condition	Financial Instruments	Collateral Pledged	Net Amount
Counterparty A	Securities sold under agreements to repurchase	$ 8,364,250	$ —	$ 8,364,250	$ (8,364,250)	$ —	$ —
	Total	$ 8,364,250	$ —	$ 8,364,250	$ (8,364,250)	$ —	$ —

The actual collateral received and/or pledged may be more than the amount disclosed above due to overcollateralization.

5. Due from/to Brokers

Securities transactions of the Master Funds are primarily maintained, cleared and held by registered U.S. broker/dealers pursuant to clearance agreements. As of December 31, 2025, the due from brokers balance in the Combined Statement of Financial Condition includes cash at these brokers and amounts receivable for securities transactions pending settlement.

As of December 31, 2025, the due to brokers balance in the Combined Statement of Financial Condition includes amounts payable for securities transactions pending settlement.

Investments in securities held by the clearing brokers are pledged to the clearing brokers on terms which permit the clearing brokers to sell or repledge the securities to others, subject to certain limitations. The Master Funds had substantial counterparty credit risk with these brokers and their affiliates.

In the ordinary course of business of trading in securities, the Master Funds may borrow funds on margin and, therefore, the clearing brokers will use securities pledged by the Master Funds to facilitate these activities. Margin interest is paid at floating interest rates based upon the Fed Funds rate or Secured Overnight Financing Rate (SOFR). SOFR is a benchmark interest rate for dollar-denominated derivatives and loans. SOFR uses actual costs of transactions in the overnight repo market, calculated by the New York Federal Reserve. As of December 31, 2025, the Master Funds did not have an outstanding margin balance.

6. Financing Arrangements

On June 26, 2024, Lexington SO1 Unlock Borrower, LLC with LibreMax Structured Opportunities (ECI) Master Fund I, LP as the Sponsor, entered into a loan and security agreement ("Loan Agreement") with East West Bank. Credit Extensions in an aggregate amount cannot exceed at any time the Revolving Loan Commitment of $30,000,000 and (ii) in an aggregate amount not to exceed at any time outstanding the lesser of the Maximum Loan Amount, as the same may be increased from time to time pursuant to the terms and provisions thereof, and the Borrowing Base.

The collateral for credit extensions are the right, title and interest of Borrower in and to the Trust, the Trust Fund and the Trust Certificates (including all Collections received thereunder and the beneficial rights evidenced thereby in any property that underlies or may be deemed to secure the respective interests in the Trust represented by the Trust Certificates) and any related rights, remedies, powers and privileges of the holder thereof under the related Unlock Agreements. The advances on the facility shall bear interest, on the outstanding daily balance at a rate of 1 Month Term SOFR plus spread of 3.15%. In November 2025, the loan was paid off in full and the agreement with East West Bank was terminated.

On November 6th, 2025, Lexington SO Royal, LLC with LibreMax Structured Opportunities (ECI) Master Fund I, LP as Joining Guarantor entered into an existing Master Repurchase Agreement with Churchill MRA Funding I LLC. Funding under the agreement will be equal to 90% of the unpaid principal balance of the purchased asset.

The pledged collateral under the agreement is the pledged company interests in the purchase asset including all securities, moneys or property representing dividends or interest in any of the Pledged Company Interests and insurance proceeds payable by reason of loss. The fundings shall bear interest, on the outstanding daily balance at a rate of 3 Month Term SOFR plus spread of 2.50%.

At December 31, 2025, there was $8,364,250 of principal balance outstanding on the facility which was fully paid off in January 2026.

During the year ended December 31, 2025, the Master Funds incurred total interest expense in the amount of $1,596,868 related to the Loan Agreement with East West Bank and the Master Repurchase Agreement with Churchill MRA Funding I LLC.

On October 28, 2021, the Master Funds entered into a loan and security agreement ("Loan Agreement") with Pacific Western Bank. Credit Extensions are available up to a maximum aggregate outstanding principal amount being the lesser of (i) one hundred million dollars and (ii) thirty percent of Capital Commitments. The collateral for credit extensions are All Uncalled Committed Capital of the Debtor's Partners, Capital Contributions of the Debtor's Partners, Capital Calls to the Debtor's Partners, and all other proceeds and rights to payment from the

6. Financing Arrangements (continued)

Debtor's Partner of such Partner's Uncalled Committed Capital. The advances on the facility shall bear interest, on the outstanding daily balance at a variable annual rate equal to the greater of: one half of one percent (0.50%) below the Prime Rate then in effect; or 2.85%. In December 2025, the facility was paid off in full and the agreement with Pacific Western Bank was terminated.

During the year ended December 31, 2025, the Master Funds incurred interest expense in the amount of $21,731 and there was no principal balance outstanding on the facility at year end.

7. Related Party Transactions

Management Fee and Other Expenses

The Master Funds will pay to the Investment Manager a monthly management fee calculated at an annual rate of 1.50% of the value of the Feeder Funds' partners' capital (the "Management Fee"). The Management Fee is paid monthly in advance based on the value of each Feeder Fund's partners' capital as of the first business day of each month, adjusted for contributions and withdrawals made during the month. The Investment Manager, in its sole discretion, may waive or modify the Management Fee for limited partners of the Feeder Funds that are members, employees or affiliates of the General Partners or the Investment Manager, relatives of such persons, and for certain large or strategic investors. An affiliate of the Anchor Investor is entitled to receive a portion of the Management Fee.

The Management Fee for the year ended December 31, 2025 amounted to $770,031, none of which was payable as of that date.

Direct Fund Expenses Incurred by the Investment Manager

The Master Funds are responsible for the Management Fee, investment expenses such as commissions and research fees, audit and tax preparation expenses, administrative expenses, legal expenses, operating and accounting expenses (including external accounting expenses and reimbursement of the cost of operating and accounting expenses provided by the Investment Manager or its affiliates), valuation expenses, asset management services, organizational expenses, insurance expenses, fees and expenses of any service companies, other similar expenses related to the Master Funds, extraordinary expenses, and state, local and foreign taxes relating to portfolio investments. To the extent that expenses to be borne by the Master Funds are paid by the Investment Manager, or any of their affiliates, such expenses will be allocated from and reimbursed to such party by the Master Funds. For the year ended December 31, 2025, such expenses amounted to $100,070 and are included in market data expense and other expenses on the Combined Statement of Operations. As of December 31, 2025, there were no such expenses payable to the Investment Manager.

7. Related Party Transactions (continued)

Related Party Ownership

As of December 31, 2025, the General Partners and their affiliated parties' investment in the Master Funds (directly and indirectly) amounted to $3,657,267 or 3.17% of total partners' capital of the Master Funds.

8. Risk Management

Special risks may be associated with the Master Funds' investments in structured credit products, collateralized debt obligations, collateralized mortgage obligations, collateralized bond obligations, collateralized loan obligations, synthetic credit portfolio transactions and asset backed securities. For example, synthetic portfolio transactions may be structured with two or more classes of tranches that receive different proportions of the interest and principal distributions on a pool of credit assets. The yield to maturity of a tranche may be extremely sensitive to the rate of defaults in the underlying reference portfolio. A rapid change in the rate of defaults may have a material adverse effect on the yield to maturity. It is therefore possible that the Master Funds may incur losses on its investments in structured products regardless of their ratings by S&P or Moody's. Additionally, the securities in which the Investment Manager is authorized to invest include securities that are subject to legal or contractual restrictions on their resale or for which there is a relatively inactive trading market. Securities subject to resale restrictions may sell at a price lower than similar securities that are not subject to such restrictions.

Market risk is the risk of potential adverse changes to the fair value of financial instruments and their derivatives because of changes in market conditions such as interest and currency rate movements and volatility in security prices. Off-balance sheet market risk exists when the maximum potential loss on a particular investment is greater than the value of such investment, as reflected on the Combined Statement of Financial Condition. The off-balance sheet market risk associated with the various financial instruments that the Master Funds invest in as part of its investment strategy is discussed throughout the notes. The Master Funds invest in commercial real estate loans. Until commercial real estate loans are sold or mature, the Master Funds are exposed to credit risk relating to whether the borrower will meet its obligations when they come due. Commercial real estate loans held by the Master Funds may include financing commitments obligating the Master Funds to advance additional amounts on demand. At December 31, 2025, the Master Funds had unfunded commitments of $5,207,212.

8. Risk Management (continued)

Credit risk is the risk that counterparties may fail to fulfil their obligations or that the collateral value becomes inadequate. The Master Funds attempt to minimize its credit risk by monitoring the credit exposure with, and the creditworthiness of, counterparties. The Master Funds reduce its credit risk with counterparties by entering into master netting agreements with its counterparties, where possible. Therefore, the Master Funds' exposure to certain counterparties will either be an asset, if the gross fair value of the derivatives in an asset position exceeds the gross fair value of the derivatives in a liability position, or a liability if the gross fair value of the derivatives in a liability position exceeds the gross fair value of the derivatives in an asset position.

The Master Funds' exposure to credit risk associated with counterparty non-performance is generally limited to any collateral posted as margin plus any unrealized gain amount on any open contracts, less any collateral received. The notional amounts of derivatives do not represent the Master Funds' maximum risk of loss due to counterparty non-performance.

The Master Funds also have a risk with counterparties that it may not always be possible to achieve segregation of the Master Funds' assets from other assets of the counterparties and there may be practical or timing problems associated with enforcing the Master Funds' rights to its assets in the case of the counterparties' insolvency.

There are risks involved in dealing with the custodians or prime brokers who settle trades. Under certain circumstances, including certain transactions where the Master Funds' assets are pledged as collateral for leverage from a non-broker-dealer custodian or a non-broker-dealer affiliate of the prime broker, the securities and other assets deposited with the custodian or broker may be exposed to a credit risk with regard to such parties. In addition, there may be practical or time problems associated with enforcing the Master Funds' rights to its assets in the case of an insolvency of any such party.

The Master Funds invest in fixed income securities. Until such investments are sold or mature, the Master Funds are exposed to credit risk relating to whether the issuer will meet its obligations as they come due.

The Master Funds have exposure to interest rate risks to the extent prevailing interest rates change and it could negatively affect the value of the Master Funds.

8. Risk Management (continued)

In the normal course of business, the Master Funds maintain their cash balances in financial institutions, which at times may exceed federally insured limits. The Master Funds are subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfil contractual obligations on its behalf. Management monitors the financial condition of such financial institutions and does not anticipate any losses from these counterparties.

The Master Funds are subject to risks associated with unforeseen or catastrophic events, including geopolitical issues, wars, terrorist attacks, natural disasters, and the emergence of a pandemic or other public health emergencies, which could create economic, financial and business disruptions. These events could lead to operational difficulties that could materially impair the General Partners' ability to manage the Master Funds' activities potentially resulting in material financial losses to the Master Funds and their investors.

Structured Debt Obligations

The Master Funds may invest in structured debt obligations such as collateralized debt obligations, collateralized mortgage obligations, collateralized bond obligations, collateralized loan obligations or similar instruments. Structured debt obligations may entail a variety of unique risks. Among other risks, structured debt obligations may be subject to prepayment risk.

Structured Debt Obligations (continued)

In addition, performance of a structured finance security will be affected by a variety of factors, including its priority in the capital structure of the issuer thereof, the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans or other assets that are being securitized, remoteness of those assets from the originator or transferor, the adequacy of and ability to realize any related collateral and the capability of the servicer of the securitized assets.

9. Indemnifications

The Master Funds enter into agreements that may contain indemnifications or warranties. Future events could occur that lead to the execution of these provisions against the Master Funds. Based on its history and experience, management considers that the likelihood of such an event is remote. The Master Funds also enter into contracts with its service providers and other parties that contain a variety of indemnifications. The Master Funds' maximum exposure under these arrangements is unknown. However, the Master Funds have not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote. Therefore, no liability has been recorded with respect to these indemnifications.

10. Partners' Capital

Committed Capital

The initial closing of the sale of Interests took place on August 18, 2021, as agreed to by the General Partners. Income will be allocated to the partners pro-rata based on each partners' capital commitment to the Master Funds.

The Master Funds will accept capital commitments during the initial closing and any subsequent closings at the discretion of the General Partners. Capital Contributions will be made pursuant to capital calls by the General Partners. The General Partners may call for Capital Contributions from time to time pro rata among the Partners based on their Capital Commitments in such increments of the Partners' Capital Commitments as the General Partners determine, subject, in each case, to adjustment for reductions or waivers of the Management Fee, to account for expenses specifically attributable to a Limited Partner or a group of Limited Partners and exclusions from certain types of investments.

Distributions and Carried Interest Distributions

The General Partners will provide each Partner with a written drawdown notice at least ten business days prior to the date on which a Capital Contribution is due. During the Investment Period, the General Partners will be permitted to reinvest (or retain for reinvestment or for other purposes) all or a portion of any Investment Proceeds received during the Investment Period. After the Investment Period, all Investment Proceeds constituting Distribution Proceeds will generally be distributed by the General Partners. To the extent the Feeder Funds makes a distribution of Distribution Proceeds to the Partners during the Investment Period representing a return of capital under the distribution waterfall, such return of capital will be added to the Partners' remaining Capital Commitments and will be subject to recall. As of December 31, 2025, the Master Funds have total commitments of $222,275,000, of which $220,000,000 is committed by the Feeder Funds. As of December 31, 2025, $163,632,992 has been called with a distribution recall of $1,078,840 and remaining commitment of $58,031,054. Of the total commitments, the General Partners had commitments to the Master Funds of $2,275,000, $1,675,203 has been called with a distribution recall of $11,156 and remaining commitment amount of $610,954.

10. Partners' Capital (continued)

Distributions and Carried Interest Distributions (continued)

As stated in the Master Funds' confidential private placement memorandum, the General Partners will cause the Master Funds to make distributions at least quarterly to the Limited Partners of the Master Funds after the Investment Period (which is defined as commencement on the Initial Closing and end on the eight month end following the Initial Closing or at such earlier time as the General Partners may determine) of Investment Proceeds (defined below), in each case net of any expenses or other obligations of the Master Funds and reserves for existing or anticipated obligations of the Master Funds, including the Master Funds expenses, organizational expenses, operating reserves, and any amounts held back for Tax Distributions or any other permitted purpose ("Distribution Proceeds"); provided that the Master Funds will not be required to make a distribution with respect to a particular quarter unless it has at least $1,000,000 in Distribution Proceeds to distribute at such time.

"Investment Proceeds" means all proceeds, including all dividends and interest received by the Master Funds in respect of any payment, sale, principal payment, refinancing, recapitalization, redemption, repayment, exchange, distribution or other similar transaction with respect to any portfolio investments.

Distribution Proceeds will be calculated without taking into account Management Fees and expenses specifically attributable to the investment of a Limited Partner or group of Limited Partners, which are accounted for by separately calling capital for such amounts or deducting such amounts from such Limited Partner or group of Limited Partner's share of Distribution Proceeds (either on behalf of each such Limited Partner or group of Limited Partners) after the apportionment described below.

Immediately prior to a distribution, Distribution Proceeds will be apportioned among the General Partners, in their capacity as the general partners of each Master Fund, the Domestic Fund and the Intermediate Funds, and distributions will be made to the Intermediate Funds (on behalf of the Partnership on behalf of each Partner on a Partner-by-Partner basis) and to the Domestic Fund on behalf of each Domestic Investor on a Domestic Investor-by-Domestic Investor basis (i) in the case of Distribution Proceeds attributable to a specific portfolio investment, to the Domestic Fund, the General Partners and the Intermediate Funds in accordance with their respective Master Fund Participation Percentage with respect to such portfolio investment (subject to adjustment for excused participation, exclusion or default by a Limited Partner), and (ii) in the case of Distribution Proceeds not attributable to a specific portfolio investment, to the Domestic Fund, the General Partners and the Intermediate Funds in accordance with their respective Master Fund Participation Percentage at the time of such distribution.

10. Partners' Capital (continued)

Distributions and Carried Interest Distributions (continued)

Distribution Proceeds initially apportioned to the Intermediate Funds (on behalf of the Partnership), on behalf of a Limited Partner, will be distributed by the Master Funds to the Intermediate Funds (on behalf of the Partnership on behalf of a Limited Partner), on the one hand, and the General Partners, on the other hand, in the following order of priority (after deduction for Management Fees and expenses specifically attributable to the investment of such Limited Partner (e.g., any Investor-Related Taxes)):

(1) Return of Capital: First, 100% to the Feeder Funds, until the Feeder Funds have received, in aggregate, cash distributions equal to the Feeder Funds' capital contributions to the Master Funds (through the Intermediate Funds, where applicable), taking into account all prior distributions made pursuant to this clause (1);

(2) Hurdle Return: Second, 100% to the Feeder Funds, until the Feeder Funds, has received aggregate amounts (taking into account all prior distributions made pursuant to this clause and clause (4) below) equal to the Hurdle Return. The "Hurdle Return" means such payments that would result in a compounded rate of return equal to 8% per annum in respect of unreturned capital contributions made by the Feeder Funds to the Master Funds from the date on which the Feeder Funds were required to fund such capital contributions made by the Feeder Funds, to the Master Funds (or the date on which such capital contributions were funded, if later) until the date of return of such contributions to the Feeder Funds by the Master Funds (on a first-in, first-out basis), taking into account the amount and effective date of each capital contribution, distribution and recall of distribution; provided, however, that capital contributions made by the Feeder Funds in respect of the Initial Additional Capital Contribution for each Partner with respect to any New Commitment will be deemed to have been made as of the date of the corresponding

Capital Contributions of the Partners admitted as of the Initial Closing (or if there have been multiple Capital Contributions of such Partners, then, on a pro rata basis, as of the respective dates of such Capital Contributions) for purposes of calculating the applicable Hurdle Return;

(3) Catch-up: Third, 100% to the General Partners until such time as the General Partners have received in respect of the Feeder Funds, 20% of the aggregate amount distributed in respect of the Feeder Funds under clause (2) and to the General Partners under this clause (3); and

(4) 80/20 Split: Fourth, (x) 80% to the Feeder Funds and (y) 20% to the General Partners (the "Carried Interest Distributions").

10. Partners' Capital (continued)

Distributions and Carried Interest Distributions (continued)

The General Partners may waive the Carried Interest Distributions with respect to any General Partners related investors, and the General Partners may waive or calculate differently the Carried Interest Distributions with respect to any other Limited Partners. For the year ended December 31, 2025, the Carried Interest earned by the General Partners was $1,455,353 and as of December 31, 2025, the cumulative Carried Interest earned by the General Partners was $7,907,443.

Co-Investments

The Investment Manager and its affiliates may, from time to time, offer one or more Limited Partners or investors in Other Accounts and/or other third-party investors the opportunity to co-invest with the Master Funds in particular investments. The Investment Manager will allocate co-investment opportunities in a manner consistent with its policies and procedures. The Investment Manager and its affiliates are not obligated to arrange co-investment opportunities, and no Limited Partner will be obligated to participate in such an opportunity. The Investment Manager and its affiliates have sole discretion as to the amount (if any) of a co-investment opportunity that will be allocated to a particular Limited Partner and may allocate co-investment opportunities instead to investors in Other Accounts or to third parties.

11. Financial Highlights

The following represents ratios to average limited partners' capital and internal rate of return information for the year ended December 31, 2025:

	Limited Partners
Ratios to average Limited Partners' capital	
Expenses before interest expense and carried interest	2.41 %
Interest expense	1.30
Carried interest	1.18
Total expenses	4.89 %
Net investment income before carried interest	4.03 %

The expense ratios and net investment income ratio above are calculated for all the limited partners taken as a whole. The computation of such ratios based on the amount of expenses, carried interest and net investment income assessed to an individual limited partner's capital may vary from these ratios based on the timing of capital transactions and different fee arrangements.

Internal Rate of Return (IRR)	Limited Partners
IRR since inception date August 18, 2021 to December 31, 2024	9.27 %
IRR since inception date August 18, 2021 to December 31, 2025	9.34 %

The IRR was computed based on the dates of cash inflows (capital contributions) and outflows (capital distributions), and the ending partners' capital at the end of the year (residual value) as of each measurement date. The IRR was computed net of all fees and carried interest to the General Partners.

The cumulative cash flow used in the IRR calculation are based on the inception-to-date contributions and residual value. An investor's actual economic return may not be consistent with the IRR return presented and could be materially different as a result of the limitations of the calculation.

12. Subsequent Events

Subsequent to December 31, 2025, the Master Funds distributed $12,000,000 to the Feeder Funds.

The General Partners of the Master Funds have approved a plan of reorganization under which the Master Funds will transfer substantially all of their investments to a newly formed registered closed-end interval fund, LibreMax Asset-Backed Income Fund (the "Successor Fund"). The Successor Fund intends to register its shares under the Investment Company Act of 1940 and the Securities Act of 1933 through the filing of a registration statement on Form N-2 with the U.S.30 Securities and Exchange Commission. The investment objectives and strategies of the Successor Fund are expected to be substantially similar to those of the Master Funds.

The General Partners and Investment Manager have evaluated subsequent events through March 18, 2026, the date the combined financial statements were available to be issued and have determined that no additional items require disclosure.

FINANCIAL STATEMENTS (UNAUDITED)

LibreMax Structured Opportunities Partners II, LP
Year Ended December 31, 2025

LibreMax Structured Opportunities Partners II, LP

Financial Statements (Unaudited)

Year Ended December 31, 2025

Contents

Combined Financial Statements of LibreMax Structured Opportunities Fund II

LibreMax Structured Opportunities Partners II, LP

Statement of Financial Condition

December 31, 2025

(Expressed in U.S. Dollars)

Assets		
Investment in LibreMax Structure Opportunities Fund II (the "Master Funds"),		
at fair value	$	68,370,109
Cash and cash equivalents	$	428,628
Total assets		68,798,737
Liabilities and Partners' Capital		
Distributions payable		427,828
Professional fees payable		38,550
Due to Master Funds		20,396
Accrued expenses and other liabilities		2,470
Total liabilities		489,244
Partners' Capital		
Limited partners		68,309,493
Total partners' capital		68,309,493
Total liabilities and partners' capital	$	68,798,737

LibreMax Structured Opportunities Partners II, LP

Statement of Operations

Year Ended December 31, 2025
(Expressed in U.S. Dollars)

Net realized and change in unrealized gain/(loss) on investment transactions allocated from Master Funds		
Net realized gain on investment transactions	$ 6,876,279	
Net realized loss on derivative contracts	(168,950)	
Net realized gain on foreign currency transactions	36,696	
Net change in unrealized gain on investment transactions	166,554	
Net change in unrealized loss on derivative contracts	59,720	
Net gain on investment transactions		$ 6,850,859
Investment income allocated from Master Funds		
Interest income	5,555,066	
Dividend income	93,378	
Total investment income allocated from Master Funds	5,648,444	
Expenses		
Interest expense	784,808	
Deal legal expense	675,612	
Management fee	455,922	
Professional fees	241,685	
Market data expense	28,230	
Other expenses	169,565	
Carried Interest	1,251,188	
Total expenses	3,607,010	
Net investment income allocated from Master Funds before Partnership expenses	2,041,434	
Partnership expenses		
Professional fees and other expenses	96,168	
Total Partnership expenses	16,168	
Net investment income		1,945,266
Net income		$ 8,796,125

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund II.

LibreMax Structured Opportunities Partners II, LP

Statement of Changes in Partners' Capital

Year ended December 31, 2025
(Expressed in U.S. Dollars)

	Limited Partners	**General Partners**	**Total**
Partners' capital at beginning of year	$ 97,015,569	—	$ 97,019,569
Distributions	(37,506,201)	—	(37,506,201)
Allocation of net income:			
Pro-rata income	8,796,125	—	8,796,125
Partners' capital at end of year	$ 68,309,493	$ —	$ 68,309,493

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund II.

LibreMax Structured Opportunities Partners II, LP

Statement of Cash Flows

Year Ended December 31, 2025
(Expressed in U.S. Dollars)

Cash flows from operating activities	
Net income	$ 8,796,125
Adjustments to reconcile net income to net cash provided by operating activities:	
Net income allocated from Master Funds	(8,892,293)
Purchases of investment in Master Funds	(2,995,325)
Sales of investment in Master Funds	40,530,953
Net change in operating assets and liabilities:	
Tax refund receivable	32,155
Professional fees payable	19,750
Due to Master Funds	11,166
Accrued expenses and other liabilities	2,470
Net cash provided by operating activities	37,505,001
Cash flows from financing activities	
Payments for distributions	(37,078,373)
Net cash used in financing activities	(37,078,373)
Net change in cash and cash equivalents	426,628
Cash and cash equivalents at beginning of year	2,000
Cash and cash equivalents at end of period	$ 428,628

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund II.

1. Organization

LibreMax Structured Opportunities Partners II, LP (the "Partnership") is organized as a Delaware limited partnership on January 31, 2022 and commenced operations on March 17, 2022. The Partnership and LibreMax Structured Opportunities Offshore Partners II, LP (the "Offshore Fund") invest substantially all of their investable assets through a "master-feeder" structure in the LibreMax Structured Opportunities Master Fund II, LP (the "Non-ECI Master Fund"), a Cayman Islands exempted limited partnership, and LibreMax Structured Opportunities (ECI) Master Fund II, LP, a Delaware limited partnership (the "ECI Master Fund" and together with the Non-ECI Master Fund, the "Master Funds").

The general partner of the Partnership is LibreMax GP, LLC (the "General Partner"), a Delaware limited liability company and an affiliate of LibreMax Capital, LLC (the "Investment Manager").

The Partnership's investment objective, through its investment in the Master Funds, is to generate attractive returns through investments in a variety of securitized and structured financial products and credit-related investments. To achieve the Master Funds' objectives, the Investment Manager employs an extensive micro-credit analysis and a rigorous underwriting process that complements a thematic macro approach to portfolio construction. The Investment Manager believes that a strategy based on the foregoing investment process will generate attractive returns.

The Partnership's term will commence on the Initial Closing and, unless sooner dissolved pursuant to the Partnership Agreement, will continue until the final termination of the Harvest Period. The "Harvest Period" means the period commencing on the expiration or termination of the Investment Period (defined below) and ending on the fourth anniversary thereof (or such earlier date as may be determined by the General Partner, in its sole discretion, upon ten (10) business days' prior written notice to the Limited Partners); provided, however, that the Harvest Period may be extended twice by the General Partner, in its sole discretion, up to one year for each extension, upon at least thirty (30) days' prior notice to the Limited Partners prior to the expiration of the Harvest Period. At the end of the term of the Partnership, the General Partner will formally wind up and dissolve the Partnership.

Partners will be required to fund their Capital Commitments during the investment period, which will commence on the Initial Closing and end on the twelfth month end following the Initial Closing or at such earlier time as the General Partner may determine in accordance with the terms set forth in the Partnership Agreement (the "Investment Period"). After the Investment Period, the Partners will be released from any further obligations with respect to their Capital Commitments, except to (1) fund a pending Capital Call Notice (defined below) received by the Partners prior to the end of the Investment Period; (2) fund an investment for up to six months after the end of the Investment Period that the Partnership has committed to

1. Organization (continued)

in writing prior to the termination of the Investment Period; (3) fund an investment for up to six months after the end of the Investment Period that was under active consideration by the Partnership prior to the end of the Investment Period pursuant to a written memorandum of understanding or letter of intent, whether or not binding; (4) pay for the Management Fee, Tax Distributions and actual or anticipated expenses (for the sake of clarity, excluding, without limitation, any obligation with respect to the acquisition of an investment which is not contemplated in clauses (1) – (3) above or (6) below) and to pay down the Master Funds' financing obligations, whether incurred before or after the end of the Investment Period (including amounts relating to any Commitment Facility); (5) engage in hedging or financing transactions with respect to the Master Funds' portfolio investments (which hedging or financing transactions will not be deemed to be portfolio investments); and (6) fund any investment that the General Partner, in its sole discretion, believes is appropriate or necessary for the Master Funds to make to preserve, protect or enhance an existing investment (each such investment made pursuant to this clause (6) after the end of the Investment Period, a "Follow-On Investment"); provided that the Follow-On Investments will not exceed 25% of Capital Commitments.

At the end of the Investment Period, the General Partner will disclose to all Limited Partners the amounts reserved for any unfunded investments along with a list of any actively considered investments, pursuant to clauses (1) – (3) of the preceding paragraph and any Follow-on Investments pursuant to clause (6) of the preceding paragraph.

LibreMax Capital, LLC, a Delaware limited liability company, serves as the Investment Manager to the Partnership and provides certain administrative services and investment management services to the Partnership. The Investment Manager also serves as investment manager to the Master Funds and the Offshore Fund. The Investment Manager is registered as an investment adviser with the Securities and Exchange Commission under the Investment Advisers Act of 1940.

International Fund Services (N.A.), L.L.C. (the "Administrator"), a subsidiary of State Street Alternative Investment Solutions, was appointed as the administrator for the Master Funds and the Partnership. The Administrator also acts as the transfer agent for the Master Funds and the Partnership. For the year ended December 31, 2025, the administration fee was $1,200, which is included in professional fees and other expenses on the Statement of Operations.

The General Partner is responsible for the supervision of the Partnership's partners' capital calculation, investment policy, valuation policy, performance of the Partnership, and to supervise the conduct of its affairs. The General Partner has delegated certain of these responsibilities to the Investment Manager and the Administrator. The General Partner is responsible for the supervision of the Investment Manager and the Administrator.

Capitalized terms used but not defined herein shall have the meaning assigned to them in the Partnership's offering memorandum.

2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Partnership in the preparation of its financial statements. The policies followed by the Master Funds are discussed in the notes to the Master Funds' combined financial statements which are attached hereto and should be read in conjunction with these financial statements.

Basis of Accounting

The Partnership's accounting policies are in conformity with accounting principles generally accepted in the United States of America. The Partnership maintains its financial records in United States dollars. The Partnership is an investment company that follows the accounting and reporting guidance of Financial Accounting standards Board ("FASB") Accounting Standards Codification ("ASC") No. 946, *"Financial services - Investment Companies"*. For financial reporting purposes, the Partnership follows the accrual method of accounting.

Investment Valuation

The Partnership's investment in the Master Funds is valued at fair value, which is represented by the Partnership's proportionate interest in the partners' capital of the Master Funds. The performance of the Partnership is directly affected by the performance of the Master Funds. Attached are the audited combined financial statements of the Master Funds, including the combined Condensed Schedule of Investments, which are an integral part of these financial statements. Valuation of investments held by the Master Funds are discussed in the notes to the Master Funds' combined financial statements. At December 31, 2025, the Partnership owned 71.08% of the Master Funds' partners' capital.

Investment Transactions, Income and Expenses

The Partnership records monthly its proportionate interest of the Master Funds' income, expenses, and realized and unrealized gains and losses. In addition, the Partnership accrues its own income and expenses. The Partnership records contributions and distributions related to its investment in the Master Funds on the transaction date. Expenses relating to the Partnership, as outlined in the confidential offering memorandum, are expensed as incurred.

Cash and Cash Equivalents

Cash and cash equivalents include short-term investments with a maturity of three months or less when purchased. Cash is held at a bank that is affiliated with the Administrator. As of December 31, 2025, the Partnership held $428,628 in cash. At December 31, 2025, there were no cash equivalents. Cash is held with financial institutions which may exceed insured limits. Cash deposited with banks is subject to credit risk, to the extent it is not covered by Federal Deposit Insurance Corporation ("FDIC") insurance limits. In the event of a financial institution's insolvency, the Partnership may be unable to recover some or all of its cash balances that are not covered by FDIC.

2. Summary of Significant Accounting Policies (continued)

Fair Value of Financial Instruments

The fair value of the Partnership's assets and liabilities which qualify as financial instruments under FASB guidance approximates the carrying amounts presented in the Statement of Financial Condition.

Income Taxes

The Partnership is not subject to federal, state or local taxes. Accordingly, no provision has been made in the accompanying financial statements for federal, state or local taxes. Each partner separately takes into account, on its tax return, its share of the income, gains, losses, deductions or credits for the Partnership's taxable income/loss whether or not any distribution is made to any partner.

ASC 740, *"Income Taxes"*, provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. The standard requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Partnership's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet a more-likely-than-not threshold would be recorded as a tax expense. For all open periods from March 17, 2022 (commencement of operations) to December 31, 2025, the Partnership remains subject to examination by U.S. Federal and state jurisdictions where the Partnership makes investments.

Management has performed an analysis of the Partnership's material tax positions and has determined that such positions meet a more-likely-than-not standard. The General Partner is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecorded taxes will significantly change in the next twelve months. The General Partner continually reviews the Partnership's tax positions and such conclusions under the FASB guidance to determine if a liability should be recorded based on ongoing analyses of tax laws and regulations and interpretations thereof and other factors. As of and during the year ended December 31, 2025, the Partnership did not have any liabilities or expense for any unrecognized tax positions. The Partnership recognizes interest and penalties, if any, related to unrecognized tax positions as income tax expense in the Statement of Operations. During the year, the Partnership did not incur any tax related to interest or penalties.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilized in preparing the financial statements are reasonable and prudent; however, actual results could differ from those estimates.

3. Allocation of Net Income or Net Loss

At the end of each accounting period, any net capital appreciation or net capital depreciation of the Partnership is allocated to each capital account of each partner (including the General Partner) in proportion to the opening balance of such capital account for such accounting period.

4. Related Party Transactions

Management Fee

Pursuant to the investment management agreement, the Master Funds pay the Investment Manager a monthly management fee in advance equal to 0.125% (1.50% per annum) of the partners' capital of the Partnership on the first business day of each month (the "Management Fee"). The Management Fee is paid and collected by the Master Funds on behalf of the Partnership. The Management Fee for the year ended December 31, 2025 amounted to $455,922.

The Investment Manager may waive or modify the Management Fee with respect to certain persons who are members, employees, or affiliates of the Investment Manager, relatives of such persons, and for certain large or strategic investors.

Affiliated Party Ownership

As of December 31, 2025, parties affiliated with the Investment Manager and General Partner held $4,997,568 of the Partnership's partners' capital.

5. Partners' Capital

Committed Capital

The initial closing of the sale of Interests took place on March 17, 2022, agreed to by the General Partner. Income will be allocated to the partners pro-rata based on each partner's capital commitment to the Partnership.

As of December 31, 2025, the limited partners of the Partnership have committed total amounts of $111,534,700. From the Partnership's inception, the limited partners have made contributions of $83,064,922. As of December 31, 2025, the limited partners of the Partnership had remaining capital commitments of $28,469,778. These contributions in aggregate represent approximately 74.47% of total commitments to the Partnership.

5. Partners' Capital (continued)

Distributions and Carried Interest Distributions

As stated in the Master Funds' confidential private placement memorandum, the General Partner will cause the Master Funds to make distributions at least quarterly to the limited partners of the Master Funds after the Investment Period (which is defined as commencement on the Initial Closing and end on the twelfth month end following the Initial Closing or at such earlier times as the General Partner may determine) of Investment Proceeds (defined below), in each case net of any expenses or other obligations of the Master Funds and reserves for existing or anticipated obligations of the Master Funds, including the Master Funds expenses, organizational expenses, operating reserves, and any amounts held back for Tax Distributions or any other permitted purpose ("Distribution Proceeds"); provided that the Partnership will not be required to make a distribution with respect to a particular quarter unless it has at least $1,000,000 in Distribution Proceeds to distribute at such time. "Investment Proceeds" means all proceeds, including all dividends and interest received by the Master Funds in respect of any payment, sale, principal payment, refinancing, recapitalization, redemption, repayment, exchange, distribution or other similar transaction with respect to any portfolio investments.

Distribution Proceeds will be calculated without taking into account Management Fees and expenses specifically attributable to the investment of a Limited Partner or group of Limited Partners, which are accounted for by separately calling capital for such amounts or deducting such amounts from such Limited Partner or group of Limited Partner's share of Distribution Proceeds (either on behalf of each such Limited Partner or group of Limited Partners) after the apportionment described in the attached combined financials of the Master Funds.

Immediately prior to a distribution, Distribution Proceeds will be apportioned among the General Partner, in its capacity as the general partner of each Master Fund, the Partnership and LibreMax Structured Opportunities Onshore II, LLC and LibreMax Structured Opportunities Offshore II, LLC (the "Intermediate Funds"), and distributions will be made to the Partnership (on behalf of each Partner on a Partner-by-Partner basis) and to the Intermediate Funds (on behalf of the Offshore Fund on behalf of each Offshore Investor on an Offshore Investor-by-Offshore Investor basis) (i) in the case of Distribution Proceeds attributable to a specific portfolio investment, to the Partnership, the General Partner and the Offshore Fund (through its investments in the Intermediate Funds, as defined in the offering documents) in accordance with their respective Master Fund Participation Percentage with respect to such portfolio investment (subject to adjustment for excused participation, exclusion or default by a Limited Partner), and (ii) in the case of Distribution Proceeds not attributable to a specific portfolio investment, to the Partnership, the General Partner and the Offshore Fund (through its investments in the Intermediate Funds, as defined in the offering documents) in accordance with their respective Master Fund Participation Percentage at the time of such distribution.

5. Partners' Capital (continued)

Distributions and Carried Interest Distributions (continued)

Distribution Proceeds initially apportioned to the General Partner will be distributed to it. Distribution Proceeds initially apportioned to the Partnership, on behalf of a Limited Partner, will be distributed by the Master Funds to the Partnership (on behalf of a Limited Partner), on the one hand, and the General Partner, on the other hand, in the following order of priority (after deduction for Management Fees and expenses specifically attributable to the investment of such Limited Partner (e.g., any Investor-Related Taxes)):

(1) Return of Capital: First, 100% to the Partnership (on behalf of such Limited Partner), until the Partnership (on behalf of such Limited Partner) have received, cash distributions equal to the Partnerships' capital contributions to the Master Funds (made on behalf of such Limited Partner), taking into account all prior distributions made pursuant to this clause (1);

(2) Hurdle Return: Second, 100% to the Partnership (on behalf of a Limited Partner), until the Partnership (on behalf of a Limited Partner), has received aggregate amounts (taking into account all prior distributions made pursuant to this clause and clause (4) below) equal to the Hurdle Return. The "Hurdle Return" means such payments that would result in a compounded rate of return equal to 8% per annum in respect of unreturned capital contributions made by the Partnership (on behalf of a Partner) to the Master Funds from the date on which the Partnership was required to fund such capital contributions made by the Partnership (on behalf of such Partner), to the Master Funds (or the date on which such capital contributions were funded, if later) until the date of return of such contributions to the Partnership (on behalf of such Partner) by the Master Funds (on a first-in, first-out basis), taking into account the amount and effective date of each capital contribution, distribution and recall of distribution; provided, however, that capital contributions made by the Partnership in respect of the Initial Additional Capital Contribution for each Partner with respect to any New Commitment will be deemed to have been made as of the date of the corresponding Capital Contributions of the Partners admitted as of the Initial Closing (or if there have been multiple Capital Contributions of such Partners, then, on a pro rata basis, as of the respective dates of such Capital Contributions) for purposes of calculating the applicable Hurdle Return;

(3) Catch-up: Third, 100% to the General Partner until such time as the General Partner has received in respect of the Partnership (on behalf of such Limited Partner), 20% of the aggregate amount distributed in respect of the Partnership (on behalf of such Limited Partner) under clause (2) and to the General Partner under this clause (3); and

(4) 80/20 Split: Fourth, (x) 80% to the Partnership (on behalf of such Limited Partner) and (y) 20% to the General Partner (the "Carried Interest Distributions").

5. Partners' Capital (continued)

Distributions and Carried Interest Distributions (continued)

The General Partner may waive the Carried Interest Distributions with respect to any General Partner related investors, and the General Partner may waive or calculate differently the Carried Interest Distributions with respect to any other Limited Partners.

For the year ended December 31, 2025, the carried interest earned by the General Partners of the Master Funds was $1,251,188 and, as of December 31, 2025, the cumulative carried interest earned by the General Partners of the Master Funds was $4,075,703.

6. Risk Management

Certain risks associated with an investment in the Partnership and the Master Funds are discussed in the notes to the Master Funds' combined financial statements.

Due to the nature of the "master-feeder" structure, the Partnership may be materially affected by the actions of the Fund and the Master Funds.

7. Indemnifications

The Partnership enters into agreements that may contain indemnifications or warranties. Future events could occur that lead to the execution of these provisions against the Partnership. Based on its history and experience, management considers that the likelihood of such an event is remote. The Partnership also enters into contracts with its service providers and other parties that contain a variety of indemnifications. The Partnership's maximum exposure under these arrangements is unknown. However, the Partnership has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote. Therefore, no liability has been recorded with respect to these indemnifications.

8. Financial Highlights

The following represents ratios to average limited partners' capital and internal rate of return information for the year ended December 31, 2025:

	Limited Partners
Ratios to average Limited Partners' capital	
Expenses before interest expense and carried interest	2.25 %
Interest expense	1.06
Carried interest	1.69
Total expenses	5.00 %
Net investment income before carried interest	4.31 %

8. Financial Highlights (continued)

The expense ratios and net investment income ratio above are calculated for all the limited partners taken as a whole. The computation of such ratios are based on the amount of expenses, carried interest and net investment income assessed to an individual limited partner's capital may vary from these ratios based on the timing of capital transactions and different fee arrangements. The above percentages include the Partnership's income and expenses and its proportionate share of income and expenses of the Master Funds.

Internal Rate of Return (IRR)	Limited Partners
IRR since inception date March 17, 2022 to December 31, 2024	13.40 %
IRR since inception date March 17, 2022 to December 31, 2025	13.29 %

IRR was computed based on the dates of cash inflows (capital contributions) and outflows (capital distributions), and the ending limited partners' capital at the end of the year (residual value) as of each measurement date. The IRR was computed net of all fees and Carried Interest to the General Partner.

The cumulative cash flow used in the IRR calculation are based on the inception-to-date contributions and residual value. An investor's actual economic return may not be consistent with the IRR return presented and could be materially different as a result of the limitations of the calculation.

9. Subsequent Events

Subsequent to December 31, 2025, the Partners contributed $4,893,823 to the Partnership.

The General Partners of the Master Funds have approved a plan of reorganization under which the Master Funds will transfer substantially all of their investments to a newly formed registered closed-end interval fund, LibreMax Asset-Backed Income Fund (the "Successor Fund"). The Successor Fund intends to register its shares under the Investment Company Act of 1940 and the Securities Act of 1933 through the filing of a registration statement on Form N-2 with the U.S.30 Securities and Exchange Commission. The investment objectives and strategies of the Successor Fund are expected to be substantially similar to those of the Master Funds.

The General Partner has evaluated subsequent events through March 31, 2026, the date the financial statements were available to be issued, and has determined that no additional items require disclosure.

CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

LibreMax Structured Opportunities Offshore Partners II, LP and Subsidiaries
Year Ended December 31, 2025

LibreMax Structured Opportunities Offshore Partners II, LP and Subsidiaries

Consolidated Financial Statements (Unaudited)

Year Ended December 31, 2025

Contents

Combined Financial Statements of LibreMax Structured Opportunities Fund II

LibreMax Structured Opportunities Offshore Partners II, LP and Subsidiaries

Consolidated Statement of Financial Condition

December 31, 2025
(Expressed in U.S. Dollars)

Assets		
Investment in LibreMax Structure Opportunities Fund II (the "Master Funds"), at fair value	$	24,248,627
Cash and cash equivalents	$	1,948
Due from Master Funds		25,048
Total assets		24,275,623
Liabilities and Partners' Capital		
Due to Master Funds		146,025
Professional fees payable		28,400
Accrued expenses and other liabilities		24,946
Total liabilities		219,371
Partners' Capital		
Limited partners		24,056,252
Total partners' capital		24,056,252
Total liabilities and partners' capital	$	24,275,623

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund II.

LibreMax Structured Opportunities Offshore Partners II, LP and Subsidiaries

Consolidated Statement of Operations

Year Ended December 31, 2025
(Expressed in U.S. Dollars)

Net realized and change in unrealized gain/(loss) on investment transactions allocated from Master Funds		
Net realized gain on investment transactions	$ 2,413,057	
Net realized loss on derivative contracts	(59,289)	
Net realized gain on foreign currency transactions	12,878	
Net change in unrealized loss on investment transactions	59,387	
Net change in unrealized gain on derivative contracts	(20,957)	
Net gain on investment transactions		$ 2,405,073
Investment income allocated from Master Funds		
Interest income	1,950,510	
Dividend income	32,770	
Total investment income allocated from Master Funds	1,983,280	
Expenses		
Interest expense	275,423	
Deal legal expense	237,092	
Management fee	162,058	
Professional fees	84,942	
Market data expense	9,910	
Other expenses	59,510	
Carried Interest	370,350	
Total expenses	119,285	
Net investment income allocated from Master Funds before Partnership expenses	783,995	
Partnership expenses		
Professional fees and other expenses	106,398	
Total Partnership expenses	106,398	
Net investment income		677,597
Net income before tax expense	3,082,670	
Income tax expense/(benefit)	$ 490,214	
Net income		$ 2,592,456

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund II.

LibreMax Structured Opportunities Offshore Partners II, LP and Subsidiaries

Consolidated Statement of Changes in Partners' Capital

Year ended December 31, 2025
(Expressed in U.S. Dollars)

	Limited Partners	General Partners	Total
Partners' capital at beginning of year	$ 34,315,834	$ —	$ 34,315,834
Distributions	(12,852,038)	—	(12,852,038)
Allocation of net income:			
Pro-rata income	2,592,456	—	2,592,456
Partners' capital at end of year	$ 24,056,252	$ —	$ 24,056,252

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund II.

LibreMax Structured Opportunities Offshore Partners II, LP and Subsidiaries

Consolidated Statement of Cash Flows

Year Ended December 31, 2025
(Expressed in U.S. Dollars)

Cash flows from operating activities		
Net income	$	2,592,456
Adjustments to reconcile net income to net cash provided by operating activities:		
Net income allocated from Master Funds		(3,189,068)
Purchases of investment in Master Funds		(1,051,522)
Sales of investment in Master Funds		14,056,046
Net change in operating assets and liabilities:		
Due from Master Funds		(17,523)
Tax refund receivable		264,448
Other assets		35,142
Due to Master Funds		106,499
Professional fees payable		26,300
Accrued expenses and other liabilities		29,128
Net cash provided by operating activities		12,851,906
Cash flows from financing activities		
Payments for distributions, net of distributions payable		(12,852,038)
Net cash used in financing activities		(12,852,038)
Net change in cash and cash equivalents		(132)
Cash and cash equivalents at beginning of year		2,080
Cash and cash equivalents at end of period	$	1,948
Supplemental disclosure of cash flow information		
Cash paid during the year for taxes	$	454,520

See accompanying notes and attached combined financial statements of LibreMax Structured Opportunities Fund II.

1. Organization

LibreMax Structured Opportunities Offshore Partners II, LP (the "Partnership") is organized as a Cayman Islands exempted limited partnership on February 9, 2022 and commenced operations on March 17, 2022.

The Partnership and LibreMax Structured Opportunities Partners II, LP (the "Domestic Fund") invest all of their investable assets through a "master-feeder" structure in LibreMax Structured Opportunities (ECI) Master Fund II, LP (the "ECI Master Fund"), a Delaware limited partnership, and LibreMax Structured Opportunities Master Fund II, LP, a Cayman Islands exempted limited partnership (the "Non-ECI Master Fund" and together with the ECI Master Fund, the "Master Funds"). The Partnership invests its assets in the Master Funds through its wholly owned subsidiaries LibreMax Structured Opportunities Onshore II, LLC, a Delaware limited liability company (the "ECI Intermediate Fund"), and LibreMax Structured Opportunities Offshore II, LLC, a Cayman Islands limited liability company (the "Non-ECI Intermediate Fund", and together with the ECI Intermediate Fund, the "Intermediate Funds"). The Partnership, through its investment in the Intermediate Funds, held approximately 25.21%, of the Master Funds as of December 31, 2025.

The general partner of the Partnership is LibreMax GP, LLC (the "General Partner"), a Delaware limited liability company and an affiliate of LibreMax Capital, LLC (the "Investment Manager").

The Partnership's investment objective, through its investment in the Master Funds, is to generate attractive returns through investments in a variety of securitized and structured financial products and credit-related investments. To achieve the Master Funds' objectives, the Investment Manager (as defined below) employs an extensive micro-credit analysis and a rigorous underwriting process that compliments a thematic macro approach to portfolio construction. The Investment Manager believes that a strategy based on the foregoing investment process will generate attractive returns.

The Partnership's term commenced on the date the Section 9 Statement was filed with the Registrar of Exempted Limited Partnerships in accordance with the Exempted Limited Partnership Act (As Revised) of the Cayman Islands (the "ELP Act") and, unless sooner dissolved pursuant to the Partnership Agreement, will continue until the final termination of the Harvest Period.

1. Organization (continued)

The “Harvest Period” means the period commencing on the expiration or termination of the Investment Period (defined below) and ending on the fourth anniversary thereof (or such earlier date as may be determined by the General Partner, in its sole discretion, upon ten (10) business days’ prior written notice to the Limited Partners); provided, however, that the Harvest Period may be extended twice by the General Partner, in its sole discretion, up to one year for each extension, upon at least thirty (30) days’ prior notice to the Limited Partners prior to the expiration of the Harvest Period. At the end of the term of the Partnership, the General Partner will formally wind up and dissolve the Partnership.

Partners will be required to fund their Capital Commitments during the investment period, which will commence on the Initial Closing and end on the twelve month end following the Initial Closing or at such earlier time as the General Partner may determine in accordance with the terms set forth in the Partnership Agreement (the “Investment Period”).

After the Investment Period, the Partners will be released from any further obligations with respect to their Capital Commitments, except to (1) fund a pending Capital Call Notice (defined below) received by the Partners prior to the end of the Investment Period; (2) fund an investment for up to six months after the end of the Investment Period that the Partnership has committed to in writing prior to the termination of the Investment Period; (3) fund an investment for up to six months after the end of the Investment Period that was under active consideration by the Partnership prior to the end of the Investment Period pursuant to a written memorandum of understanding or letter of intent, whether or not binding; (4) pay for the Management Fee, Tax Distributions and actual or anticipated expenses (for the sake of clarity, excluding, without limitation, any obligation with respect to the acquisition of an investment which is not contemplated in clauses (1) – (3) above or (6) below) and to pay down the Master Funds’ financing obligations, whether incurred before or after the end of the Investment Period (including amounts relating to any Commitment Facility); (5) engage in hedging or financing transactions with respect to the Master Funds’ portfolio investments (which hedging or financing transactions will not be deemed to be portfolio investments); and (6) fund any investment that the General Partner, in its sole discretion, believes is appropriate or necessary for the Master Funds to make to preserve, protect or enhance an existing investment (each such investment made pursuant to this clause (6) after the end of the Investment Period, a “Follow-On Investment”); provided that the Follow-On Investments will not exceed 25% of Capital Commitments.

At the end of the Investment Period, the General Partner will disclose to all Limited Partners the amounts reserved for any unfunded investments along with a list of any actively considered investments, pursuant to clauses (1) – (3) of the preceding paragraph and any Follow-on Investments pursuant to clause (6) of the preceding paragraph.

LibreMax Capital, LLC, a Delaware limited liability company, serves as the investment manager to the Partnership and provides certain administrative services and investment management services to the Partnership. The Investment Manager also serves as investment manager to the Master Funds and the Domestic Fund. The Investment Manager is registered as an investment adviser with the Securities and Exchange Commission under the Investment Advisers Act of 1940.

1. Organization (continued)

International Fund Services (N.A.), L.L.C. (the "Administrator"), a subsidiary of State Street Alternative Investment Solutions, was appointed as the administrator for the Partnership and Master Funds. The Administrator also acts as the transfer agent for the Partnership and Master Funds. For the year ended December 31, 2025, the administration fee was $433, which is included in professional fees and other expenses on the Consolidated Statement of Operations.

The General Partner is responsible for the supervision of the Partnership's partners' capital calculation, investment policy, valuation policy, performance of the Partnership, and to supervise the conduct of its affairs. The General Partner has delegated certain of these responsibilities to the Investment Manager and the Administrator. The General Partner is responsible for the supervision of the Investment Manager and the Administrator.

Capitalized terms used but not defined herein shall have the meaning assigned to them in the Partnership's offering memorandum.

2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Partnership in the preparation of its consolidated financial statements. The policies followed by the Master Funds are discussed in the notes to the Master Funds' combined financial statements which are attached hereto and should be read in conjunction with these consolidated financial statements.

Basis of Accounting

The Partnership's accounting policies are in conformity with accounting principles generally accepted in the United States of America. The Partnership maintains its financial records in United States dollars. The Partnership is an investment company that follows the accounting and reporting guidance of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") No. 946, *"Financial Services - Investment Companies"*. For financial reporting purposes, the Partnership follows the accrual method of accounting.

Basis of Consolidation

As provided for in ASC Topic 946, the Partnership will generally consolidate its investment in wholly owned investment companies in which it holds a controlling financial interest. The consolidated financial statements include the accounts of the Partnership and its wholly owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

2. Summary of Significant Accounting Policies (continued)

Investment Valuation

The Partnership's investment in the Master Funds is valued at fair value, which is represented by the Partnership's proportionate interest in the partners' capital of the Master Funds. The performance of the Partnership is directly affected by the performance of the Master Funds. Attached are the audited combined financial statements of the Master Funds, including the Condensed Schedule of Investments, which are an integral part of these consolidated financial statements. Valuation of investments held by the Master Funds is discussed in the notes to the Master Funds' combined financial statements. At December 31, 2025, the Partnership owned 25.21% of the Master Funds' partners' capital.

Investment Transactions, Income and Expenses

The Partnership records monthly its proportionate interest of the Master Funds' income, expenses, and realized and unrealized gains and losses. In addition, the Partnership accrues its own income and expenses. The Partnership records contributions and distributions related to its investment in the Master Funds on the transaction date. Expenses relating to the Partnership, as outlined in the confidential offering memorandum, are expensed as incurred.

Cash and Cash Equivalents

Cash and cash equivalents include short-term investments with a maturity of three months or less when purchased. Cash is held at a bank that is affiliated with the Administrator. At December 31, 2025, the Partnership held $1,948 in cash. At December 31, 2025, there were no cash equivalents. Cash is held with financial institutions which may exceed insured limits. Cash deposited with banks is subject to credit risk, to the extent it is not covered by Federal Deposit Insurance Corporation ("FDIC") insurance limits. In the event of a financial institution's insolvency, the Partnership may be unable to recover some or all of its cash balances that are not covered by FDIC.

Fair Value of Financial Instruments

The fair value of the Partnership's assets and liabilities which qualify as financial instruments under FASB guidance approximates the carrying amounts presented in the Consolidated Statement of Financial Condition.

Income Taxes

The Partnership is organized as an exempted limited partnership under the laws of the Cayman Islands and, generally, is not subject to United States federal income tax, except for withholding taxes applicable to certain income. The Partnership has elected to be treated as a United States corporation for U.S. Federal income tax purposes.

2. Summary of Significant Accounting Policies (continued)

Income Taxes (continued)

LibreMax Structured Opportunities Onshore II, LLC, consolidated by the Partnership, is a corporation that incurs income tax expense. Tax expense is paid at the corporate level at a federal tax rate of 21% and state income tax rates which vary by state.

ASC 740, *"Income Taxes"*, provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the consolidated financial statements. The standard requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Partnership's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet a more-likely-than-not threshold would be recorded as a tax expense. For all open periods from March 17, 2022 (commencement of operations) to December 31, 2025, the Partnership remains subject to examination by U.S. Federal and state jurisdictions where the Partnership makes investments.

Management has performed an analysis of the Partnership's material tax positions and has determined that such positions meet a more-likely-than-not standard. The General Partner is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecorded taxes will significantly change in the next twelve months. The General Partner continually reviews the Partnership's tax positions and such conclusions under the FASB guidance to determine if a liability should be recorded based on ongoing analyses of tax laws and regulations and interpretations thereof and other factors. As of and during the year ended December 31, 2025, the Partnership did not have any liabilities or expense for any unrecognized tax positions. The Partnership recognizes interest and penalties, if any, related to unrecognized tax positions as income tax expense in the Consolidated Statement of Operations. During the year, the Partnership did not incur any tax related to interest or penalties.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Management believes that the estimates utilized in preparing the consolidated financial statements are reasonable and prudent; however, actual results could differ from those estimates.

3. Allocation of Net Income or Net Loss

At the end of each accounting period, any net capital appreciation or net capital depreciation of the Partnership is allocated to each capital account of each partner (including the General Partner) in proportion to the opening balance of such capital account for such accounting period.

4. Related Party Transactions

Management Fee

Pursuant to the investment management agreement, the Master Funds pay the Investment Manager a monthly management fee in advance equal to 0.125% (1.50% per annum) of the partners' capital of the Partnership on the first business day of each month (the "Management Fee"). The Management Fee is paid and collected by the Master Funds on behalf of the Partnership. The Management Fee for the year ended December 31, 2025 amounted to $162,058.

The Investment Manager may waive or modify the Management Fee with respect to certain persons who are members, employees, or affiliates of the Investment Manager, relatives of such persons, and for certain large or strategic investors.

Affiliated Party Ownership

At December 31, 2025, parties affiliated with the Investment Manager held none of the Partnership's partners' capital.

5. Risk Management

Certain risks associated with an investment in the Partnership and the Master Funds are discussed in the notes to the Master Funds' combined financial statements.

Due to the nature of the "master-feeder" structure, the Partnership may be materially affected by the actions of the Domestic Fund and the Master Funds.

6. Indemnifications

The Partnership enters into agreements that may contain indemnifications or warranties. Future events could occur that lead to the execution of these provisions against the Partnership. Based on its history and experience, management considers that the likelihood of such an event is remote. The Partnership also enters into contracts with its service providers and other parties that contain a variety of indemnifications. The Partnership's maximum exposure under these arrangements is unknown. However, the Partnership has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote. Therefore, no liability has been recorded with respect to these indemnifications.

7. Partners' Capital

As of December 31, 2025, the limited partners of the Partnership have committed total amounts of $39,140,300. From the Partnership's inception, the limited partners have made contributions of $29,498,310. As of December 31, 2025, the limited partners of the Partnership had remaining capital commitments of $9,641,990. These contributions in aggregate represent approximately 75.37% of total commitments to the Partnership.

7. Partners' Capital (continued)

Distributions and Carried Interest Distributions

As stated in the Master Funds' confidential private placement memorandum, the General Partner will cause the Master Funds to make distributions at least quarterly to the limited partners of the Master Funds after the Investment Period of Investment Proceeds, in each case net of any expenses or other obligations of the Master Funds and reserves for existing or anticipated obligations of the Master Funds, including the Master Funds' expenses, organizational expenses, operating reserves, and any amounts held back for Tax Distributions or any other permitted purpose ("Distribution Proceeds"); provided that the Partnership will not be required to make a distribution with respect to a particular quarter unless it has at least $1,000,000 in Distribution Proceeds to distribute at such time.

"Investment Proceeds" means all proceeds, including all dividends and interest received by the Master Funds in respect of any payment, sale, principal payment, refinancing, recapitalization, redemption, repayment, exchange, distribution or other similar transaction with respect to any portfolio investments.

Distribution Proceeds will be calculated without taking into account Management Fees and expenses specifically attributable to the investment of a Limited Partner or group of Limited Partners, which are accounted for by separately calling capital for such amounts or deducting such amounts from such Limited Partner or group of Limited Partner's share of Distribution Proceeds (either on behalf of each such Limited Partner or group of Limited Partners) after the apportionment as described in the combined financial statements of the Master Funds.

Immediately prior to a distribution, Distribution Proceeds will be apportioned among the General Partner, in its capacity as the general partner of each Master Fund, the Domestic Fund and the Intermediate Funds, and distributions will be made to the Intermediate Funds (on behalf of the Partnership on behalf of each Partner on a Partner-by-Partner basis) and to the Domestic Fund on behalf of each Domestic Investor on a Domestic Investor-by-Domestic Investor basis (i) in the case of Distribution Proceeds attributable to a specific portfolio investment, to the Domestic Fund, the General Partner and the Intermediate Funds in accordance with their respective Master Fund Participation Percentage with respect to such portfolio investment (subject to adjustment for excused participation, exclusion or default by a Limited Partner), and (ii) in the case of Distribution Proceeds not attributable to a specific portfolio investment, to the Domestic Fund, the General Partner and the Intermediate Funds in accordance with their respective Master Funds Participation Percentage at the time of such distribution. Distribution Proceeds initially apportioned to the General Partner will be distributed to it. Distribution Proceeds initially apportioned to the Intermediate Funds (on behalf of the Partnership), on behalf of a Limited Partner, will be distributed by the Master Funds to the Intermediate Funds (on behalf of the Partnership on behalf of a Limited Partner), on the one hand, and the General Partner, on the other hand, in the following order of priority (after deduction for Management Fees and expenses specifically attributable to the investment of such Limited Partner (e.g., any Investor-Related Taxes)):

7. Partners' Capital (continued)

Distributions and Carried Interest Distributions (continued)

(1) Return of Capital: First, 100% to the Intermediate Funds (on behalf of the Partnership on behalf of such Limited Partner), until the Intermediate Funds (on behalf of the Partnership on behalf of such Limited Partner) have received, in aggregate, cash distributions equal to the Intermediate Funds' capital contributions to the Master Funds (made on behalf of the Partnership on behalf of such Limited Partner), taking into account all prior distributions made pursuant to this clause (1);

(2) Hurdle Return: Second, 100% to the Intermediate Funds (on behalf of the Partnership on behalf of a Limited Partner), until the Intermediate Funds (on behalf of the Partnership on behalf of a Limited Partner), has received aggregate amounts (taking into account all prior distributions made pursuant to this clause and clause (4) below) equal to the Hurdle Return. The "Hurdle Return" means such payments that would result in a compounded rate of return equal to 8% per annum in respect of unreturned capital contributions made by the Intermediate Funds (on behalf of the Partnership on behalf of a Partner) to the Master Funds from the date on which the Intermediate Funds were required to fund such capital contributions made by the Intermediate Funds (on behalf of the Partnership on behalf of such Partner), to the Master Funds (or the date on which such capital contributions were funded, if later) until the date of return of such contributions to the Intermediate Funds (on behalf of the Partnership on behalf of such Partner) by the Master Funds (on a first-in, first-out basis), taking into account the amount and effective date of each capital contribution, distribution and recall of distribution; provided, however, that capital contributions made by the Intermediate Funds in respect of the Initial Additional Capital Contribution for each Partner with respect to any New Commitment will be deemed to have been made as of the date of the corresponding Capital Contributions of the Partners admitted as of the Initial Closing (or if there have been multiple Capital Contributions of such Partners, then, on a pro rata basis, as of the respective dates of such Capital Contributions) for purposes of calculating the applicable Hurdle Return;

(3) Catch-up: Third, 100% to the General Partner until such time as the General Partner has received in respect of the Intermediate Funds (on behalf of the Partnership on behalf of such Limited Partner), 20% of the aggregate amount distributed in respect of the Intermediate Funds (on behalf of the Partnership on behalf of such Limited Partner) under clause (2) and to the General Partner under this clause (3); and

(4) 80/20 Split: Fourth, (x) 80% to the Intermediate Funds (on behalf of the Partnership on behalf of such Limited Partner) and (y) 20% to the General Partner (the "Carried Interest Distributions").

The General Partner may waive the Carried Interest Distributions with respect to any General Partner related investors, and the General Partner may waive or calculate differently the Carried Interest Distributions with respect to any other Limited Partners.

7. Partners' Capital (continued)

Distributions and Carried Interest Distributions (continued)

For the year ended December 31, 2025, the carried interest earned by the General Partners of the Master Funds was $370,350 and, as of December 31, 2025, the cumulative carried interest earned by the General Partners of the Master Funds was $1,341,678.

8. Financial Highlights

The following represents ratios to average limited partners' capital and internal rate return information for the year ended December 31, 2025:

	Limited Partners
Ratios to average Limited Partners' capital	
Expenses before interest expense and carried interest	4.38 %
Interest expense	1.05
Carried interest	1.41
Total expenses	6.84 %
Net investment income before carried interest	2.12 %

The expense ratios and net investment income ratio above are calculated for all the limited partners taken as a whole. The computation of such ratios are based on the amount of expenses, carried interest and net investment income assessed to an individual limited partner's capital may vary from these ratios based on the timing of capital transactions and different fee arrangements. The above percentages include the Partnership's income and expenses and its proportionate share of income and expenses of the Master Funds.

Internal Rate of Return (IRR)	Limited Partners
IRR since inception date March 17, 2022 to December 31, 2024	12.95 %
IRR since inception date March 17, 2022 to December 31, 2025	12.34 %

IRR was computed based on the dates of cash inflows (capital contributions) and outflows (capital distributions), and the ending limited partners' capital at the end of the year (residual value) as of each measurement date. The IRR was computed net of all fees and Carried Interest to the General Partner.

The cumulative cash flow used in the IRR calculation are based on the inception-to-date contributions and residual value. An investor's actual economic return may not be consistent with the IRR return presented and could be materially different as a result of the limitations of the calculation.

9. Subsequent Events

Subsequent to December 31, 2025, the Partners contributed $1,727,821 to the Partnership.

The General Partners of the Master Funds have approved a plan of reorganization under which the Master Funds will transfer substantially all of their investments to a newly formed registered closed-end interval fund, LibreMax Asset-Backed Income Fund (the “Successor Fund”). The Successor Fund intends to register its shares under the Investment Company Act of 1940 and the Securities Act of 1933 through the filing of a registration statement on Form N-2 with the U.S.30 Securities and Exchange Commission. The investment objectives and strategies of the Successor Fund are expected to be substantially similar to those of the Master Funds.

The General Partner has evaluated subsequent events through March 31, 2026, the date the financial statements were available to be issued, and has determined that no additional items require disclosure.

COMBINED FINANCIAL STATEMENTS (UNAUDITED)

LibreMax Structured Opportunities Master Fund II, LP and
LibreMax Structured Opportunities (ECI) Master Fund II, LP,
collectively,
LibreMax Structured Opportunities Fund II
Year Ended December 31, 2025

LibreMax Structured Opportunities Fund II

Combined Financial Statements (Unaudited)

Year Ended December 31, 2025

Contents

LibreMax Structured Opportunities Fund II

Combined Statement of Financial Condition

December 31, 2025
(Expressed in U.S. Dollars)

Assets		
Cash and cash equivalents	$	462,144
Investments in securities, at fair value (cost $86,285,543)		99,216,428
Interest receivable		406,031
Due from brokers		206,455
Due from Feeder Funds		166,421
Total assets		100,457,469
Liabilities and Partners’ Capital		
Distributions payable		1,851,828
Credit facility		1,700,000
Management fee payable		282,329
Professional fees payable		183,467
Due to brokers		166,930
Due to Feeder Funds		25,048
Interest payable		8,909
Accrued expenses and other liabilities		46,654
Total liabilities		4,265,165
Partners’ Capital		
Limited partners		92,618,736
General partners		3,573,568
Total partners’ capital		96,192,304
Total liabilities and partners’ capital	$	100,457,469

See accompanying notes.

LibreMax Structured Opportunities Fund II

Combined Schedule of Investments

December 31, 2025
(Expressed in U.S. Dollars)

Description		Notional	Fair Value	Percentage of Partners' Capital
Investments in Securities				
Structured Debt Obligations				
United States				
Commercial Mortgage-Backed Securities ("CMBS")				
Preferred				
Tailor FT Myers Preferred Equity, coupon rate 15.43%, maturing 2035	$	21,323,492	21,423,050	22.26 %
Tacara San Antonio Preferred Equity, coupon rate 13.37%, maturing 2035	$	13,170,518	13,217,932	13.74
Total CMBS (cost $34,494,010)			**34,630,982**	**36.00**
Consumer Asset-Backed Securities ("Consumer ABS")				
Aircraft				
Worthington CRJ1000 JV 2025, coupon rate 0.00%, maturing 2026	$	4,904,522	13,147,262	13.67
Crestone JV2, coupon rate 0.00%, maturing 2040	$	2,647,720	5,262,866	5.47
Solar				
Sunnova Warehouse2 Class B, coupon rate 0.00%, maturing 2035	$	18,605,096	18,616,259	19.35
Sunnova Mezz Warehouse 2025, coupon rate 15.00%, maturing 2026	$	5,589,363	5,638,549	5.86
Total Consumer ABS (cost $31,673,675)			**42,664,936**	**44.35**
Home Equity Agreement				
Equity				
Unlock HEA Trust 2025-2, Certificates, coupon rate 0.00%, maturing 2041	$	2,869,707	3,261,353	3.39
Unlock HEA Trust 2025-2, Class D, coupon rate 0.00%, maturing 2041	$	5,332,008	2,348,425	2.44
Unlock HEA Trust 2025-1, Certificates, coupon rate 0.00%, maturing 2041	$	646,932	804,685	0.84
Unlock HEA Trust 2025-1, Class D, coupon rate 0.00%, maturing 2041	$	258,408	123,371	0.13
Mezzanine				
Unlock HEA Trust 2025-2, Class C, coupon rate 6.00%, maturing 2041	$	8,230,070	6,436,351	6.69
Senior				
Unlock HEA Trust 2025-2, Class A, coupon rate 6.00%, maturing 2041	$	6,481,660	6,471,492	6.73
Total Home Equity Agreement (cost $18,917,884)			**$ 19,445,677**	**20.22 %**

See accompanying notes.

LibreMax Structured Opportunities Fund II

Combined Schedule of Investments (continued)

December 31, 2025
(Expressed in U.S. Dollars)

Description	Notional	Fair Value	Percentage of Partners' Capital
Investments in Securities (continued)			
Structured Debt Obligations (continued)			
United States (continued)			
Single Borrower			
Equity			
Unlock Home Equity, coupon rate 0.00%,	$ 184,130	$ 2,474,823	2.57 %
Total Single Borrower (cost $1,199,974)		**2,474,823**	**2.57**
Total United States (cost $86,285,543)		**99,216,418**	**103.14**
Total Structured Debt Obligations (cost $86,285,543)		**99,216,418**	**103.14**
Total Investments in Securities (cost $86,285,543)		**$ 99,216,418**	**103.14 %**

LibreMax Structured Opportunities Fund II

Combined Statement of Operations

Year Ended December 31, 2025
(Expressed in U.S. Dollars)

Net realized and change in unrealized gain/(loss) on investment transactions		
Net realized gain on investment transactions	$ 9,398,768	
Net realized loss on derivative contracts	(230,927)	
Net realized gain on foreign currency transactions	50,158	
Net change in unrealized gain on investment transactions	228,632	
Net change in unrealized loss on derivative contracts	(81,627)	
Net gain on investment transactions		$ 9,365,004
Investment income		
Interest income	7,594,033	
Dividend income	127,635	
Total investment income	7,721,668	
Expenses		
Interest expense	1,072,719	
Deal legal expense	923,453	
Management fee	617,980	
Professional fees	330,481	
Market data expense	38,590	
Other expenses	235,466	
Total expenses	$ 3,218,689	
Net investment income		4,502,979
Net income		$ 13,867,983

See accompanying notes.

LibreMax Structured Opportunities Fund II

Combined Statement of Changes in Partners' Capital

Year Ended December 31, 2025
(Expressed in U.S. Dollars)

	Limited Partners	General Partner	Total
Partners' capital at beginning of year	$ 131,077,527	$ 3,807,076	$ 134,884,603
Capital contributions	—	—	—
Distributions	(50,540,152)	(2,020,130)	(52,560,282)
Pro-rata allocation of net income	13,702,899	165,084	13,867,983
Carried Interest	(1,621,538)	161,538	—
Partners' capital at end of year	$ 92,618,736	$ 3,573,568	$ 96,192,304

See accompanying notes.

LibreMax Structured Opportunities Fund II

Combined Statement of Cash Flows

Year Ended December 31, 2025
(Expressed in U.S. Dollars)

Cash flows from operating activities		
Net income	$	13,867,983
Adjustments to reconcile net income to net cash provided by operating activities:		
Net realized gain on investment transactions		(9,398,768)
Net change in unrealized gain on investment transactions		(228,632)
Net change in unrealized loss on derivative contracts		81,627
Purchase of investment securities		(45,718,793)
Proceeds from disposition of investment securities		102,993,178
Amortization of premiums/accretion of discounts		(95,936)
Net change in operating assets and liabilities:		
Interest receivable		785,006
Due from brokers		681,660
Due from Feeder Funds		(117,665)
Tax receivable		91,500
Other assets		521,318
Management fee payable		80,103
Professional fees payable		36,473
Due to brokers		166,930
Due to Feeder Funds		17,523
Interest payable		(4,847)
Accrued expenses and other liabilities		19,861
Net cash used in operating activities		63,778,521
Cash flows from financing activities		
Proceeds from capital contributions		4,094,770
Payments for distributions, net of distributions payable		(55,583,224)
Payments on loan borrowing		(856,275)
Proceeds from credit facility		7,100,000
Payments on credit facility		(7,250,000)
Net proceeds for securities sold under agreements to repurchase		(12,097,379)
Net cash used in financing activities		(64,592,108)
Net change in cash and cash equivalents		(813,587)
Cash and cash equivalents at beginning of year		1,275,731
Cash and cash equivalents at end of year	$	462,144
Supplemental disclosure of cash flow information		
Cash paid during the period for interest	$	1,077,566

1. Organization

LibreMax Structured Opportunities Master Fund II, LP (the "Non-ECI Master Fund") was organized as a Cayman Islands exempted limited partnership on January 31, 2022. LibreMax Structured Opportunities (ECI) Master Fund II, LP (the "ECI Master Fund" and together with the Non-ECI Master Fund, the "Master Funds", or the "Debtors") was organized as a Delaware limited partnership on February 9, 2022. The Master Funds commenced operations on March 17, 2022. The Non-ECI Master Fund accepted capital starting March 1, 2023.

As of December 31, 2025, the Master Funds wholly owned or held majority interests in United States limited liability companies and trusts that invest directly in debt and equity securities.

The investment objective of the Master Funds is to generate attractive returns through investments in a variety of securitized and structured products and credit-related investments. To achieve the Master Funds' objective, the Investment Manager (as defined below) employs an extensive micro-credit analysis and a rigorous underwriting process that complements a thematic macro approach to portfolio construction. The Investment Manager (defined below) believes that a strategy based on the foregoing investment process will generate attractive returns.

The Master Funds receive all of their investing capital from LibreMax Structured Opportunities Partners II, LP (the "Domestic Fund") and LibreMax Structured Opportunities Offshore Partners II, LP (the "Partnership") (collectively, the "Feeder Funds") and LibreMax GP, LLC (the "General Partner") and LibreMax Structured Opportunities (ECI) GP, LLC (the "General Partner", and collectively with LibreMax GP, LLC, the "General Partners"). The Partnership invests its assets in the Master Funds through LibreMax Structured Opportunities Onshore II, LLC (the "ECI Intermediate Fund") and LibreMax Structured Opportunities Offshore II, LLC (the "Non-ECI Intermediate Fund", and together with the ECI Intermediate Fund, the "Intermediate Funds"). The Domestic Fund and the Partnership held approximately 71.08% and 25.21%, respectively, of the Master Funds at December 31, 2025. In addition, the General Partners, affiliates of the Investment Manager, held 3.71% of the Master Funds as of December 31, 2025.

LibreMax Capital, LLC (the "Investment Manager"), a Delaware limited liability company, serves as the investment manager for the Master Funds, the Intermediate Funds and the Feeder Funds, and in such capacity, makes all investment decisions and provides certain administrative services to the Master Funds. The Investment Manager is registered as an investment adviser with the Securities and Exchange Commission under the Investment Advisers Act of 1940.

1. Organization (continued)

International Fund Services (N.A.), L.L.C. (the "Administrator"), a subsidiary of State Street Alternative Investment Solutions, was appointed as the administrator for the Master Funds. The Administrator also acts as the transfer agent for the Master Funds and Feeder Funds. For the year ended December 31, 2025, the administration fee was $87,000, which is included in professional fees on the Combined Statement of Operations.

The General Partners are responsible for the overall management and control of the Master Funds and have delegated the making and approval of any investment decisions to the Investment Manager and the day-to-day administrative functions to the Administrator.

The Master Funds are funded with Capital Commitments during the investment period, which commenced on the Initial Closing date of March 17, 2022 and will end on the twelfth month end following the Initial Closing or at such earlier time as the General Partners may determine. The Harvest Period is the period commencing on the expiration or termination of the Investment Period and ending on the fourth anniversary thereof provided, however, that the Harvest Period may be extended twice by the General Partners, in their sole discretion, up to one year for each extension, upon at least thirty days' prior notice to the Limited Partners. The Feeder Funds had one closing with the totalling capital commitments of $152,450,000. Any additional contribution subsequent to the first close must make a capital contribution in an amount equal to the aggregate amount of Capital Contributions that would have been made by such Additional Partner had such Additional Partner been admitted to the Feeder Funds on the Initial Closing (together with all other Additional Partners) with respect to such New Commitment. The additional contributions must also pay to the Feeder Funds, on the date of such Initial Additional Capital Contribution, an amount (the "Make-Up Amount") equal to interest at the rate equal to the sum of 8% per annum, calculated with respect to each set of Capital Contributions made prior to the Initial Additional Capital Contribution for the period starting on the applicable drawdown date for such Capital Contributions and ending on the due date for the Initial Additional Capital Contribution. The Master Funds did not have any additional closings.

Capitalized terms used but not defined herein shall have the meaning assigned to them in the Master Funds' offering memoranda.

2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Master Funds in the preparation of its combined financial statements.

2. Summary of Significant Accounting Policies (continued)

Basis of Accounting

The Master Funds' accounting policies are in conformity with accounting principles generally accepted in the United States of America. The Master Funds maintain their financial records in United States dollars. The Master Funds are investment companies that follow the accounting and reporting guidance of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") No. 946, "*Financial Services - Investment Companies*". For financial reporting purposes, the Master Funds follow the accrual method of accounting.

The combined financial statements reflect holdings and operations of LibreMax Structured Opportunities Master Fund II, LP and LibreMax Structured Opportunities (ECI) Master Fund II, LP as these entities are under common control and management. The Investment Manager believes this to be a more meaningful presentation.

Investment Valuation

Any security listed on a national exchange or national market and freely transferable shall be valued at the last sale price on the principal exchange or market reflected on the consolidated tape at the close of the exchange or "official closing price" on the national exchange. If no sales occurred on the relevant business day, the security is valued at the mean between the last "bid" and "ask" price at the close of business on such day. A security that was not traded on its principal exchange or market shall be valued at the last quoted sales price on the next most active exchange or market unless the General Partners determine that such price is not representative of fair value, in which case quotations from financial publications or recognized pricing services will be used.

A put or call option that is listed on a national options exchange shall be valued at the mean between the last "bid" and "ask" price for such option on such date.

Any security traded over the counter and not listed on an exchange or market that is freely transferable is valued at the mean or "mid" between the last "bid" and "ask" price at the close of business on such day, or if no mid price is available, such security shall be valued at the bid price.

The core positions of the Master Funds, primarily structured debt obligations, are valued using marks obtained from the broker/dealer community and pricing vendors. The Investment Manager seeks to obtain multiple marks for every position in the Master Funds, and averages the marks to arrive at the final price for the relevant valuation date. However, in certain cases, only one price may be available, in which case the position shall be valued using a single price.

2. Summary of Significant Accounting Policies (continued)

Investment Valuation (continued)

Any futures or similar contract or any option on any such instrument traded on an exchange is valued using the most recent available closing quotation on such exchange.

Non-exchange traded derivatives, such as forward contracts, credit default swaps, total return swaps and swaptions are valued from a potential range of sources including the counterparty to a contract, a pricing vendor or broker quotes.

Certain investments in securities may be valued at fair value as determined by the General Partners, in consultation with the Investment Manager, in the absence of readily determinable market inputs. Among the factors considered by the Investment Manager in determining fair value are: the type of security, trading in unrestricted securities of the same issuer, the financial condition of the issuer, the Master Funds' cost at the date of purchase, inputs relevant to the fair valuation of the security (including, but not limited to: constant default rates, constant prepayment rates, loss severities, liquidity constraints, yield curves and manager behavior). The fair values determined in accordance with these procedures may differ significantly from the amounts which would be realized upon disposition of the securities. As of December 31, 2025, none of the Master Funds' investments were fair valued based on an internal model developed by the Investment Manager.

The General Partners have delegated to the Investment Manager the determination of the fair value of securities in accordance with the principles set out above. Although the Investment Manager uses its best judgment and good faith in estimating the fair value of investments, there are inherent limitations in any estimation technique. Future events may affect the estimates of fair value, including the ultimate liquidation of investments, and the effect could be material to the combined financial statements.

Investment Transactions, Income and Expenses

The Master Funds record investment transactions on a trade date basis. Discounts and premiums on investments are amortized over the remaining life of the respective investments using the effective interest method. Realized gains and losses on investments are determined on the specific identification basis. Interest income and expense are recorded on the accrual basis. Principal paydowns are recorded on a transaction date basis. Dividend income and expense are recorded on the ex-dividend date. Expenses are recorded on an accrual basis. Direct expenses related to the Feeder Funds, which are paid by the Master Funds are specifically allocated to the Feeder Funds to which they relate.

2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents include short-term investments with a maturity of three months or less when purchased and consists of cash and overnight time deposits held with financial institutions and short-term money market funds. At December 31, 2025, the Master Funds held $462,144 in Goldman Sachs Financial Square Government Fund Class FST. The money market funds meet the criteria for Level I investment as defined in the fair value hierarchy as described in Note 3. The money market funds seek to maintain a stable net asset value per share of $1.00. While the Master Funds seek to purchase and sell shares at this net asset value, the share price of the money market funds could be negatively affected during periods of high redemption pressures or illiquid markets. Cash is held with financial institutions which may exceed insured limits. Cash deposited with banks is subject to credit risk, to the extent it is not covered by Federal Deposit Insurance Corporation ("FDIC") insurance limits. In the event of a financial institution's insolvency, the Master Funds may be unable to recover some or all of its cash balances that are not covered by FDIC.

Income Taxes

The Non-ECI Master Fund is organized as an exempted limited partnership under the laws of the Cayman Islands and, generally, is not subject to United States federal income tax, except for withholding taxes applicable to certain income.

The ECI Master Fund is not subject to U.S. federal, state or local taxes. Accordingly, no provision has been made in the accompanying combined financial statements for federal, state or local taxes. Each partner separately takes into account, on its tax return, its share of the income, gains, losses, deductions or credits for the ECI Master Fund's taxable income and gain whether or not any distribution is made to any partner.

ASC 740, *"Income Taxes"*, provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the combined financial statements. The standard requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Master Funds' tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet a more-likely-than-not threshold would be recorded as a tax expense. For all open periods from March 17, 2022 (commencement of operations) to December 31, 2025, the Master Funds remain subject to examination by U.S. Federal and state jurisdictions where the Master Funds make investments.

2. Summary of Significant Accounting Policies (continued)

Income Taxes (continued)

Management has performed an analysis of the Master Funds' material tax positions and has determined that such positions meet a more-likely-than-not standard. The Investment Manager is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecorded taxes will significantly change in the next twelve months.

The Investment Manager continually reviews the Master Funds' tax positions and such conclusions under the FASB guidance to determine if a liability should be recorded based on ongoing analyses of tax laws and regulations and interpretations thereof and other factors. As of and during the year ended December 31, 2025, the Master Funds did not have any liabilities or expense for any unrecognized tax positions. The Master Funds recognize interest and penalties, if any, related to unrecognized tax positions as income tax expense in the Combined Statement of Operations. During the year, the Master Funds did not incur any tax related to interest or penalties.

Use of Estimates

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the amounts reported in the combined financial statements and accompanying notes. Management believes that the estimates utilized in preparing the combined financial statements are reasonable and prudent; however, actual results could differ from those estimates.

3. Fair Value Measurements and Disclosures

Fair value represents the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an orderly transaction between market participants at the measurement date (an exit price). The FASB issued an accounting standard that establishes a fair value hierarchy for the inputs used in valuation models and techniques used to measure fair value. An investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

3. Fair Value Measurements and Disclosures (continued)

Assets and liabilities measured at fair value are classified into one of the following categories:

- Level I – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. The types of investments which would generally be included are equities and derivatives listed on a securities exchange.

- Level II – Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly (inputs include quoted prices for similar investments in active markets, interest rates and yield curves, credit risk assessments, etc.).

  The types of investments which would generally be included in this category are certain structured debt obligations such as mortgage-backed securities ("MBS"), asset-backed securities ("ABS"), or other similar investments and certain over-the-counter derivatives.

- Level III – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable (including the Investment Manager's own assumptions about what market participants would use in determining the fair value of investments). The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. The types of investments which would generally be included in this category are certain structured debt obligations, private equity and/or debt securities issued by private entities.

The Investment Manager has established a Valuation Committee responsible for overseeing the fair valuation of all securities held in the Master Funds' portfolios. The Valuation Committee meets on a monthly basis and as frequently as needed. Its primary functions include: adopting and reviewing fair valuation policies, determining fair values, establishing and reviewing fair valuation methodologies, and addressing the adequacy and consistency of application of fair valuation pricing policies and procedures.

The Investment Manager obtains market price quotations for use in the fair valuation of the Master Funds' portfolio on a monthly basis. The Investment Manager seeks to obtain quoted "bid" and "ask" or "mid" prices from at least two, if possible, broker/dealers, pricing services, valuation agents, or other independent pricing sources. If a "bid" and "ask" quotation is received, the mean or "mid" will be calculated. If two or more quotations are obtained by the Investment Manager for a security, the average of such quotations shall be used. If no mid price is available, such security shall be valued at the bid price. Certain market price quotations may be disregarded and deemed to be outliers if in the reasonable judgment of the Investment Manager the quotations are not representative of the market. Quotations that are deemed to be outliers would be presented and approved by the Valuation Committee.

3. Fair Value Measurements and Disclosures (continued)

Valuations for fixed income securities and derivatives presented in the Master Funds' fair value hierarchy tables are generally based on market price quotations or recently executed market transactions (where observable) and are generally classified as Level II. Inputs into market quotations are observable and may include quoted prices for similar investments in active or inactive markets, interest rates, yield curves and forward currency rates, constant default rates, constant prepayment rates, loss severities, liquidity constraints and manager behavior. If these inputs are unobservable and significant to the fair value, these investments will be classified as Level III.

In the absence of consistently available market price quotations that reflect observable market inputs, investments are generally classified as Level III. The Investment Manager may use a variety of valuation techniques in the fair value process including, but not limited to, recent market transactions, single market quotations, discounted cash flow models, market approaches and option value models. The Investment Manager may use one or a combination of these valuation techniques in determining the fair value of a Level III investment.

During the year ended December 31, 2025, there were no changes to the Master Funds' valuation techniques that had, or are expected to have, a material impact on its financial position or results of operations.

3. Fair Value Measurements and Disclosures (continued)

The following fair value hierarchy tables present information about the Master Funds' assets and liabilities measured at fair value on a recurring basis as of December 31, 2025. Refer to the Combined Condensed Schedule of Investments for further details on the industry and geographic concentrations, which has been prepared based on the geographic location of the issuer.

	Assets at Fair Value			
	Level I	**Level II**	**Level III**	**Total**
Investments in Securities				
Structured Debt Obligations				
CMBS				
Preferred	$ —	$ —	$ 34,630,982	$ 34,630,982
Consumer ABS				
Aircraft	—	—	18,410,128	18,410,128
Solar	—	—	24,254,808	24,254,808
Home Equity Agreement				
Equity	—	6,537,834	—	4,189,409
Mezzanine	—	6,436,351	—	8,784,776
Senior	—	6,471,492	—	6,471,492
Single Borrower				
Equity	—	—	2,474,823	2,474,823
Total Investments in Securities	$ —	$ 19,445,677	$ 79,770,741	$ 99,216,418

The following table summarizes the purchases and transfers of the Master Funds' Level III assets for the year ended December 31, 2025:

	Investments in Securities
	Structured Debt Obligations
Investment purchases	$ 24,459,878

There were no transfers in or transfers out of Level III assets for the year ended December 31, 2025.

Master Funds' Level III Investments are valued using prices obtained from third party pricing specialists without adjustments.

3. Fair Value Measurements and Disclosures (continued)

Derivative Financial Instruments and Hedging Activities

The Master Funds may enter into derivative contracts to manage the Master Funds' currency exchange risk, interest rate risk, credit risk and other exposure risks. The types of derivative contracts generally used by the Master Funds are equity and equity index options, swaps, swaptions and futures. Investment companies account for their derivatives at fair value and record any changes in fair value in current period earnings. As such, even though the Master Funds may use derivatives in an attempt to achieve an economic hedge, the Master Funds' derivatives are not considered to be hedging instruments. Instead, the Master Funds have designated these derivative instruments as trading instruments.

Certain of the Master Funds' derivative contracts have been transacted pursuant to bilateral agreements with certain counterparties that gives the counterparties the right to terminate the transactions if the Master Funds' partners' capital decline below an agreed upon level (a "Trigger Event"). If a Trigger Event had occurred at December 31, 2025 for those contracts in a net liability position where counterparties are permitted to terminate the open derivative contracts, additional amounts may be required to be posted. As of December 31, 2025, the Master Fund was not subject to a Trigger Event. As of December 31, 2025, the Master Funds do not hold any derivative contracts.

The following table summarizes the gains and losses reported on derivatives designated as trading instruments as included in the Combined Statement of Operations for the year ended December 31, 2025:

Derivative Type	Primary Risk Exposure	Net Realized Gain (Loss) on Derivatives	Net Change in Unrealized Gain (Loss) on Derivatives	Volume of Activity[1] Asset	Volume of Activity[1] Liability
Futures Contracts	Foreign Exchange	(230,927)	(81,627)	$ 6,037	$ —
Total Derivative Contracts		$ (230,927)	$ (81,627)		

[1]The volume of activity represents the average quarterly notional exposure (in thousands) during the period.

4. Offsetting Assets and Liabilities

The Master Funds are required to disclose the impact of offsetting assets and liabilities represented in the Combined Statement of Financial Condition to enable users of the financial statements to evaluate the effect or potential effect of netting arrangements on its financial position for recognized assets and liabilities. These recognized assets and liabilities are financial instruments and derivative instruments that are either subject to an enforceable master netting arrangement or similar agreement or meet the following right of set off criteria: the amounts owed by the Master Funds to another party are determinable, the Master Funds have the right to set off the amounts owed with the amounts owed by the other party, the Master Funds intend to set off, and the Master Funds' right of set off is enforceable at law.

Excluding the criteria that the Master Funds intend to set off, securities purchased under agreements to resell and securities sold under agreements to repurchase need to meet the following additional criteria to be offset: positions are with the same counterparty, have the same explicit settlement date specified at the inception of the agreements, are executed in accordance with a master netting arrangement, have securities underlying the agreements that exist in book entry form and can be transferred only by means of entries in the records of the transfer system operator or securities custodian, will both be settled on a securities transfer system and have an associated banking arrangement in place as described by FASB, and intends to use the same account at the clearing bank or other financial institution at the settlement date in transacting both the cash inflows resulting from the settlement of the securities purchased under agreements to resell and the cash outflows in settlement of the offsetting securities sold under agreements to repurchase.

As of December 31, 2025, the Master Funds does not hold financial instruments and derivative instruments that are eligible for offset in the Combined Statement of Financial Condition and are subject to a master netting arrangement. The master netting arrangement allows the counterparty to net applicable collateral held on behalf of the Master Funds against applicable liabilities or payment obligations of the Master Funds to the counterparty. These arrangements also allow the counterparty to net any of its applicable liabilities or payment obligations they have to the Master Funds against any collateral sent to the Master Funds. The Master Funds do not designate or account for any derivative instruments as hedging instruments as defined under ASC 815, *"Derivatives and Hedging"*. Additionally, the Master Funds have elected not to offset the cash collateral against the fair value of the derivative contracts on the Combined Statement of Financial Condition.

5. Due from/to Brokers

Securities transactions of the Master Funds are primarily maintained, cleared and held by registered U.S. broker/dealers pursuant to clearance agreements. At December 31, 2025, the due from brokers balance in the Combined Statement of Financial Condition includes cash at these brokers and amounts receivable for securities transactions pending settlement.

As of December 31, 2025, the due to brokers balance in the Combined Statement of Financial Condition includes amounts payable for securities transactions pending settlement.

Investments in securities held by the clearing brokers are pledged to the clearing brokers on terms which permit the clearing brokers to sell or repledge the securities to others, subject to certain limitations. The Master Funds had substantial counterparty credit risk with these brokers and their affiliates.

In the ordinary course of business of trading in securities, the Master Funds may borrow funds on margin and, therefore, the clearing brokers will use securities pledged by the Master Funds to facilitate these activities. Margin interest is paid at floating interest rates based upon the Fed Funds rate or Secured Overnight Financing Rate (SOFR). SOFR is a benchmark interest rate for dollar-denominated derivatives and loans. SOFR uses actual costs of transactions in the overnight repo market, calculated by the New York Federal Reserve. As of December 31, 2025, the Master Funds did not have an outstanding margin balance.

6. Financing Arrangements

On June 26, 2024, the Lexington SO2 Unlock Borrower, LLC with LibreMax Structured Opportunities (ECI) Master Fund II, LP as the Sponsor, entered into a loan and security agreement ("Loan Agreement") with East West Bank. Credit Extensions in an aggregate amount cannot exceed at any time the Revolving Loan Commitment of $20,000,000 and (ii) in an aggregate amount not to exceed at any time outstanding the lesser of the Maximum Loan Amount, as the same may be increased from time to time pursuant to the terms and provisions thereof, and the Borrowing Base.

The collateral for credit extensions are the right, title and interest of Borrower in and to the Trust, the Trust Fund and the Trust Certificates (including all Collections received thereunder and the beneficial rights evidenced thereby in any property that underlies or may be deemed to secure the respective interests in the Trust represented by the Trust Certificates) and any related rights, remedies, powers and privileges of the holder thereof under the related Unlock Agreements. The advances on the facility shall bear interest, on the outstanding daily balance at a rate of 1 Month Term SOFR plus spread of 3.15%. In November 2025, the loan was paid off in full and the agreement with East West Bank was terminated.

6. Financing Arrangements (continued)

During the year ended December 31, 2025, the Master Funds incurred interest expense in the amount of $923,326 and there was no principal balance outstanding on the facility at year end.

On April 1, 2022, the Master Funds entered into a loan and security agreement ("Loan Agreement") with Pacific Western Bank. Credit Extensions are available up to a maximum aggregate outstanding principal amount being the lesser of (i) one hundred million dollars and (ii) thirty percent of Capital Commitments. The collateral for credit extensions are All Uncalled Committed Capital of the Debtor's Partners, Capital Contributions of the Debtor's Partners, Capital Calls to the Debtor's Partners, and all other proceeds and rights to payment from the Debtor's Partner of such Partner's Uncalled Committed Capital. The advances on the facility shall bear interest, on the outstanding daily balance at a variable annual rate equal to the greater of: one half of one percent (0.50%) below the Prime Rate then in effect; or 2.85%. In February 2026, the facility was paid off in full and the agreement with Pacific Western Bank was terminated.

During the year ended December 31, 2025, the Master Funds incurred interest expense in the amount of $149,394 and there was $1,700,000 principal balance outstanding on the facility at year end.

7. Related Party Transactions

Management Fee and Other Expenses

The Master Funds will pay to the Investment Manager a monthly management fee calculated at an annual rate of 1.50% of the value of the Feeder Funds' partners' capital (the "Management Fee"). The Management Fee is paid monthly in advance based on the value of each Feeder Fund's partners' capital as of the first business day of each month, adjusted for contributions and withdrawals made during the month. The Investment Manager, in its sole discretion, may waive or modify the Management Fee for limited partners of the Feeder Funds that are members, employees or affiliates of LibreMax GP, LLC or the Investment Manager, relatives of such persons, and for certain large or strategic investors. An affiliate of the Anchor Investor is entitled to receive a portion of the Management Fee.

The Management Fee for the year ended December 31, 2025 amounted to $617,980, of which $282,329 remained payable as of that date.

7. Related Party Transactions (continued)

Direct Fund Expenses Incurred by the Investment Manager

The Master Funds are responsible for the Management Fee, investment expenses such as commissions and research fees, audit and tax preparation expenses, administrative expenses, legal expenses, operating and accounting expenses (including external accounting expenses and reimbursement of the cost of operating and accounting expenses provided by the Investment Manager or its affiliates), valuation expenses, asset management services, organizational expenses, insurance expenses, fees and expenses of any service companies, other similar expenses related to the Master Funds, extraordinary expenses, and state, local and foreign taxes relating to portfolio investments. To the extent that expenses to be borne by the Master Funds are paid by the Investment Manager, or any of their affiliates, such expenses will be allocated from and reimbursed to such party by the Master Funds. For the year ended December 31, 2025, such expenses amounted to $73,636 and are included in market data expense and other expenses on the Combined Statement of Operations. As of December 31, 2025, there were no such expenses payable to the Investment Manager.

Related Party Ownership

As of December 31, 2025, the General Partners and their affiliated parties' investment in the Master Funds (directly and indirectly) amounted to $3,573,568 or 3.71% of total partners' capital of the Master Funds.

8. Risk Management

Special risks may be associated with the Master Funds' investments in structured credit products, collateralized debt obligations, collateralized mortgage obligations, collateralized bond obligations, collateralized loan obligations, synthetic credit portfolio transactions and asset backed securities. For example, synthetic portfolio transactions may be structured with two or more classes of tranches that receive different proportions of the interest and principal distributions on a pool of credit assets. The yield to maturity of a tranche may be extremely sensitive to the rate of defaults in the underlying reference portfolio. A rapid change in the rate of defaults may have a material adverse effect on the yield to maturity. It is therefore possible that the Master Funds may incur losses on its investments in structured products regardless of their ratings by S&P or Moody's. Additionally, the securities in which the Investment Manager is authorized to invest include securities that are subject to legal or contractual restrictions on their resale or for which there is a relatively inactive trading market. Securities subject to resale restrictions may sell at a price lower than similar securities that are not subject to such restrictions.

8. Risk Management (continued)

Market risk is the risk of potential adverse changes to the fair value of financial instruments and their derivatives because of changes in market conditions such as interest and currency rate movements and volatility in security prices. Off-balance sheet market risk exists when the maximum potential loss on a particular investment is greater than the value of such investment, as reflected on the Combined Statement of Financial Condition. The off-balance sheet market risk associated with the various financial instruments that the Master Funds invest in as part of its investment strategy is discussed throughout the notes. The Master Funds invest in commercial real estate loans. Until commercial real estate loans are sold or mature, the Master Funds are exposed to credit risk relating to whether the borrower will meet its obligations when they come due. Commercial real estate loans held by the Master Funds' may include financing commitments obligating the Master Funds to advance additional amounts on demand. At December 31, 2025, the Master Funds had no remaining unfunded commitments related to these investments.

Credit risk is the risk that counterparties may fail to fulfil their obligations or that the collateral value becomes inadequate. The Master Funds attempt to minimize its credit risk by monitoring the credit exposure with, and the creditworthiness of, counterparties. The Master Funds reduce its credit risk with counterparties by entering into master netting agreements with its counterparties, where possible. Therefore, the Master Funds exposure to certain counterparties will either be an asset, if the gross fair value of the derivatives in an asset position exceeds the gross fair value of the derivatives in a liability position, or a liability if the gross fair value of the derivatives in a liability position exceeds the gross fair value of the derivatives in an asset position.

The Master Funds' exposure to credit risk associated with counterparty non-performance is generally limited to any collateral posted as margin plus any unrealized gain amount on any open contracts, less any collateral received. The notional amounts of derivatives do not represent the Master Funds' maximum risk of loss due to counterparty non-performance.

The Master Funds also have a risk with counterparties that it may not always be possible to achieve segregation of the Master Funds assets from other assets of the counterparties and there may be practical or timing problems associated with enforcing the Master Funds rights to its assets in the case of the counterparties' insolvency.

There are risks involved in dealing with the custodians or prime brokers who settle trades. Under certain circumstances, including certain transactions where the Master Funds' assets are pledged as collateral for leverage from a non-broker-dealer custodian or a non-broker-dealer affiliate of the prime broker, the securities and other assets deposited with the custodian or broker may be exposed to a credit risk with regard to such parties. In addition, there may be practical or time problems associated with enforcing the Master Funds' rights to its assets in the case of an insolvency of any such party.

8. Risk Management (continued)

The Master Funds invest in fixed income securities. Until such investments are sold or mature, the Master Funds are exposed to credit risk relating to whether the issuer will meet its obligations as they come due.

The Master Funds have exposure to interest rate risks to the extent prevailing interest rates change and it could negatively affect the value of the Master Funds.

In the normal course of business, the Master Funds maintain their cash balances in financial institutions, which at times may exceed federally insured limits. The Master Funds are subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfil contractual obligations on its behalf. Management monitors the financial condition of such financial institutions and does not anticipate any losses from these counterparties.

The Master Funds are subject to risks associated with unforeseen or catastrophic events, including geopolitical issues, wars, terrorist attacks, natural disasters, and the emergence of a pandemic or other public health emergencies, which could create economic, financial and business disruptions. These events could lead to operational difficulties that could materially impair the General Partners' ability to manage the Master Funds' activities potentially resulting in material financial losses to the Master Funds and its shareholders.

Structured Debt Obligations

The Master Funds may invest in structured debt obligations such as collateralized debt obligations, collateralized mortgage obligations, collateralized bond obligations, collateralized loan obligations or similar instruments. Structured debt obligations may entail a variety of unique risks. Among other risks, structured debt obligations may be subject to prepayment risk.

In addition, performance of a structured finance security will be affected by a variety of factors, including its priority in the capital structure of the issuer thereof, the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans or other assets that are being securitized, remoteness of those assets from the originator or transferor, the adequacy of and ability to realize any related collateral and the capability of the servicer of the securitized assets.

9. Indemnifications

The Master Funds enter into agreements that may contain indemnifications or warranties. Future events could occur that lead to the execution of these provisions against the Master Funds. Based on its history and experience, management considers that the likelihood of such an event is remote. The Master Funds also enter into contracts with its service providers and other parties that contain a variety of indemnifications. The Master Funds maximum exposure under these arrangements is unknown. However, the Master Funds have not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote. Therefore, no liability has been recorded with respect to these indemnifications.

10. Partners' Capital

Committed Capital

The initial closing of the sale of Interests took place on March 17, 2022, as agreed to by the General Partners. Income will be allocated to the partners pro-rata based on each partners' capital commitment to the Master Funds.

The Master Funds will accept capital commitments during the initial closing and any subsequent closings at the discretion of the General Partners. Capital Contributions will be made pursuant to capital calls by the General Partners. The General Partners may call for Capital Contributions from time to time pro rata among the Partners based on their Capital Commitments in such increments of the Partners' Capital Commitments as the General Partners determine, subject, in each case, to adjustment for reductions or waivers of the Management Fee, to account for expenses specifically attributable to a Limited Partner or a group of Limited Partners and exclusions from certain types of investments. The General Partners will provide each Partner with a written drawdown notice at least ten business days prior to the date on which a Capital Contribution is due. During the Investment Period, the General Partners will be permitted to reinvest (or retain for reinvestment or for other purposes) all or a portion of any Investment Proceeds received during the Investment Period. After the Investment Period, all Investment Proceeds constituting Distribution Proceeds will generally be distributed by the General Partners.

To the extent the Feeder Funds make a distribution of Distribution Proceeds to the Partners during the Investment Period representing a return of capital under the distribution waterfall, such return of capital will be added to the Partners' remaining Capital Commitments and will be subject to recall. Of the $151,775,000 of commitments in the Master Funds, $113,301,480 has been called with a remaining commitment of $38,473,520. Of the total commitments, the General Partners have commitments to the Master Funds of $1,775,000 and $1,318,530 has been called with a remaining commitment of $456,470.

10. Partners' Capital (continued)

Distributions and Carried Interest Distributions

As stated in the Master Funds' confidential private placement memorandum, the General Partner will cause the Master Funds to make distributions at least quarterly to the limited partners of the Master Funds after the Investment Period (which is defined as commencement on the Initial Closing and end on the twelfth month end following the Initial Closing or at such earlier time as the General Partners may determine) of Investment Proceeds (defined below), in each case net of any expenses or other obligations of the Master Funds and reserves for existing or anticipated obligations of the Master Funds, including the Master Funds' expenses, organizational expenses, operating reserves, and any amounts held back for Tax Distributions or any other permitted purpose ("Distribution Proceeds"); provided that the Feeder Funds will not be required to make a distribution with respect to a particular quarter unless it has at least $1,000,000 in Distribution Proceeds to distribute at such time.

"Investment Proceeds" means all proceeds, including all dividends and interest received by the Master Funds in respect of any payment, sale, principal payment, refinancing, recapitalization, redemption, repayment, exchange, distribution or other similar transaction with respect to any portfolio investments.

Distribution Proceeds will be calculated without taking into account Management Fees and expenses specifically attributable to the investment of a Limited Partner or group of Limited Partners, which are accounted for by separately calling capital for such amounts or deducting such amounts from such Limited Partner or group of Limited Partner's share of Distribution Proceeds (either on behalf of each such Limited Partner or group of Limited Partners) after the apportionment described below.

Immediately prior to a distribution, Distribution Proceeds will be apportioned among the General Partners, in their capacity as the general partners of each Master Fund, the Domestic Fund and the Intermediate Funds, and distributions will be made to the Intermediate Funds (on behalf of the Partnership on behalf of each Partner on a Partner-by-Partner basis) and to the Domestic Fund on behalf of each Domestic Investor on a Domestic Investor-by-Domestic Investor basis (i) in the case of Distribution Proceeds attributable to a specific portfolio investment, to the Domestic Fund, the General Partners and the Intermediate Funds in accordance with their respective Master Fund Participation Percentage with respect to such portfolio investment (subject to adjustment for excused participation, exclusion or default by a Limited Partner), and (ii) in the case of Distribution Proceeds not attributable to a specific portfolio investment, to the Domestic Fund, the General Partners and the Intermediate Funds in accordance with their respective Master Fund Participation Percentage at the time of such distribution.

10. Partners' Capital (continued)

Distributions and Carried Interest Distributions (continued)

Distribution Proceeds initially apportioned to the Intermediate Funds (on behalf of the Partnership), on behalf of a Limited Partner, will be distributed by the Master Funds to the Intermediate Funds (on behalf of the Partnership on behalf of a Limited Partner), on the one hand, and the General Partners, on the other hand, in the following order of priority (after deduction for Management Fees and expenses specifically attributable to the investment of such Limited Partner (e.g., any Investor-Related Taxes)):

(1) Return of Capital: First, 100% to the Feeder Funds, until the Feeder Funds have received, in aggregate, cash distributions equal to the Feeder Funds' capital contributions to the Master Funds (through the Intermediate Funds, where applicable), taking into account all prior distributions made pursuant to this clause (1);

(2) Hurdle Return: Second, 100% to the Feeder Funds, until the Feeder Funds, has received aggregate amounts (taking into account all prior distributions made pursuant to this clause and clause (4) below) equal to the Hurdle Return. The "Hurdle Return" means such payments that would result in a compounded rate of return equal to 8% per annum in respect of unreturned capital contributions made by the Feeder Funds to the Master Funds from the date on which the Feeder Funds were required to fund such capital contributions made by the Feeder Funds, to the Master Funds (or the date on which such capital contributions were funded, if later) until the date of return of such contributions to the Feeder Funds by the Master Funds (on a first-in, first-out basis), taking into account the amount and effective date of each capital contribution, distribution and recall of distribution; provided, however, that capital contributions made by the Feeder Funds in respect of the Initial Additional Capital Contribution for each Partner with respect to any New Commitment will be deemed to have been made as of the date of the corresponding Capital Contributions of the Partners admitted as of the Initial Closing (or if there have been multiple Capital Contributions of such Partners, then, on a pro rata basis, as of the respective dates of such Capital Contributions) for purposes of calculating the applicable Hurdle Return;

(3) Catch-up: Third, 100% to the General Partner until such time as the General Partners have received in respect of the Feeder Funds, 20% of the aggregate amount distributed in respect of the Feeder Funds under clause (2) and to the General Partners under this clause (3); and

(4) 80/20 Split: Fourth, (x) 80% to the Feeder Funds and (y) 20% to the General Partners (the "Carried Interest Distributions").

10. Partners' Capital (continued)

The General Partners may waive the Carried Interest Distributions with respect to any General Partners related investors, and the General Partners may waive or calculate differently the Carried Interest Distributions with respect to any other Limited Partners. For the year ended December 31, 2025, the Carried Interest earned by the General Partners was $1,621,538 and, as of December 31, 2025, the cumulative Carried Interest earned by the General Partners was $5,417,380.

Co-Investments

The Investment Manager and its affiliates may, from time to time, offer one or more Limited Partners or investors in Other Accounts and/or other third-party investors the opportunity to co-invest with the Master Funds in particular investments. The Investment Manager will allocate co-investment opportunities in a manner consistent with its policies and procedures. The Investment Manager and its affiliates are not obligated to arrange co-investment opportunities, and no Limited Partner will be obligated to participate in such an opportunity. The Investment Manager and its affiliates have sole discretion as to the amount (if any) of a co-investment opportunity that will be allocated to a particular Limited Partner and may allocate co-investment opportunities instead to investors in Other Accounts or to third parties.

11. Financial Highlights

The following represents ratios to average limited partners' capital and internal rate of return information for the year ended December 31, 2025:

	Limited Partners
Ratios to average Limited Partners' capital	
Expenses before interest expense and carried interest	2.12 %
Interest expense	1.06
Carried interest	1.62
Total expenses	4.80 %
Net investment income before carried interest	4.44 %

The expense ratios and net investment income ratio above are calculated for all the limited partners taken as a whole. The computation of such ratios based on the amount of expenses, carried interest and net investment income assessed to an individual limited partner's capital may vary from these ratios based on the timing of capital transactions and different fee arrangements.

11. Financial Highlights (continued)

Internal Rate of Return (IRR)	**Limited Partners**
IRR since inception date March 17, 2022 to December 31, 2024	13.13 %
IRR since inception date March 17, 2022 to December 31, 2025	13.06 %

The IRR was computed based on the dates of cash inflows (capital contributions) and outflows (capital distributions), and the ending partners' capital at the end of the year (residual value) as of each measurement date. The IRR was computed net of all fees and carried interest to the General Partners.

The cumulative cash flow used in the IRR calculation are based on the inception-to-date contributions and residual value. An investor's actual economic return may not be consistent with the IRR return presented and could be materially different as a result of the limitations of the calculation.

12. Subsequent Events

Subsequent to December 31, 2025, the Partners funded $6,700,000 of additional capital contributions to the Master Funds. Additionally, In February 2026, the credit facility with Pacific Western Bank was fully paid off and the associated Loan Agreement was terminated.

The General Partners of the Master Funds have approved a plan of reorganization under which the Master Funds will transfer substantially all of their investments to a newly formed registered closed-end interval fund, LibreMax Asset-Backed Income Fund (the "Successor Fund"). The Successor Fund intends to register its shares under the Investment Company Act of 1940 and the Securities Act of 1933 through the filing of a registration statement on Form N-2 with the U.S.30 Securities and Exchange Commission. The investment objectives and strategies of the Successor Fund are expected to be substantially similar to those of the Master Funds.

The General Partners and Investment Manager have evaluated subsequent events through March 18, 2026, the date the combined financial statements were available to be issued and have determined that no additional items require disclosure.