STATEMENT OF ADDITIONAL INFORMATION

FNEX VENTURES

Shares of Beneficial Interest

FNEX Ventures (the "Fund") is a newly organized, non-diversified, closed-end management investment company operating as an "interval fund." This Statement of Additional Information ("SAI") relating to shares of the Fund ("Shares") does not constitute a prospectus, but should be read in conjunction with the prospectus relating thereto dated September 23, 2019 (the "Prospectus"). This SAI does not include all information that a prospective investor should consider before purchasing Shares of the Fund, and investors should obtain and read the Prospectus prior to purchasing such Shares. A copy of the Prospectus may be obtained without charge by calling the Fund at 1-877-244-6235. The Prospectus and this SAI are part of the registration statement filed with the Securities and Exchange Commission (the "SEC"), Washington, D.C., which includes additional information regarding the Fund. The registration statement may be obtained from the SEC upon payment of the fee prescribed, inspected at the SEC's office at no charge or inspected on the SEC's website at http://www.sec.gov. Capitalized terms used but not defined in this SAI have the meanings ascribed to them in the Prospectus.

This SAI is dated September 23, 2019

TABLE OF CONTENTS FOR THE STATEMENT OF ADDITIONAL INFORMATION

THE FUND

FNEX Ventures was formed as a Delaware statutory trust on June 20, 2018 and is registered under the Securities Act of 1933 and the Investment Company Act of 1940 (the "Investment Company Act") as a closed-end, non-diversified management investment company operating as an "interval fund." FNEX Advisor, LLC serves as the Fund's investment adviser (the "Advisor").

INVESTMENT OBJECTIVES AND POLICIES

Foreign Investments Risk. The Fund may invest in equity securities of foreign issuers, including common stock, preferred stock, and convertible debt. Investments in foreign companies exposes the Fund to more risks than if it invested solely in domestic companies. Investments outside the United States or denominated in non-U.S. currencies pose currency exchange risks (including blockage, devaluation and non-exchangeability), geopolitical risks as well as a range of other potential risks that could include, depending on the country involved, expropriation, nationalization or other adverse political or economic developments, confiscatory taxation, political or social instability, illiquidity, price volatility, and market manipulation. In addition, less information may be available regarding non-U.S. issuers and non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. companies. Further, non-U.S. securities markets may not be as liquid as U.S. markets. Transaction costs of investing outside the U.S. are generally higher than in the U.S. and higher costs result because of the cost of converting a non-U.S. currency to dollars. There is generally less government supervision and regulation of markets, brokers, and issuers outside the U.S. than there is in the U.S. and there is greater difficulty in taking appropriate legal action in non-U.S. courts. Further, the Fund may have difficulty enforcing its rights as an equity holder in a foreign jurisdiction. Non-U.S. markets also have different clearance and settlement procedures which in some markets have at times failed to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect the Fund's performance.

Developing and Emerging Markets Risk. The Fund may invest in issuers that are economically tied to developing and emerging markets. Such investment involves additional risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include, among others: (i) increased risk of nationalization or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty (including war); (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalization of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for U.S. Dollars; (viii) increased likelihood of governmental involvement in and control over the economies; (ix) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; (x) differences in auditing and financial reporting standards, which may result in the unavailability of material information about issuers; (xi) less extensive regulation of the securities markets; (xii) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; and (xiv) certain considerations regarding the maintenance of the Fund's securities and cash with non-U.S. brokers and securities depositories.

FUNDAMENTAL INVESTMENT POLICIES AND RESTRICTIONS

The Fund has adopted certain fundamental investment policies and restrictions, which cannot be changed without the vote of a majority of the Fund's outstanding voting securities. Under the Investment Company Act, the vote of a majority of the outstanding voting securities of an investment company, such as the Fund, means the affirmative vote of the lesser of: (a) more than fifty percent (50%) of its outstanding shares; or (b) sixty-seven percent (67%) or more of the voting securities present at a meeting of the Fund's shareholders ("Shareholders") (provided that more than fifty percent (50%) of its outstanding shares are represented at the meeting in person or by proxy). If a fundamental policy and restriction is adhered to at the time of an investment or transaction, a later increase or decrease in percentages will not be considered a violation of any of these fundamental policies and restrictions if these increases or decreases in percentages result solely from increases or decreases in the total amount of the Fund's assets or changes in the values of portfolio investments, provided, however, that the asset coverage requirement applicable to borrowings shall be maintained in the manner contemplated by applicable law.

The following are fundamental policies that may be changed only with a Shareholder vote:

(1) The Fund may not issue any senior security (as that term is defined in the Investment Company Act) or borrow money, except to the extent permitted by the Investment Company Act, the rule and regulations thereunder and any applicable exemptive relief.

(2) The Fund may not act as an underwriter of securities of other issuers, except to the extent that in connection with the disposition of portfolio securities, it may be deemed to be an underwriter under the federal securities laws.

(3) The Fund may not purchase or sell real estate except as permitted under the Investment Company Act, and as interpreted or modified by regulatory authority having jurisdiction, from time to time.

(4) The Fund may invest in commodities only as permitted by the Investment Company Act or other governing statute, by the Rules thereunder or by the SEC or other regulatory agency with authority over the Fund.

(5) The Fund may not make loans to others, except as permitted under the Investment Company Act, and as interpreted, modified, or otherwise permitted by regulatory authority having jurisdiction, from time to time.

(6) The Fund will not invest more than 25% of the value of its total assets in a particular "industry or group of industries", as that phrase is used in the Investment Company Act, and as interpreted, modified or otherwise permitted by a regulatory authority having jurisdiction, from time to time (the "Fundamental Concentration Policy").

The Fund interprets each of these fundamental investment policies and restrictions under the Investment Company Act, the rules and regulations under the Investment Company Act, and the SEC's and its staff's interpretations of the Investment Company Act.

Other Fundamental Policies

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 Shares:

(a) The Fund will make quarterly repurchase offers pursuant to Rule 23c-3 under the Investment Company Act, as it may be amended from time to time, for no less than 5% of the Shares outstanding at net asset value less any repurchase fee, unless suspended or postponed in accordance with regulatory requirements.

(b) The Fund will repurchase Shares that are tendered by a specific date (the "Repurchase Request Deadline"), which will be established by the Board of Trustees 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 days and no more than 42 days after the Fund sends notification to Shareholders of the repurchase offer.

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

For any percentages adopted by the Fund as maximum limitations on its investment policies and restrictions, an excess above the fixed percentage will not be a violation of the policy or restriction unless the excess results immediately and directly from the acquisition of any security or action taken by the Advisor. In other words, changes in percentages due to market appreciation or depreciation of a position will not cause a violation of the policy or restriction. This paragraph does not apply to the borrowing policy set forth in paragraph 1 above as the coverage ratio described in paragraph 1 must be met at all times.

NON-FUNDAMENTAL INVESTMENT POLICIES AND RESTRICTIONS

The rest of the Fund's investment policies, including its investment objective described under "Investment Objective" in the Prospectus, are considered non-fundamental and may be changed by the Board of Trustees without Shareholder approval. Shareholders, however, will be notified in writing of any change at least 60 days before effecting any material change to the Fund's investment objective. The Fund interprets each non-fundamental investment policy and restriction under the Investment Company Act, the rules and regulations under the Investment Company Act, and the SEC's and its staff's interpretations of the Investment Company Act.

PORTFOLIO TURNOVER

The Fund may dispose of securities without regard to the length of time they have been held when such actions, for defensive reasons or otherwise, appear advisable to the Advisor. The Fund's portfolio turnover rate is calculated by dividing the lesser of purchases or sales of portfolio securities for the particular fiscal year by the monthly average value of the portfolio securities owned by the Fund during the particular fiscal year. For purposes of determining this rate, all securities whose maturities at the time of acquisition are one year or less are excluded. A high portfolio turnover rate bears certain tax consequences and results in greater transaction costs, which are borne directly by the Fund or indirectly by the Shareholders.

MANAGEMENT OF THE FUND

Board of Trustees

The Fund is governed by its Board of Trustees, which has overall responsibility for monitoring and overseeing the Fund's investment program, its management and operations, and the Advisor on behalf of the Fund and the Shareholders. The Board of Trustees has approved the Fund's investment program as described in the Prospectus.

At least a majority of the Trustees are and will be persons who are not "interested persons," as defined in Section 2(a)(19) of the Investment Company Act, of the Fund (referred to as the "Independent Trustees"). Each investor, by purchasing Shares in the Fund, will become a Shareholder of the Fund and will be deemed to have voted for the election of each initial Trustee. Any vacancy on the Board of Trustees may be filled by a majority of the remaining Trustees, except to the extent the Investment Company Act requires the election of trustees by Shareholders.

Trustees and Officers

The tables below show, for each Trustee and executive officer of the Fund, his or her name, address and age, the position held with the Fund, the length of time served as Trustee or officer of the Fund, the Trustee's or officer's principal occupations during the last five (5) years, the number of portfolios in the Advisor's fund complex overseen by the Trustee or for which a person served as an officer, and other directorships or trusteeships held by such Trustee. The address of each trustee and officer is 4300 Shawnee Parkway, Suite 100, Fairway, KS 66205.

Information Regarding Trustees

Name and Year of Birth	Position with the Fund	Term of Office and Length of Time Served	Principal Occupation(s) and Other Directorships/Trusteeships During Past Five Years	Number of Portfolios in Fund Complex Overseen by Trustee
Todd R. Ryden – 1971	Interested Trustee and President	Since 2018	Managing Director, FNEX Advisor, LLC (2018 – present); Founder, FNEX, LLC (a financial technology and services company)(2012 – present).	1
Gary W. DiCenzo – 1962	Independent Trustee and Chairman	Since 2018	Chairman, 360 Funds (2019 – present); Trustee, 360 Funds (2014 – present); Chief Executive Officer, Cognios Capital (investment management firm) (2015 – present); President and CEO, IMC Group, LLC (asset management firm consultant) (2010 – 2015).	1
Steven D. Poppen – 1968	Independent Trustee	Since 2018	Trustee, 360 Funds (2018 – present); Trustee, M3Sixty Funds Trust (2015 – present); Executive Vice President and Chief Financial Officer, Minnesota Vikings (professional sports organization) (1998 – present).	1
Thomas J. Schmidt – 1963	Independent Trustee	Since 2018	Trustee 360 Funds (2018– present); Principal, Tom Schmidt & Associates Consulting, LLC (2015 – Present); Vice President of the Mutual Fund and Alternative Investment Full Service Transfer Agent (1986 – 2014).	1

Information Regarding Officers

Name and Year of Birth	Position with the Fund	Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held By the Trustee
Randall K. Linscott – 1971	Vice President	Since 2018	Chief Executive Officer, M3Sixty Administration, LLC (2013 – present); Managing Member, M3Sixty Holdings, LLC, (2011 – present).	N/A	N/A

Name and Year of Birth	Position with the Fund	Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held By the Trustee
Andras P. Teleki – 1971	Secretary	Since 2018	Chief Legal Officer, M3Sixty Administration, LLC, M3Sixty Holdings, LLC, Matrix 360 Distributors, LLC, and M3Sixty Advisors, LLC (2015 – present); Chief Compliance Officer and Secretary, 360 Funds (2015 – present); Chief Compliance Officer and Secretary, WP Trust (2016 – present); Secretary, Monteagle Funds (2015 – 2016); Secretary and Assistant Treasurer, Capital Management Investment Trust (2015 – 2016); Partner, K&L Gates, (2001 – 2015).	N/A	N/A
Nick Horvath – 1960	Chief Compliance Officer	Since 2018	Chief Risk and Compliance officer, M3Sixty Administration, LLC (2019 – Present); Compliance Officer and Mutual Fund Operations Officer, DST Systems (financial services company) (1993 – 2018).	N/A	N/A
Larry Beaver – 1969	Treasurer	Since 2019	Fund Accounting, Administration and Tax Officer, M3Sixty Administration, LLC (2017 – Present); Director of Fund Accounting & Administration, M3Sixty Administration, LLC (2005 – 2017); Chief Accounting Officer, Amidex Funds, Inc. (2003 – Present); Assistant Treasurer, Capital Management Investment Trust (July 2017 – July 2018); Assistant Treasurer, 360 Funds (July 2017 – Present); Assistant Treasurer, WP Funds Trust (July 2017 – Present); Treasurer and Assistant Secretary, Capital Management Investment Trust (2008 – July 2017); Treasurer, 360 Funds (2007 – July 2017); Treasurer, M3Sixty Funds Trust (2015 – July 2017); Treasurer, WP Trust (2015 – July 2017); Treasurer and Chief Financial Officer, Monteagle Funds (2008 – 2016).	NA	N/A

Trustee Share Ownership

For each Trustee, the dollar range of equity securities beneficially owned by the Trustee in the Fund and in all registered investment companies advised by the Advisor ("Family of Investment Companies") that are overseen by the Trustee is shown below.

Name of Trustee[1]	Dollar Range of Equity Securities in the Fund[2]	Aggregate Dollar Range of Equity Securities in All Funds Overseen or to be Overseen in Family of Investment Companies[2]
Todd R. Ryden[3] (Interested Trustee)	None	None
Gary W. DiCenzo	None	None
Steven D. Poppen	None	None
Thomas J. Schmidt	None	None

[1] The address for each Trustee and officer is 4300 Shawnee Parkway, Suite 100, Fairway, KS 66205.

[2] As of September 23, 2019, the Fund had not yet commenced operations.

[3] Considered to be an Interested Person within the meaning of the Investment Company Act through his position or affiliation with the Advisor.

Compensation of Trustees

The following table shows information regarding the compensation expected to be received by the Independent Trustees, and from all registered investment companies for which the Advisor serves as an investment adviser for the Fund's initial fiscal year ending November 30, 2020. No compensation is paid by the Fund to Trustees that are interested persons of the Advisor (as determined under the Investment Company Act). In all cases, no pension or retirement benefits accrued as part of the Fund's expenses.

Name of Independent Trustee	Total Compensation from Fund and Fund Complex Paid to Trustees
Gary W. DiCenzo[1]	$12,000
Steven D. Poppen [1]	$12,000
Thomas J. Schmidt [1]	$12,000

[1] Independent Trustees initially will receive a fee of $2,500 for each regular quarterly Board meeting and $250 for each non-quarterly Valuation Oversight Committee meeting attended.

Board of Trustees Committees

The Board of Trustees has an audit committee (the "Audit Committee"), a valuation oversight committee (the "Valuation Oversight Committee") and a nominating committee (the "Nominating Committee"), each consisting of the three (3) Trustees who are Independent Trustees. No Trustee has been designated as an "audit committee financial expert" as defined under Item 407 of Regulation S-K of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Mr. Poppen is the Chairman of the Audit Committee. The Audit Committee has the responsibility, among other things, to: (i) oversee the accounting and financial reporting processes of the Fund and its internal control over financial reporting; (ii) oversee the quality and integrity of the Fund's financial statements and the independent audit thereof; (iii) oversee or, as appropriate, assist the Board of Trustees in overseeing the Fund's compliance with legal and regulatory requirements that relate to the Fund's accounting and financial reporting, internal control over financial reporting and independent audit; (iv) approve prior to appointment the engagement of the Fund's independent registered public accounting firm and, in connection therewith, to review and evaluate the qualifications, independence and performance of the Fund's independent registered public accounting firm; and (v) act as a liaison between the Fund's independent registered public accounting firm and the full Board of Trustees.

Mr. DiCenzo is the Chairman of the Valuation Oversight Committee. The Valuation Oversight Committee is responsible for overseeing determination of the fair value of the Fund's portfolio securities and other assets on behalf of the Board in accordance with the Fund's valuation procedures. The Valuation Oversight Committee shall monitor the material aspects of the Fund's valuation procedures as adopted and revised from time to time by the Board of Trustees, as well as the Fund's compliance with respect to the valuation of its assets under the Investment Company Act.

Mr. DiCenzo is also the Chairman of the Nominating Committee. The Nominating Committee is responsible for recommending qualified candidates to the Board of Trustees if a position is vacated or created. The Nominating Committee would consider recommendations by Shareholders if a vacancy were to exist. In considering Trustee nominee candidates, the Nominating Committee considers a wide variety of factors, including the overall diversity in the composition of the Board of Trustees. The Nominating Committee believes the Board of Trustees generally benefits from diversity of background, experience and views among its members, and considers this a factor in evaluating the composition of the Board of Trustees, but has not adopted any specific policy in this regard.

The Board of Trustees has determined that its leadership structure is appropriate given the business and nature of the Fund, the Fund's status as a new company with no performance history, the small size of the Board of Trustees and the Fund's relatively small initial capitalization. The Board of Trustees considered that the Chairman of the Audit Committee is an Independent Trustee and serves as a key point person for dealings between management and the other Independent Trustees. The Independent Trustees also regularly meet outside the presence of management. The Board of Trustees has determined that its committees help ensure that the Fund has effective and independent governance and oversight. The Board of Trustees also believes that its leadership structure facilitates the orderly and efficient flow of information to the Independent Trustees from management of the Fund, including the Advisor. The Board of Trustees reviews its structure on an annual basis.

As an integral part of its responsibility for oversight of the Fund in the interests of Shareholders, the Board of Trustees, as a general matter, oversees risk management of the Trust's investment programs and business affairs. The function of the Board of Trustees with respect to risk management is one of oversight and not active involvement in, or coordination of, day-to-day risk management activities for the Fund. The Board of Trustees recognizes that: (i) not all risks that may affect the Fund can be identified; (ii) it may not be practical or cost-effective to eliminate or mitigate certain risks; (iii) it may be necessary to bear certain risks (such as investment-related risks) to achieve the Fund's goals; and (iv) the processes, procedures and controls employed to address certain risks may be limited in their effectiveness. Moreover, reports received by the Trustees that may relate to risk management matters are typically summaries of the relevant information.

The Board of Trustees exercises oversight of the risk management process primarily through the Audit Committee, and through oversight by the Board of Trustees itself. The Fund faces a number of risks, such as investment-related and compliance risks. The Advisor's personnel seek to identify and address risks, i.e., events or circumstances that could have material adverse effects on the business, operations, shareholder services, investment performance or reputation of the Fund. Under the overall supervision of the Board of Trustees or the applicable Committee of the Board of Trustees, the Fund and the Advisor employ a variety of processes, procedures and controls to identify such possible events or circumstances, to lessen the probability of their occurrence and/or to mitigate the effects of such events or circumstances if they do occur. Different processes, procedures and controls are employed with respect to different types of risks. Various personnel, including the Fund's Chief Compliance Officer, as well as various personnel of the Advisor and other service providers such as the Fund's independent accountants, may report to the Audit Committee and/or to the Board of Trustees with respect to various aspects of risk management, as well as events and circumstances that have arisen and responses thereto.

The officers and Trustees of the Fund, in the aggregate, own less than 1% of the Shares of the Fund as of the date of this SAI.

As of September 23, 2019 each Independent Trustee, and his or her immediate family members, did not beneficially or of record own securities in: (i) an investment adviser or principal underwriter of the Fund; or (ii) 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.

Shareholder Communications to the Board of Trustees

Shareholders may send communications to the Board of Trustees by addressing the communications directly to the Board of Trustees (or individual Board of Trustees members) and/or otherwise clearly indicating in the salutation that the communication is for the Board of Trustees (or individual Board of Trustees members). The Shareholder may send the communication to either the Fund's office or directly to such Board of Trustees members at the address specified for each Trustee. Other Shareholder communications received by the Fund not directly addressed and sent to the Board of Trustees will be reviewed and generally responded to by management. Such communications will be forwarded to the Board of Trustees at management's discretion based on the matters contained therein.

The Advisor

The Advisor is FNEX Advisor, LLC. The Advisor, a limited liability company organized under the laws of the State of Indiana, is registered as such with the SEC under the Advisers Act. The Advisor is newly formed and the Fund is currently its only client. The Advisor's standard mailing address and the address of its principal office, including its office for service for process and for purposes of overnight mail, is One Indiana Square, Suite 2252, Indianapolis, Indiana 46204.

Advisory Agreement

The Advisor provides investment advisory services to the Fund, under the oversight of the Board of Trustees, pursuant to an investment advisory agreement (the "Advisory Agreement"). Under the terms of the Advisory Agreement, the Advisor, under the oversight of the Board of Trustees, implements the overall investment strategy for the Fund; provides facilities and personnel, including officers required for the operations of the Fund; facilitates the preparation of various regulatory filings; liaises with regulators or exchange personnel as appropriate; invest and reinvest the assets of the Fund by selecting the securities, instruments and other investments and techniques that the Fund may purchase, sell or use; and fulfills certain regulatory compliance responsibilities.

The Advisory Agreement is effective for an initial two (2) year term and may be continued in effect if the continuance is approved annually by the Board of Trustees, including a majority of Independent Trustees, by vote cast in person at a meeting called for the purpose of voting on approval. The Board of Trustees or the Shareholders may terminate the Advisory Agreement on sixty (60) days' prior notice to the Advisor. The Advisory Agreement provides that it will terminate automatically in the event of its "assignment," as defined by the Investment Company Act and the rules under that Act.

In consideration of the advisory services provided by the Advisor to the Fund, the Fund shall pay to the Advisor at the end of each calendar month an advisory fee at the annual rate of 1.90% of the Fund's average daily net assets, computed monthly (the "Advisory Fee"). The Advisory Fee is an expense paid out of the Fund's assets.

The Advisory Agreement provides that, in the absence of willful misfeasance, bad faith, gross negligence or reckless disregard of its obligations to the Fund, the Advisor and any partner, director, officer or employee of the Advisor, or any of their affiliates, executors, heirs, assigns, successors or other legal representative, will not be liable to the Fund for any error of judgment, for any mistake of law or for any act or omission by the person in connection with the performance of services to the Fund. The Advisory Agreement also provides for indemnification, to the fullest extent permitted by law, by the Fund of the Advisor and its respective affiliates and controlling persons, for any liability or expense, including without limitation reasonable attorneys' fees and expenses, to which the person may be liable that arises in connection with the performance of services to the Fund, so long as the liability or expense is not incurred by reason of the person's willful misfeasance, bad faith, gross negligence, reckless disregard of duty, a material breach of a provision of the Advisory Agreement or violation of applicable law, including, without limitation, the federal and state securities laws.

Expense Limitation Agreement

Pursuant to the Expense Limitation Agreement, the Advisor is entitled to receive reimbursement from the Fund of organizational and offering expenses paid on the Fund's behalf. The Advisor has agreed to waive its fees and reimburse expenses of the Fund, until at least August 28, 2021, to ensure that total annual fund operating expenses (excluding interest, taxes, acquired fund fees and expenses, brokerage commissions, dividend expense on short sales, other expenditures which are capitalized in accordance with generally accepted accounting principles and other extraordinary expenses not incurred in the ordinary course of such Fund's business) will not exceed 2.50% of the Fund's average daily net assets, computed on a monthly basis. These fee waivers and expense reimbursements are subject to possible recoupment from the Fund within the three years following the date the fees were waived or expenses reimbursed. Notwithstanding the foregoing, the Fund will make repayments to the Advisor only if, and to the extent that, such recoupment does not cause the Fund's expense ratio (after repayment is taken into account) to exceed both: (i) the Fund's expense limitation in place at the time of the waiver or reimbursement, and (ii) the Fund's current expense limitation. This agreement may be terminated only by the Fund's Board of Trustees on sixty (60) days' written notice to the Advisor.

Portfolio Manager

Other Accounts Managed by Portfolio Manager. The following table reflects information regarding accounts for which the portfolio manager has day-to-day management responsibilities (other than the Fund). Accounts are grouped into three categories: (i) registered investment companies, (ii) other pooled investment accounts, and (iii) other accounts. Information is shown as of July 31, 2019.

	Registered Investment Companies (excluding the Fund)		Other Pooled Investment Vehicles		Other Accounts	
Portfolio Manager	Number of Accounts	Total Assets in the Accounts	Number of Accounts	Total Assets in the Accounts	Number of Accounts	Total Assets in the Accounts
Todd R. Ryden	0	$0	0	$0	0	$0

Compensation of the Portfolio Manager

Mr. Ryden is a principal of the Advisor and as such is compensated through distributions that are based primarily on the profits and losses of the Advisor.

Securities Ownership of the Portfolio Manager

The Fund is a newly-organized closed-end management investment company. Accordingly, as of the date of this SAI, the portfolio manager does not beneficially own any securities issued by the Fund.

Conflicts of Interest

There are no conflicts of interest to disclose because neither the Advisor nor Mr. Ryden manage any accounts other than the Fund.

PORTFOLIO TRANSACTIONS

The Advisor is responsible for, makes decisions with respect to and places orders for purchases and sales of portfolio securities for the Fund, under the general supervision of the Board of Trustees. Transactions on U.S. stock exchanges involve the payment of negotiated brokerage commissions, which vary among different brokers. Transactions in the over-the-counter market are generally principal transactions with dealers and the costs of such transactions involve dealer spreads rather than brokerage commissions. With respect to over-the-counter transactions, the Advisor normally deals directly with dealers who make a market in the securities involved, except in those circumstances where better prices and execution are available elsewhere or as described below. Purchases from underwriters include a commission or concession paid by the issuer to the underwriter and principal transactions placed through broker-dealers include a spread between the bid and asked prices.

The Advisory Agreement between the Fund and Advisor generally provides that, in executing portfolio transactions and selecting brokers or dealers, the Advisor will seek to execute portfolio transactions at prices which, under the circumstances, result in total costs or proceeds being the most favorable to the Fund. When allocating transactions to broker-dealers, the Advisor will consider, in determining whether a particular broker-dealer will provide best execution, all factors it deems relevant, including the breadth of the market in the security, the price of the security, the financial condition and execution capability of the broker or dealer, research services provided, and the reasonableness of the commission, if any, both for the specific transaction and on a continuing basis. The Advisor need

not pay the lowest spread or commission available if it determines in good faith that the amount of commission is reasonable in relation to the value of the brokerage and research services provided by the broker-dealer, viewed either in terms of the particular transaction or the Advisor's overall responsibilities as to the accounts as to which it exercises investment discretion. Research services may be in written form or through direct contact with individuals and may include quotations on portfolio securities and information on particular issuers and industries, as well as on market, economic or institutional activities, and may also include comparisons of the performance of the Fund to the performance of various indices and investments for which reliable performance data is available and similar information prepared by recognized mutual fund statistical services. The Fund recognizes that no dollar value can be placed on such research services or on execution services, such research services may or may not be useful to the Fund. Supplementary research information so received is in addition to, and not in lieu of, services required to be performed by the Advisor and does not reduce the management fee payable to the Fund. The Advisor will periodically review the commissions paid by the Fund to consider whether the commissions paid over representative periods of time appear to be reasonable in relation to the benefits inuring to the Fund.

The Board of Trustees will periodically review the Advisor's performance of its responsibilities in connection with the placement of portfolio transactions on behalf of the Fund.

DESCRIPTION OF SHARES

Shares

The Shares will be offered in a continuous offering thereafter at the Fund's then current net asset value per Common Share.

Other Shares

The Board of Trustees (subject to applicable law and the Fund's Agreement and Declaration of Trust) may authorize an offering, without the approval of the holders of Shares, as they determine to be necessary, desirable or appropriate, having such terms, rights, preferences, privileges, limitations and restrictions as the Board of Trustees sees fit.

TAX ASPECTS

The following is a summary of certain aspects of the U.S. federal income taxation of the Fund and the Shareholders that should be considered by a prospective Shareholder. The Fund has not sought a ruling from the Internal Revenue Service (the "IRS") or any other U.S. federal, state or local agency with respect to any tax matters affecting the Fund, nor has it obtained an opinion of counsel with respect to any of those matters.

The summary of the U.S. federal income tax treatment of the Fund and the Shareholders set out below is based upon the Internal Revenue Code (the "Code"), judicial decisions, Treasury Regulations (proposed and final) (the "Regulations") and administrative rulings in existence as of the date of this SAI, all of which are subject to change, possibly with retroactive effect. The summary does not discuss the effect, if any, of various proposals to amend the Code that could change certain of the tax consequences of an investment in the Fund; nor does the summary discuss all of the tax consequences that may be relevant to a particular investor or to certain investors subject to special treatment under the U.S. federal income tax laws, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities, Shareholders who invest in the Fund through an IRA, or Shareholders subject to the alternative minimum tax. This summary assumes that Shareholders hold their Shares as capital assets (generally, for investment). This summary does not discuss any aspects of U.S. estate or gift tax or state, local or non-U.S. tax law. Each prospective Shareholder should consult with his, her or its own tax adviser in order to fully understand the U.S. federal, state, local and non-U.S. tax consequences of an investment in the Fund.

For purposes of this summary, a "U.S. Shareholder" is a beneficial owner of Shares that is, for U.S. federal income tax purposes:

(a) A citizen or individual resident of the United States;

(b) A corporation or other entity treated as a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

(c) An estate the income of which is subject to U.S. federal income taxation regardless of its source; or

(d) A trust, if (i) a court within the United States can exercise primary supervision over the trust's administration and one or more U.S. persons (within the meaning of Section 7701(a)(30) of the Code) have the authority to control all its substantial decisions, or (ii) a valid election to be treated as a U.S. person is in effect under the relevant Regulations with respect to such trust.

A beneficial owner of Shares that is not a U.S. Shareholder or a partnership is referred to herein as a "non-U.S. Shareholder."

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds Shares, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. Partnerships considering an investment in the Shares and partners in such partnerships should consult their tax advisers regarding the U.S. federal income tax consequences of acquiring, owning and disposing of the Shares.

Taxation of the Fund

Qualification as a RIC. The Fund intends to qualify for the special tax treatment accorded to Regulated Investment Companies ("RICs") under the Code. As long as the Fund so qualifies, the Fund (but not the Shareholders) will not be subject to U.S. federal income tax on the part of its net ordinary income and net realized capital gains that it timely distributes to Shareholders. If the Fund retains any such income or gains, it will be subject to tax at regular corporate rates on the amount retained. The Fund intends to distribute substantially all of such income and gains annually.

To qualify for the favorable tax treatment of a RIC, the Fund must, among other things, satisfy the source-of-income, asset diversification, and distribution requirements described below.

First, the Fund must derive at least ninety percent (90%) of its gross income each taxable year from dividends, interest, certain payments with respect to securities loans, net income derived from an interest in a "qualified" publicly traded partnership, gains from the sale or other disposition of stock or securities or foreign currencies, and certain other income (such as gains from options, futures or forward contracts) derived with respect to the business of investing in such stock, securities or currencies. A publicly traded partnership is "qualified" if it is treated as a partnership for U.S. federal income tax purposes and less than ninety percent (90%) of its gross income consists of income described in the previous sentence. To the extent the Fund invests in entities or arrangements that are treated as partnerships or grantor trusts for U.S. federal income tax purposes and are not qualified publicly traded partnerships, the income derived from such investments may be treated in whole or in part as non-qualifying income for purposes of the gross income test described in this paragraph, depending on the underlying source of income to such entities or arrangements. If the Fund were otherwise to fail to satisfy the gross income test for a taxable year, it would nevertheless be considered to satisfy such test if its failure to satisfy the gross income test were due to reasonable cause and not willful neglect and if it were to satisfy certain procedural requirements. The Fund would be subject to an excise tax if it were to rely on this rule in order to meet the gross income test.

Second, the Fund must satisfy an asset diversification test. Under that test, at the close of each quarter of the Fund's taxable year:

(a) At least fifty percent (50%) of the value of the Fund's assets must generally consist of cash and cash items (including receivables), U.S. government securities, securities of other RICs, and securities of other issuers if, as to each of those other issuers, the Fund has not invested more than five percent (5%) of the value of the Fund's total assets in securities of each such issuer and the Fund does not hold more than ten percent (10%) of the outstanding voting securities of each such issuer; and

(b) No more than twenty-five percent (25%) of the value of the Fund's total assets may be invested in each of the securities (other than U.S. government securities and securities of other RICs) of: (i) any one issuer, (ii) two (2) or more issuers which the Fund controls and which are engaged in the same or similar trades or businesses or related trades or businesses, or (iii) qualified publicly traded partnerships. If the Fund were otherwise to fail to satisfy the asset diversification test, it would nevertheless be considered to satisfy such test if either: (A) the failure to satisfy the asset test was de minimis and the Fund were to satisfy the asset test within a prescribed time period, or (B) the Fund's failure to satisfy the asset diversification test was due to reasonable cause and not willful neglect, the Fund were to satisfy the test within a prescribed time period and the Fund were to satisfy certain procedural requirements. The Fund's failure to satisfy the asset diversification test would be considered de minimis if it were due to the Fund's ownership of assets the total value of which did not exceed the lesser of ten million dollars ($10,000,000) and one percent (1.00%) of the total value of the Fund's assets at the end of the fiscal quarter in which the test was being applied. The Fund would be subject to an excise tax if it were to rely on the rule described in (B) of this paragraph in order to meet the asset diversification test. With respect to these limitations and restrictions imposed by the Code, the Fund, in appropriate circumstances, will be required to "look through" to the income, assets and investments of certain Portfolio Funds.

Third, the Fund must distribute at least ninety percent (90%) of its investment company taxable income (which includes, among other items, dividends and interest net of expenses and net short-term capital gains in excess of net long-term capital losses) for the taxable year. Distributions by the Fund made during the taxable year or, under specified circumstances, within a period up to twelve (12) months after the close of the taxable year, will be considered distributions of income and gains for the taxable year and will therefore count toward satisfaction of this requirement.

Failure to Qualify as a RIC. If, in any taxable year, the Fund fails to qualify as a RIC under the Code, the Fund would be taxed in the same manner as an ordinary corporation. In addition, in order to re-qualify for taxation as a RIC that is accorded special tax treatment, the Fund may be required to recognize unrealized gains, incur substantial tax on such unrealized gains and make certain substantial distributions. The remainder of this discussion assumes that the Fund qualifies for taxation as a RIC.

Excise Tax. The Code requires a RIC to pay a nondeductible four percent (4%) excise tax to the extent the RIC does not distribute, during each calendar year, 98% of its ordinary income, determined on a calendar year basis, and 98.2% net income, determined, in general, on a September 30 year end, plus certain undistributed amounts from the previous years. While the Fund intends to distribute its income and capital gain net income in the manner necessary to avoid imposition of the four percent (4%) excise tax, it is possible that some excise tax will be incurred and, although not currently anticipated, there are circumstances in which the Fund may not have the necessary information, or may, for other reasons, elect not to make the distributions necessary to avoid this tax. In such event, the Fund will be liable for the tax only on the amount by which it does not meet the foregoing distribution requirements.

U.S. Shareholders

Distributions. Distributions paid by the Fund from its ordinary income or from its excess of net short-term capital gains over net long-term capital losses (together referred to as "ordinary income dividends") are taxable to U.S. Shareholders as ordinary income to the extent paid from the Fund's current or accumulated earnings and profits. Distributions made from the Fund's excess of net long-term capital gains over net short-term capital losses, or "net capital gain" ("capital gain dividends"), if properly reported by the Fund, are taxable to U.S. Shareholders as long-term capital gains, regardless of the length of time the U.S. Shareholder has owned Shares. Ordinary income and capital gain dividends are taxable to Shareholders even if they are reinvested in additional Shares of the Fund. Distributions in excess of the Fund's current and accumulated earnings and profits (which represent a return of capital, meaning a return to Shareholders of the money they originally invested in the Fund) will first reduce the adjusted tax basis of a Shareholder's Shares and, after such adjusted tax basis is reduced to zero, will constitute capital gain to such Shareholder. The Fund will provide the Shareholders with a written notice reporting the amount of dividends paid during the year that qualify as capital gain dividends, as qualified dividend income (discussed below), and as ordinary income dividends.

A portion of the Fund's ordinary income dividends attributable to the dividends received from domestic corporations, and reported as such, may be eligible for the dividends received deduction allowed to corporations under the Code if certain requirements are met. In addition, ordinary income dividends that are properly reported by the Fund and are derived from qualified dividend income are taxed to individuals at the rates applicable to long-term capital gains. Qualified dividend income generally includes dividends from domestic corporations and dividends from foreign corporations that meet certain specified criteria. Certain holding period and other requirements must be met by both the Shareholder and the Fund for distributions to be eligible for the corporate dividends received deduction or the preferential individual tax rates that apply to qualified dividend income, as the case may be. There can be no assurance as to what portion, if any, of the Fund's distributions will be eligible for the dividends received deduction or will constitute qualified dividend income.

If the Fund pays a dividend in January that was declared in the previous October, November or December to Shareholders of record on a specified date in one of such months, then such dividend will be treated for U.S. federal income tax purposes as being paid by the Fund and received by the Shareholders on December 31 of the year in which the dividend was declared.

The Fund may elect to retain its net capital gain or a portion thereof for investment and be taxed at corporate rates (currently at a maximum of thirty-five percent (35%)) on the amount retained. In such case, it may report the retained amount as undistributed capital gains in a notice to the Shareholders, who will be treated as if each received a distribution of its pro rata common share of such gain, with the result that each Shareholder will: (i) be required to report its pro rata common share of such gain on its tax return as long-term capital gain; (ii) receive a refundable tax credit for its pro rata common share of tax paid by the Fund on the gain; and (iii) increase the tax basis for its Shares by an amount equal to the deemed distribution less the tax credit.

If an investor buys Shares just before the record date of a dividend declared by the Fund, the investor will receive that dividend. Such dividends, although in effect a return of capital, will be treated as ordinary income or capital gain dividends to the extent described above. Accordingly, the timing of the purchase of the Shares may result in a return of a portion of the investment as taxable income. Therefore, prior to purchasing Shares, an investor should carefully consider the impact of ordinary income or capital gains dividends that are expected to be or have been announced.

Sale, Redemptions Other Disposition of Shares. Upon the sale, exchange, repurchase or other disposition of Shares (including upon dissolution of the Fund), the Shareholder generally will realize a capital gain or loss in an amount equal to the difference between the amount realized and the Shareholder's adjusted tax basis in the Shares sold. Such gain or loss will be long-term or short-term, depending upon the Shareholder's holding period for the Shares. Generally, a Shareholder's gain or loss will be a long-term gain or loss if the Shares have been held for more than one year. However, any loss upon the sale or exchange of Shares held for six (6) months or less will be treated as long-term capital loss generally to the extent of any capital gain dividends received (or undistributed capital gains deemed received) by the Shareholder. For non-corporate U.S. Shareholders (including individuals), long-term capital gains may be subject to preferential rates of taxation. The deductibility of capital losses is subject to limitations under the Code. A loss realized on a sale or exchange of Shares will be disallowed if any Shares are acquired (whether through the automatic reinvestment of dividends or otherwise) within a sixty-one (61) day period beginning thirty (30) days before and ending thirty (30) days after the date on which the Shares are disposed of. In such case, the basis of the Shares acquired will be adjusted to reflect the disallowed loss.

Medicare Tax. Certain U.S. Shareholders who are individuals, estates or trusts and whose income exceeds certain thresholds will be required to pay a 3.8% Medicare tax on all or a portion of their "net investment income," which includes dividends received from the Fund and capital gains from the sale or other disposition of the Fund's stock.

Non-U.S. Shareholders

Distributions. Ordinary income dividends paid to non-U.S. Shareholders generally will be subject to a thirty percent (30%) U.S. withholding tax (or possibly a lower rate provided by an applicable tax treaty) to the extent paid from the Fund's current or accumulated earnings and profits unless the dividends are effectively connected with the non-U.S. Shareholder's U.S. trade or business and, if an income tax treaty applies, attributable to the non-U.S. Shareholder's permanent establishment (as described below). However, for taxable years of a regulated investment company beginning before January 1, 2014 (and, if extended as has happened in the past, for taxable years covered by such extension), certain "interest-related dividends" and "short-term capital gain dividends" paid by the Fund to a non-U.S. Shareholder and reported by the Fund as such are eligible for an exemption from the thirty percent (30%) U.S. withholding tax. Interest-related dividends generally are dividends derived from certain interest income earned by the Fund that would not be subject to such tax if earned by a foreign Shareholder directly. Short-term capital gain dividends generally are dividends derived from the excess of the Fund's net short-term capital gains over net long-term capital losses. Both "interest-related dividends" and "short-term capital gain dividends" must be reported as such by a written statement furnished to Shareholders. There can be no assurance as to whether this provision will be extended or, even if extended, what portion of the Fund's distributions would qualify for favorable treatment as interest related dividends or short-term capital gain dividends. Non-U.S. Shareholders are urged to consult their own tax advisers concerning the applicability of U.S. withholding tax.

Sale or Other Disposition of Shares. A non-U.S. Shareholder will generally be exempt from U.S. federal income tax on capital gain dividends, any amounts retained by the Fund that are reported as undistributed capital gains and any gains realized upon the sale or other disposition of Shares of the Fund (including upon dissolution of the Fund), except in the case of: (i) an individual non-U.S. Shareholder that is present in the United States for one hundred and eighty-three (183) days or more in the taxable year of such distribution, sale or other disposition and for which certain other conditions are met; or (ii) a non-U.S. Shareholder for which such gains are effectively connected with the non-U.S. Shareholder's U.S. trade or business and, if an income tax treaty applies, attributable to the non-U.S. Shareholder's permanent establishment (as described below).

Effectively Connected Income. If income from the Fund is effectively connected with a non-U.S. Shareholder's U.S. trade or business and, if an income tax treaty applies, attributable to the non-U.S. Shareholder's U.S. permanent establishment, then ordinary income dividends, capital gain dividends, undistributed capital gains, and any gains realized from the sale or other disposition of Shares generally will be subject to U.S. federal income tax in substantially the same manner as if received by a U.S. Shareholder. Corporate non-U.S. Shareholders may also be subject to an additional branch profits tax.

FATCA. Under U.S. legislation enacted in 2010 and existing guidance thereunder, commonly known as the "Foreign Account Tax Compliance Act" or "FATCA," a thirty percent (30.00%) withholding tax on dividends paid by the Fund, and, on or after January 1, 2017, on certain capital gains distributions and gross proceeds from the sale or other disposition of Shares generally applies if paid to a foreign entity unless: (i) if the foreign entity is a "foreign financial institution" as defined under FATCA, the foreign entity undertakes certain due diligence, reporting, withholding, and certification obligations; (ii) if the foreign entity is not a "foreign financial institution," it identifies certain of its U.S. investors; or (iii) the foreign entity is otherwise excepted under FATCA. If withholding is required under FATCA on a payment related to any Fund distribution, investors that otherwise would not be subject to withholding (or that otherwise would be entitled to a reduced rate of withholding) on such payment generally will be required to seek a refund or credit from the IRS to obtain the benefit of such exemption or reduction. An intergovernmental agreement between the United States and an applicable foreign country, or future Treasury regulations or other guidance, may modify the foregoing requirements. The Fund will not pay any additional amounts in respect of amounts withheld under FATCA. Each investor should consult its tax adviser regarding the effect of FATCA based on its individual circumstances.

Backup Withholding

Under certain provisions of the Code, some Shareholders may be subject to a withholding tax on ordinary income dividends, capital gain dividends and redemption payments ("backup withholding"). Generally, Shareholders subject to backup withholding will be those for whom no certified taxpayer identification number is on file with the Fund, who fails to establish an exemption from backup withholding or who, to the Fund's knowledge, have furnished an incorrect number. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules for payments made to a Shareholder may be refunded or credited against such Shareholder's U.S. federal income tax liability, if any, provided that the required information is timely furnished to the IRS.

Tax Treatment of Investments

Hedging and Derivative Transactions. The transactions of the Fund are subject to special tax rules of the Code that may, among other things: (i) affect the character of gains and losses realized (for example, by converting lower taxed long-term capital gains or qualified dividend income into higher taxed short-term capital gains or ordinary income and converting an ordinary loss or deduction into capital loss (the deductibility of which is more limited)); (ii) disallow, suspend or otherwise limit the allowance of certain losses or deductions, (iii) accelerate the recognition of income without a corresponding receipt of cash (with which to make the necessary

distributions to satisfy distribution requirements applicable to regulated investment companies); (iv) adversely affect the time as to when a purchase or sale of stock or securities is deemed to occur; (v) adversely alter the characterization of certain complex financial transactions; and (vi) produce income that will not be "qualified" income for purposes of the ninety percent (90.00%) annual gross income requirement described above. Operation of these rules could, therefore, affect the character, amount and timing of distributions to Shareholders. Special tax rules also may require the Fund to mark-to-market certain types of positions in its portfolio (i.e., treat them as sold on the last day of the taxable year), and may result in the recognition of income without a corresponding receipt of cash. If the Fund engages in transactions affected by these provisions, it intends to monitor its transactions, make appropriate tax elections and make appropriate entries in its books and records to mitigate, to the extent reasonably feasible, the effect of these tax rules and avoid any possible disqualification for the special treatment afforded regulated investment companies under the Code.

The Fund's gains and losses on the sale, lapse, or termination of options that it holds will generally have the same character as gains and losses from the sale of the security to which the option relates. Upon the exercise of a put held by the Fund, the premium initially paid for the put is offset against the amount received for the security sold pursuant to the put thereby decreasing any gain (or increasing any loss) realized on the sale. Generally, such gain or loss is capital gain or loss, the character of which as long-term or short-term depends on the holding period of the security. However, the purchase of a put option may be subject to the short sale rules or straddle rules for U.S. federal income tax purposes.

The Fund may invest in securities or derivative transactions the U.S. federal income tax treatment of which is uncertain. The timing or character of income received by the Fund may be affected to the extent that the U.S. federal income tax treatment of such securities or transactions differs from the treatment anticipated by the Fund. In such case, the Fund may be required to purchase or sell securities or otherwise change its portfolio in order to maintain its qualification as a regulated investment company.

Passive Foreign Investment Companies. Investments by the Fund in stock of certain foreign corporations which generate mostly passive income, or at least half the assets of which generate such income (referred to as "PFICs"), are subject to special tax rules designed to prevent deferral of U.S. federal income taxation of the Fund's share of the PFIC's earnings. The Fund may be subject to U. S. federal income tax and an interest charge (at the rate applicable to tax underpayments) on tax liability treated as having been deferred with respect to certain distributions from such a company and on gain from the disposition of the shares of such a company (collectively referred to as "excess distributions"), even if such excess distributions are paid by the Fund as a dividend to the Shareholders. The Fund may be eligible to make an election to be treated as a qualified electing fund (a "QEF election") with respect to certain PFICs in which it owns shares that will allow it to avoid the taxes on excess distributions. However, a QEF election may cause the Fund to recognize income in a particular year in excess of the distributions received from such PFICs. The Fund may not be able to make this election with respect to many PFICs because of certain requirements that the PFICs would have to satisfy. Alternatively, the Fund could elect to "mark-to-market" at the end of each taxable year all shares that it holds in PFICs because it expects to publish its net asset value at least annually. If it made this election, the Fund would recognize as ordinary income any increase in the value of such shares as of the close of the taxable year over their adjusted basis and as ordinary loss any decrease in such value, but only to the extent of previously recognized unreversed "mark-to-market" gains. By making the mark-to-market election, the Fund could avoid imposition of the interest charge with respect to excess distributions from PFICs, but, in any particular year, the Fund might be required to recognize income (which generally must be distributed to Shareholders) in excess of the distributions it received from PFICs.

THE FOREGOING IS A BRIEF SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX MATTERS THAT ARE PERTINENT TO PROSPECTIVE INVESTORS. THE SUMMARY IS NOT, AND IS NOT INTENDED TO BE, A COMPLETE ANALYSIS OF ALL PROVISIONS OF THE U.S. FEDERAL INCOME TAX LAW WHICH MAY HAVE AN EFFECT ON SUCH INVESTMENTS. THIS ANALYSIS IS NOT INTENDED AS A SUBSTITUTE FOR CAREFUL TAX PLANNING. ACCORDINGLY, PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR OWN RESPECTIVE TAX ADVISERS WITH RESPECT TO THEIR OWN RESPECTIVE TAX SITUATIONS AND THE EFFECTS OF THIS INVESTMENT THEREON.

CODE OF ETHICS

Each of the Fund's and the Advisor's codes of ethics (the "Codes of Ethics") have been adopted in compliance with Section 17(j) of the Investment Company Act and Rule 17j-1 thereunder. Each Code of Ethics establishes procedures for personal investing and restricts certain transactions. Employees subject to a Code of Ethics may invest in securities for their personal investment accounts, including making investments in the securities that may be purchased or held by the Fund.

The Codes of Ethics may be viewed and copied at the SEC's Public Reference Room in Washington, D.C. Information about the SEC's Public Reference Room may be obtained by calling the SEC at 202.551.8090. The Codes of Ethics also may be available on the Edgar Database on the SEC's Website, http://www.sec.gov, or be obtained, after paying a duplicating fee, by electronic request to publicinfo@sec.gov, or by writing to: SEC's Public Reference Section, Washington, D.C. 20549-0102.

PROXY VOTING POLICY AND PROXY VOTING RECORD

The Board of Trustees of the Fund has delegated the voting of proxies for Fund securities to the Advisor pursuant to the Advisor's proxy voting policies and procedures. Under these policies and procedures, the Advisor will vote proxies related to Fund securities in the best interests of the Fund and the Shareholders. A copy of the proxy voting policies and procedures of the Fund and of the Advisor is attached as Appendix A to this SAI.

After August 31, 2020, information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30, 2020 will be available without charge, upon request, by calling the Fund at 1-877-244-6235, and on the SEC's website at http://www.sec.gov.

FISCAL YEAR

For accounting purposes, the Fund's fiscal year is the 12-month period ending on November 30th. For tax purposes, the Fund has adopted the twelve (12) month period ending November 30th of each year as its taxable year.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Fund has selected BBD, LLP ("BBD") as the independent public accountants of the Fund. BBD's principal business address is 1835 Market Street, 3rd Floor, Philadelphia, PA 19103.

FINANCIAL STATEMENTS

See Appendix B.

APPENDIX A:

PROXY VOTING POLICIES AND PROCEDURES OF THE FUND AND THE ADVISOR

FNEX VENTURES

PROXY VOTING POLICIES AND PROCEDURES

The Fund has adopted a Proxy Voting Policy used to determine how the Fund votes proxies relating to its portfolio securities. Under the Fund's Proxy Voting Policy, the Fund has, subject to the oversight of the Trust's Board, delegated to the Adviser the following duties: (i) to make the proxy voting decisions for the Fund, subject to the exceptions described below; and (ii) to assist the Fund in disclosing their respective proxy voting record as required by Rule 30b1-4 under the 1940 Act.

In cases where a matter with respect to which the Fund was entitled to vote presents a conflict between the interest of the Fund's shareholders on the one hand, and those of the Fund's investment adviser, principal underwriter, or an affiliated person of the Fund, its investment adviser, or principal underwriter on the other hand, the Fund shall always vote in the best interest of the Fund's shareholders. For purposes of this Policy a vote shall be considered in the best interest of the Fund's shareholders when a vote is cast consistent with a specific voting policy as set forth in the Adviser's Proxy Voting Policy (described below), provided such specific voting policy was approved by the Board.

The Fund CCO shall ensure that the Adviser has adopted a Proxy Voting Policy, which it uses to vote proxies for its clients, including the Fund.

A. General

The Fund believes that the voting of proxies is an important part of portfolio management as it represents an opportunity for shareholders to make their voices heard and to influence the direction of a company. The Fund is committed to voting corporate proxies in the manner that best serves the interests of the Fund's shareholders.

B. Delegation to the Adviser

The Fund believes that the Adviser is in the best position to make individual voting decisions for the Fund consistent with this Policy. Therefore, subject to the oversight of the Board, the Adviser is hereby delegated the following duties:

(1) to make the proxy voting decisions for the Fund, in accordance with the Adviser's Proxy Voting Policy, except as provided herein; and

(2) to assist the Fund in disclosing its respective proxy voting record as required by Rule 30b1-4 under the 1940 Act, including providing the following information for each matter with respect to which the Fund is entitled to vote: (a) information identifying the matter voted on; (b) whether the matter was proposed by the issuer or by a security holder; (c) whether and how the Fund casts its vote; and (d) whether the Fund casts its vote for or against management.

The Board, including a majority of the independent trustees of the Board, must approve the Adviser's Proxy Voting and Disclosure Policy (the "Adviser Voting Policy") as it relates to the Fund. The Board must also approve any material changes to the Adviser Voting Policy no later than six (6) months after adoption by an Adviser.

C. Conflicts

In cases where a matter with respect to which the Fund was entitled to vote presents a conflict between the interest of the Fund's shareholders on the one hand, and those of the Fund's investment adviser, principal underwriter, or an affiliated person of the Fund, its investment adviser, or principal underwriter on the other hand, the Fund shall always vote in the best interest of the Fund's shareholders. For purposes of this Policy a vote shall be considered in the best interest of the Fund's shareholders when a vote is cast consistent with the specific voting policy as set forth in the Adviser Voting Policy, provided such specific voting policy was approved by the Board.

Voting Client Securities

Under Section 206 of the Advisers Act, an investment adviser has a fiduciary duty to vote proxies in the best interests of the client and to treat clients fairly. In cases where FNEX Advisor ("FNEX") exercises discretion over the purchase of securities FNEX shall vote proxies related to securities held by any client's account over which it maintains discretionary authority consistent with its proxy voting policy. Proxy votes generally will be cast in a manner that is in the best interest of the client.

In exercising its voting discretion, FNEX shall seek to avoid any direct or indirect conflict of interest raised by such voting decision. If the Chief Compliance Officer believes that there is any potential material conflict of interest for the Firm on a particular proxy vote, it is to be turned over to the Investment Management Committee for the voting decision.

Consistent with Rule 206(4)-6 of the Advisers Act, FNEX will retain certain records required by applicable law in connection with its proxy voting activities for clients and shall provide proxy-voting information to clients upon their written or oral request. A copy of FNEX's proxy voting policies and procedures is available to clients upon request.

Proxy Voting Delegation

FNEX's policy will require that proxies received will be voted in a manner consistent with the best interests of the investment portfolio and its clients. As required, FNEX may present to FNEX's clients, at least annually, their policies and a record of each proxy voted by the sub-advisers on behalf of clients, including a report on the resolution of all proxies identified by the Adviser as involving a conflict of interest.

When a material conflict of interest between FNEX's interests and its Clients' interests appears to exist, FNEX may choose among the following options to eliminate such conflict: (1) for routine matters, voting in accordance with FNEX's policies and procedures and the guidelines, where doing so involves little or no discretion; (2) if possible, erect information barriers around the person or persons making voting decisions sufficient to insulate the decision from the conflict; (3) notify affected Clients of the conflict of interest and seek a waiver of the conflict; (4) if agreed upon in writing with the Client, forward the proxies to affected Clients allowing them to vote their own proxies; or (5) may convene an ad-hoc committee of no fewer than two senior executives with the portfolio manager to debate the conflict and to give ruling on the preferred course of action. In all instances, FNEX will seek to resolve the conflict in a manner that is acceptable to all affected parties and is in the best interests of any affected Client(s).

APPENDIX B:

FINANCIAL STATEMENTS

FNEX VENTURES
STATEMENT OF ASSETS AND LIABILITIES

As of August 26, 2019

Assets:	
Cash	$ 100,000
Deferred Offering Costs	15,194
Reimbursement Due from Adviser for Organizational Costs	6,044
Total Assets	121,238
Liabilities:	
Payable to Adviser for Offering Costs	9,338
Offering Costs Payable	5,856
Organizational Costs Payable	6,044
Total Liabilities	21,238
Net Assets	$ 100,000
Sources of Net Assets:	
Paid-in capital	$ 100,000
Net Assets	$ 100,000
Net assets	$ 100,000
Shares Outstanding (7,500,000 shares of beneficial interest, $0.01 par value, authorized)	10,000
Net Asset Value Per Share	$ 10.00

The accompanying notes are an integral part of these financial statements.

FNEX VENTURES
STATEMENT OF OPERATIONS

Period Ended August 26, 2019

Expenses:	
Organizational costs	$ 53,429
Total expenses	53,429
Less: Expenses reimbursed	(53,429)
Net expenses	$ —

The accompanying notes are an integral part of these financial statements.

FNEX VENTURES
NOTES TO THE FINANCIAL STATEMENTS

August 26, 2019

1. ORGANIZATION

FNEX Ventures (the "Fund" or the "Trust") is a Delaware statutory trust registered under the Securities Act of 1933 (the "Securities Act") and Investment Company Act of 1940 (the "Investment Company Act") as a closed-end, non-diversified management investment company that is operated as an "interval fund". Pursuant to the Fund's interval fund structure, the Fund, subject to applicable law, will conduct quarterly repurchase offers for up to 5% of the Fund's outstanding shares at net asset value ("NAV"). Even though the Fund will make quarterly repurchase offers, investors should consider the Fund's shares to be illiquid. The Fund's primary investment objective is capital appreciation. The Fund seeks to achieve its investment objective by investing primarily in the equity securities (e.g., common stock, preferred stock, and convertible debt securities) of late-stage private companies ("Targeted Portfolio Companies") that are included in the FNEX Ventures "Target List" (the "FNEX Target List"). Late-stage private companies are privately held companies that have typically demonstrated sustainable business operations and generally have a well-known product or service with a strong market presence. Late-stage private companies generally have large cash flows from their core business operations and are expanding into new markets with their products or services. The initial issuance of shares was made to FNEX Advisor, LLC, the Advisor of the Fund, at $10.00 per share on August 26, 2019. The Fund has had no operations except for the initial issuance of shares.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed by the Fund in the preparation of its financial statements and are in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The Fund is an investment company that follows the accounting and reporting guidance of Accounting Standards Codification Topic 946 applicable to investment companies.

a) Federal Income Taxes – The Fund intends to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). It is the policy of the Fund to comply with the requirements of the Code applicable to regulated investment companies and to distribute substantially all of its net investment company taxable income and net capital gains. Therefore, no provision for federal income taxes is required.

b) Use of Estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

c) Commitments and Contingencies – In the normal course of business, the Fund enters into general business contracts that contain a variety of representations and warranties and which may provide for indemnification. The Fund's maximum exposure under these arrangements is unknown. However, the Fund expects the risk of material loss to be remote and no amounts have been recorded in the financial statements for such arrangements.

d) Cash – Cash includes cash held or deposited in bank accounts. The Fund deposits cash with high quality financial institutions. These deposits are guaranteed by the Federal Deposit Insurance Company up to an insurance limit.

3. ADVISORY FEES AND OTHER RELATED PARTY TRANSACTIONS

The Advisor provides investment advisory services to the Fund, under the oversight of the Board of Trustees, pursuant to an investment advisory agreement (the "Advisory Agreement"). Under the terms of the Advisory Agreement, the Advisor, under the oversight of the Board of Trustees, implements the overall investment strategy for the Fund; provides facilities and personnel, including officers required for the operations of the Fund; facilitates the preparation of various regulatory filings; liaises with regulators or exchange personnel as appropriate; invests and reinvests the assets of the Fund by selecting the securities, instruments and other investments and techniques that the Fund may purchase, sell or use; and fulfills certain regulatory compliance responsibilities. In consideration of the advisory services provided by the Advisor to the Fund, the Fund shall pay to the Advisor at the end of each calendar month an advisory fee at the annual rate of 1.90% of the Fund's average daily net assets.

3. ADVISORY FEES AND OTHER RELATED PARTY TRANSACTIONS (Continued)

Pursuant to an "Expense Limitation Agreement," the Advisor has also agreed to waive its fees and reimburse expenses of the Fund, until at least August 28, 2021, to ensure that total annual fund operating expenses (excluding interest, taxes, acquired fund fees and expenses, brokerage commissions, dividend expense on short sales, other expenditures which are capitalized in accordance with generally accepted accounting principles and other extraordinary expenses not incurred in the ordinary course of the Fund's business), will not exceed 2.50% of the Fund's average daily net assets computed on a monthly basis. These fee waiver and expense reimbursements are subject to possible recoupment from the Fund within the three years after the date on which the fees were waived or expenses reimbursed. The Fund will make repayments to the Advisor only if, and to the extent that, such recoupment does not cause the Fund's expense ratio (after repayment is taken into account) to exceed both: (i) the Fund's expense limitation in place at the time such amounts were waived, and (ii) the Fund's current expense limitation. This agreement may be terminated only by the Fund's Board of Trustees on 60 days' written notice to the Advisor.

A Trustee of the Trust is also an officer of the Advisor.

M3Sixty Administration, LLC ("M3Sixty") serves as Administrator, Accounting Agent and Transfer Agent to the Fund. Certain officers of the Trust are also employees or officers of M3Sixty.

The Fund has entered into a Distribution Agreement with Foreside Fund Services, LLC (the "Distributor"). Under the terms of the Distribution Agreement, the Distributor acts as the distributor of the Fund's shares of beneficial interest and will continually distribute shares of the Fund.

4. ORGANIZATIONAL AND OFFERING EXPENSES

All costs incurred to date by the Fund in connection with its organization and offering have been advanced by the Advisor subject to recoupment as described in Note 3. Organizational costs were charged to expenses as incurred. Offering costs incurred by the Fund are treated as deferred charges until operations commence and thereafter will be amortized over a 12 month period using the straight line method.

5. BENEFICIAL OWNERSHIP

The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities of a fund creates a presumption of control of the fund, under Section 2(a)(9) of the Investment Company Act of 1940. As of August 26, 2019, the Advisor held 100% of the Fund's shares.

6. SUBSEQUENT EVENTS

In accordance with GAAP, Management has evaluated the impact of all subsequent events on the Fund through the date the financial statements were issued, and has determined that there were no other subsequent events requiring recognition or disclosure in the financial statements.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees and the Shareholder of FNEX Ventures

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of FNEX Ventures (the ***"Fund"***), as of August 26, 2019 and the related statement of operations for the period then ended, and the related notes (collectively referred to as the ***"financial statements"***). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of August 26, 2019, and the results of its operations for the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (***"PCAOB"***) and are required to be independent with respect to the Fund in accordance with the

U.S. federal securities law and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

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

Our audit included performing procedures to assess the risk of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of cash balances as of August 26, 2019 by correspondence with the custodian. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for ouropinion.

BBD, LLP

BBD, LLP

We have served as the auditor of the Fund since 2019.

Philadelphia, Pennsylvania
September 12, 2019