



Additional Information Regarding the Proposals

Proposal 1: To approve a new investment management agreement (“New Management Agreement”) between the Fund and FlowStone Partners, LLC (the “Adviser” or “Flowstone”) that will replace the current management agreement with the Adviser.

- On December 1st, 2025, FlowStone, along with certain of its affiliates, entered into a unit purchase agreement (the “Purchase Agreement”) with Towers Watson Investment Services, Inc., an investment adviser registered under the Investment Advisers Act of 1940 and a wholly-owned subsidiary of Willis Towers Watson US LLC (together with Towers Watson, “WTW”), pursuant to which WTW will acquire all of the membership interests of FlowStone (the “Acquisition”). The Acquisition is expected to close in the first quarter of 2026 (the “Closing”), subject to the approval of the New Management Agreement, and the election of each of the Trustee Nominees, by shareholders of the Fund, as well as other customary closing conditions.
- The Fund is subject to the Investment Company Act of 1940, as amended (“1940 Act”), which provides that any investment advisory agreement must terminate automatically upon the transfer of a controlling block of outstanding voting securities of an adviser or the parent company of an adviser (i.e., a change in control). Accordingly, the consummation of the Acquisition would cause the Existing Management Agreement to terminate automatically. Therefore, in order for Flowstone to be able to continue to provide investment advisory services to the Fund, shareholders must approve the New Management Agreement described in proposal 1.
- **The terms of the New Management Agreement are identical to the terms of the Existing Management Agreement with respect to services to be provided by FlowStone to the Fund.**
- **The Fund’s existing officers and portfolio management team will continue to serve in their current roles.**
- **The Fund’s investment objective and strategies will remain unchanged as a result of the entry into the New Management Agreement.**
- **Currently, the Fund pays to the Adviser a quarterly investment management fee (equal to 1.25% on an annualized basis of the Fund’s net asset value. If the Fund enters into the New Management Agreement, the Adviser has agreed, for a period of at least two-years from the effective date of the New Management Agreement, to reduce the investment management fee rate applicable to the Fund pursuant to an Investment Advisory Fee Waiver Agreement in which the Adviser agrees to limit the Investment Management Fee payable pursuant to the New Management Agreement to 1.00% on an annualized basis of the Fund’s net asset value and to waive 0.25% of the Investment Management fee set forth in the New Management Agreement.**



Additional Information Regarding the Proposals

Proposal 2: To elect six nominees to the Fund's Board of Trustees to succeed the current members of the Board.

- Shareholders are being asked to vote on a proposal to elect the following Trustee Nominees to serve as Trustees to the Fund: Katie Caldwell, Stanley P. Mavromates Jr., Nancy Stokes, Frank Strauss, J. Stanford Willie and Richard Joseph. Each of the Trustee Nominees currently do not serve on the Board.
- If the Trustee Nominees are elected by shareholders at the Special Meeting, the current Board will work with Fund management on an orderly transition to the new Board. The current Trustees of the Fund are not standing for election and will cease to serve as Trustees upon the new Trustees taking office.
- The election of the Trustee Nominees is contingent upon the approval by the Fund's shareholders of the New Management Agreement and the closing of the Acquisition. If the New Management Agreement is not approved by the Fund's shareholders or the Acquisition does not close, the current Trustees of the Fund will continue to serve on the Board of the Fund and the Trustee Nominees will not take office.
- If elected by shareholders, five of the Trustee Nominees will not be "interested persons" of the Fund ("Independent Trustees") as defined in the 1940 Act. One Trustee Nominee, Richard Joseph would be considered an "interested person" of the Fund and is referred to as an "Interested Trustee." Mr. Joseph would be an Interested Trustee of the Fund by virtue of his employment by WTW.