

FIRST HALF 2023
SEMIANNUAL REPORT



Eagle Point Institutional Income Fund Semiannual Report – June 30, 2023

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August 23, 2023

LETTER TO SHAREHOLDERS AND MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Dear Shareholders:

We are pleased to provide you with the enclosed report of Eagle Point Institutional Income Fund (“we,” “us,” “our” or the “Fund”) for the six months ended June 30, 2023.

The Fund is a closed-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”) and is advised by Eagle Point Credit Management LLC (the “Adviser”). The Fund organized as a Delaware statutory trust offers its shares of beneficial interest (“Shares”) to investors on a continuous basis at the Fund’s Net Asset Value (“NAV”) per share plus any applicable sales load. The Fund’s primary investment objective is to generate high current income, with a secondary objective to generate capital appreciation. We seek to achieve these objectives by investing primarily in equity and junior debt tranches of collateralized loan obligations (“CLOs”). We may also invest in other securities or instruments that are related investments or that are consistent with our investment objectives.

The Adviser has significant expertise in CLO investing, including 59 years of combined CLO industry experience among the senior investment team and over \$8.2 billion of assets under management (including undrawn capital commitments and non-CLO strategies)¹ as of June 30, 2023. The Fund was formed in order to provide investors with access to institutional credit investment strategies in a continuously offered, SEC-registered and non-traded format.

In the first half of 2023, we:

- Completed our first year of operations, generating a 1-year total return of 8.57% for the period from June 30, 2022 to June 30, 2023.²
- Made consistent distribution payments to shareholders and paid in aggregate \$0.449 per share during the first half of 2023, generating a 9.1% annualized distribution rate.³
- Opportunistically purchased CLO equity investments in the secondary market at discounted prices for a weighted average effective yield of 20.66%, and sustained a healthy weighted average remaining reinvestment period of the Fund’s CLO equity portfolio of 3.6 years as of June 30, 2023.
- Despite broader market volatility, protected and preserved capital with the Fund’s NAV per share of \$9.70 as of June 30, 2023, compared to \$9.78 a year prior.

Past performance is not indicative of, or a guarantee of, future performance.

Please see page 8 for endnotes.



The strong performance of our investment portfolio during the first half of 2023 resulted in net investment income of \$1.0 million and a cumulative \$0.7 million in common distributions³ paid to shareholders, representing 145% distribution coverage with net investment income. Such declared and paid distributions represent an annualized distribution rate of 8.6%, based on the Fund's offering price of \$10.40 as of June 30, 2023.

We continue to prudently and actively manage the Fund's investment portfolio while raising capital to take advantage of attractive investment opportunities. During the first half of 2023, we deployed \$4.8 million into new CLO equity investments.

The Fund's investment portfolio as of June 30, 2023 consisted of 25 CLO equity investments and 4 CLO debt investments. Importantly, all of the Fund's investments were also investments made by other institutional funds and accounts managed by the Adviser. To the extent that the Fund (and such funds and accounts) owns a majority position in the equity tranche, our Adviser has the ability to exercise certain protective rights over the vehicle (such as the ability to call the CLO after the non-call period, to refinance/reprice certain CLO debt tranches after a period of time and to influence potential amendments to the governing documents of the CLO) that may reduce our risk in these investments and/or enhance our economics.

We believe our investment portfolio continues to have the potential for further meaningful upside. For the first half of 2023, the cash generation of the Fund's CLO equity portfolio was steady and robust, with an annualized cash-on-cash return⁴ of 34.4%, providing the Fund with valuable dry powder to deploy into today's dislocated prices.

During the first half of 2023, the Fund raised \$3.9 million through sales of shares and reinvestment of distributions. The Fund intends to increase shareholders' equity by raising capital under the Fund's continuous offering program. The Adviser provided substantial support to the Fund during the first half of 2023 by paying certain organizational and offering expenses as well as limiting the Fund's operating expenses. The Adviser has not collected any base management or incentive fees since the Fund's inception. The Fund had no leverage on the balance sheet as of June 30, 2023.

We also want to highlight the Fund's distribution reinvestment plan for shareholders. This plan allows shareholders to have their distributions automatically reinvested into new Shares at the NAV per share. We encourage all shareholders to carefully review the terms of the plan. See "*Distribution Reinvestment Plan*" in the enclosed report.

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Please see page 8 for endnotes.



MARKET OVERVIEW⁵

Loan Market

For the first half of 2023, loans performed quite well. The Credit Suisse Leverage Loan Index⁶ (“CSLLI”), which is a broad index followed by many tracking the corporate loan market, generated a non-annualized total return of 6.33% in the first half of 2023. Rising interest rates helped increase the coupon on nearly all loans, and defaults, while increasing from near-zero levels, remain comfortably below long-term averages. While the regional banking turmoil in March caused a short-term drop in loan prices, the loan market recorded its strongest first half since 2009, with prices going up and significantly higher coupons versus a year ago.

Average loan prices finished the first half of 2023 at 93.55, an increase from 91.89 at the beginning of the year. Notably, average loan prices have remained below 94 for the past ten months. With a significant share of high-quality issuers trading at discounted prices, CLO collateral managers were well positioned to improve their CLOs’ loan portfolios during the first half through relative value credit selection in the secondary market.

Retail investors have continued to withdraw assets from mutual funds and ETFs investing in leveraged loans, with June marking the 14th consecutive month of net outflows. Importantly, leverage loan retail funds represent a small portion of overall loan demand, with CLOs by far the largest buyer at 60-70% of the total market today. For the first half of 2023, mutual funds and ETFs investing in leveraged loans experienced net outflows of \$18.9 billion, compared to \$15.1 billion of net inflows for the same period in 2022.⁷

The primary loan market had an active start to the year, with \$41.8 billion in new issuance through the end of February, before the regional banking turmoil in mid-March temporarily stalled new issue activity. Loan issuance totaled \$101.4 billion for the first half of 2023, compared to \$168.2 billion for the first half of 2022. Total institutional loans outstanding stood at \$1.4 trillion as of June 30, 2023.

The trailing 12-month par-weighted default rate finished June at 1.71%, compared to 0.72% at the end of 2022.⁸ Increasing interest rates and inflationary pressures have led to a slight uptick in default activity, but the current default rate still remains well below the long-term average of 2.70%. Further, refinancing activity amongst corporate borrowers has remained relatively steady and has accounted for over 60% of 2023’s new issue supply through June, as we observed loan issuers focusing on extending their 2024 and 2025 maturities by offering lenders higher spreads and OIDs on the newly refinanced loans. Refinancing activity during the first two quarters included companies such as American Airlines, TransDigm and Hub International.

At June 30th, the trailing 12-month prepayment rate was 14.0%. Notably, the increasing pace of refinancings has contributed to a 50% reduction in outstanding 2024 maturity loans, while 2025

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Please see page 8 for endnotes.



maturities have fallen by over 25%. For CLO collateral managers within their reinvestment periods, loan prepayments continue to provide an important opportunity to enhance portfolios by reinvesting par dollars from repayments into quality loans at attractive levels.

We remain aware of the impact of inflation, rising financing costs and lower interest coverage in many borrowers across the loan market (and in our underlying portfolios). The vast majority of the loan maturity wall has been pushed out to 2025 and later. Only 1.61% of the loans in the portfolios of our underlying CLO equity positions mature prior to 2025.

CLO Market

In the midst of the challenging economic environment and limited loan new issuance, the CLO market recorded \$56 billion of new issuance for the first half of 2023, compared to \$73 billion for the first half of 2022. Wide liability spreads and a generally unattractive CLO equity arbitrage did little to deter the less economically sensitive CLO issuers eager to price new fee-stream generating vehicles. Indeed, of the 104 new broadly syndicated loan CLOs issued in the first half of 2023, we estimate over 80% were supported by captive CLO funds that seem to be willing to accept suboptimal CLO equity returns.

As of June 30, CLO AAA discount margins, or DMs, averaged approximately 195 basis points over SOFR, a decrease of 32.5 basis points since the end of 2022. Though the financing cost of new issue CLOs has tightened over the first six months, liability spreads are still wider than we generally believe to be attractive. Absent special circumstances, we believe the CLO equity IRRs for many new issuances do not represent attractive value today and we remain principally focused on secondary market opportunities. Recently, we observed at least an 800 basis point pick-up investing in the secondary CLO equity market versus primary new issue CLO equity opportunities.

Importantly, in an environment of rising defaults and potential increases in loan downgrade activity, the underlying fundamentals of CLO portfolios remain strong. The median marketwide CCC-rated loan exposure for U.S. CLOs was just 5.8%, with average OC cushions of 4.2% on June 30. This compares to CCC-rated loan exposure of 5.6% and an average OC cushion of 5.0% for the Fund on June 30. For context, approximately 6.5% of U.S. CLOs recorded a breach of their overcollateralization test at June 30th. In other words, over 93% of U.S. CLOs continued to pay cash distributions to their CLO equity investors. For reference, 100% of our portfolio of CLO equity is paying current distributions.

With CLO debt spreads well above the tights of 2021, refinancing activity remained “out of the money” for most eligible CLOs. June marked the 13th consecutive month with zero CLO refinancing activity, and just two CLO resets have been recorded year-to-date. While the market gives the “in-the-money” nature of our existing CLOs’ financing some credit, we believe the market doesn’t give it full credit, and that represents hidden value embedded in our portfolio.

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Please see page 8 for endnotes.



Collateral manager tiering continues to be pronounced, with larger, more established collateral managers able to achieve significantly better debt pricing on new CLO issuance than their smaller counterparts. Similarly, the pricing of CLO securities in the secondary market appears to be stratified according to similar collateral manager tiers. For that reason, we have skewed towards top-tier collateral managers with whom we have longstanding relationships for our new issue pipeline. When the new issue market becomes attractive again, this will provide us with greater optionality in timing and CLO debt investor distribution.

ADDITIONAL INFORMATION

In addition to the Fund's regulatory requirement to file certain quarterly and annual portfolio information as described further in the enclosed report, the Fund makes certain additional financial information available to investors via our website (www.EPIIF.com).

ABOUT OUR ADVISER

Eagle Point Credit Management LLC is a specialist asset manager focused on investing in CLO securities and other income-oriented credit investments. As of June 30, 2023, our Adviser had over \$8.2 billion of assets under management (inclusive of undrawn capital commitments).¹

SUBSEQUENT DEVELOPMENTS

As of July 31, 2023, the Fund's NAV per share was \$9.97. This represents an increase of 2.8% compared to the NAV per share as of June 30, 2023.

Pursuant to the Fund's continuous offering, during the period from July 1, 2023 through July 31, 2023, the Fund issued shares for total net proceeds to the Fund of \$5.9 million.

For the month of July 2023, the Fund declared and paid a distribution in the amount of \$0.075 per share, representing a 9.3% annualized distribution rate³ based on the Fund's NAV per share of \$9.70 as of June 30, 2023.

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Please see page 8 for endnotes.



* * * * *

Management remains keenly focused on continuing to create value for our shareholders. We appreciate the trust and confidence our shareholders have placed in the Fund.

Thomas Majewski
Chief Executive Officer

This letter is intended to assist shareholders in understanding the Fund's performance during the six months ended June 30, 2023. The views and opinions in this letter were current as of July 31, 2023. Statements other than those of historical facts included herein may constitute forward-looking statements and are not guarantees of future performance or results and involve a number of risks and uncertainties. Actual results may differ materially from those in the forward-looking statements as a result of a number of factors. The Fund undertakes no duty to update any forward-looking statement made herein. Information contained on our website is not incorporated by reference into this shareholder letter and you should not consider information contained on our website to be part of this shareholder letter or any other report we file with the Securities and Exchange Commission.

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Notes

- ¹ AUM is as of June 30, 2023 and includes unfunded commitments. Includes assets managed by Eagle Point Income Management LLC, a majority-owned subsidiary of Eagle Point Credit Management LLC.
- ² Total returns is as of June 30, 2023 and reflects the percent change in NAV per share from the beginning of the period, plus the amount of any distribution per share declared in the period. Return calculation assumes reinvestment of distributions pursuant to the Fund's distribution reinvestment plan, is derived from unaudited financial information and is net of all Fund expenses, including general and administrative expenses, transaction related expenses, amortization of offering costs, management fees, and incentive fees. Total return does not include upfront sales load. Past performance is not indicative of, or a guarantee of, future performance. Return information is not a measure used under GAAP. The returns have been prepared using unaudited data and valuations of the underlying investments in the Fund's portfolio, which are estimates of fair value and form the basis for the Fund's NAV. Valuations based upon unaudited reports may not correspond to realized value and may not accurately reflect the price at which assets could be liquidated. Performance reflects certain expense limitation and fee waiver arrangements in effect during the periods shown. Absent these arrangements, the Fund's performance would have been lower. Certain expenses paid by Eagle Point Credit Management or its affiliates on the Fund's behalf are subject to reimbursement by the Fund for up to three years (which reimbursement would have the effect of reducing the Fund's performance). Performance does not reflect the impact of federal, state or local taxation to which an investor may be subject.
- ³ Annualized distribution rate reflects distributions paid during the period, annualized, and divided by the average month end NAV per share for the applicable period. The annualized distribution rate is not a guarantee of future returns and future performance may vary. The timing and frequency of distribution payments is not guaranteed. Such variance may be material and adverse, including the potential for full loss of principal and no distributions. In considering returns, investors should bear in mind that historical performance is not a guarantee, projection or prediction and is not indicative of future results. Actual net returns in any given year may be lower than the historical returns. Investment return and principal value of any investment will fluctuate and may be worth more or less than the amount initially invested. Distribution payments are not guaranteed. Distributions may be comprised of any combination of 1) net investment income and/or 2) net capital gain, and, if the Fund distributes an amount in excess of net investment income and net capital gains, a portion of such distribution will constitute a return of capital. A distribution comprised in whole or in part by a return of capital does not necessarily reflect the Fund's investment performance and should not be confused with "yield" or "income." A return of capital distribution may reduce the amount of investable funds. The actual components of the Fund's distributions for U.S. tax reporting purposes can only be finally determined as of the end of each fiscal year of the Fund and are thereafter reported to shareholders on Form 1099-DIV.
- ⁴ Cash-on-cash return represents the total amount of distributions received from investments for the period over the Fund's average beginning NAV for the period, annualized.
- ⁵ JPMorgan Chase & Co.; S&P Capital IQ; S&P LCD; Credit Suisse.
- ⁶ The CSLLI tracks the investable universe of the US dollar-denominated leveraged loan market. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.
- ⁷ JPMorgan Chase & Co. North American Credit Research – JPM High Yield and Leveraged Loan Research (cumulative 2023 reports).
- ⁸ "Par-weighted default rate" represents the rate of obligors who fail to remain current on their loans based on the par amount.

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Important Information about this Report and Eagle Point Institutional Income Fund

This report is transmitted to the shareholders of Eagle Point Institutional Income Fund (“we”, “us”, “our” or the “Fund”) and is furnished pursuant to certain regulatory requirements. This report and the information and views herein do not constitute investment advice, or a recommendation or an offer to enter into any transaction with the Fund or any of its affiliates. This report is provided for informational purposes only, does not constitute an offer to sell securities of the Fund and is not a prospectus. From time to time, the Fund may have a registration statement relating to one or more of its securities on file with the US Securities and Exchange Commission (“SEC”). Any registration statement that has not yet been declared effective by the SEC, and any prospectus relating thereto, is not complete and may be changed. Any securities that are the subject of such a registration statement may not be sold until the registration statement filed with the SEC is effective.

The information and its contents are the property of Eagle Point Credit Management LLC (the “Adviser”) and/or the Fund. Any unauthorized dissemination, copying or use of this presentation is strictly prohibited and may be in violation of law. This presentation is being provided for informational purposes only.

Investors should read the Fund’s prospectus and SEC filings (which are publicly available on the EDGAR Database on the SEC website at <http://www.sec.gov>) carefully and consider their investment goals, time horizons and risk tolerance before investing in the Fund. Investors should consider the Fund’s investment objectives, risks, charges and expenses carefully before investing in securities of the Fund. There is no guarantee that any of the goals, targets or objectives described in this report will be achieved.

An investment in the Fund is not appropriate for all investors. The investment program of the Fund is speculative, entails substantial risk and includes investment techniques not employed by traditional mutual funds. An investment in the Fund is not intended to be a complete investment program. Past performance is not indicative of, or a guarantee of, future performance. The performance and certain other portfolio information quoted herein represents information as of June 30, 2023. Nothing herein should be relied upon as a representation as to the future performance or portfolio holdings of the Fund. Investment return and principal value of an investment will fluctuate, and shares, when sold, may be worth more or less than their original cost. The Fund’s performance is subject to change since the end of the period noted in this report and may be lower or higher than the performance data shown herein.

Liquidity will be provided by the Fund only through limited repurchase offers described below (if at all). An investment in the Fund is suitable only for investors who can bear the risks associated with the limited liquidity of the Shares and should be viewed as a long-term investment. The Fund’s shares will not be publicly traded and an investor should not expect to be able to sell shares regardless of how the Fund performs.

Neither the Adviser nor the Fund provide legal, accounting or tax advice. Any statement regarding such matters is explanatory and may not be relied upon as definitive advice. Investors should consult with their legal, accounting and tax advisors regarding any potential investment. The information presented herein is as of the dates noted herein and is derived from financial and other information of the Fund, and, in certain cases, from third party sources and reports (including reports of third party custodians, CLO managers and trustees) that have not been independently verified by the Fund. As noted herein, certain of this information is estimated and unaudited, and therefore subject to change. We do not represent that such information is accurate or complete, and it should not be relied upon as such.

Forward-Looking Statements

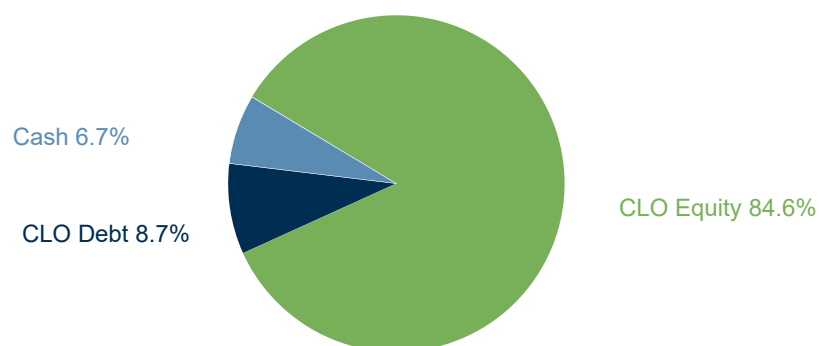
This report may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Statements other than statements of historical facts included in this report may constitute forward-looking statements and are not guarantees of future performance or results and involve a number of risks and uncertainties. Actual results may differ materially from those in the forward-looking statements as a result of a number of factors, including those described in the Fund’s filings with the SEC. The Fund undertakes no duty to update any forward-looking statement made herein. All forward-looking statements speak only as of the date of this report

Please see footnote disclosure on Page 12.

Summary of Certain Unaudited Portfolio Characteristics

The summary of portfolio characteristics reflected below is as of June 30, 2023. The information presented below is on a look-through basis to the collateralized loan obligation, or “CLO”, equity held by the Fund as of June 30, 2023 (except as otherwise noted) and reflects the aggregate underlying exposure of the Fund based on the portfolios of those investments. The data is estimated and unaudited and is derived from CLO trustee reports received by the Fund relating to June 2023 and from custody statements and/or other information received from CLO collateral managers, or other third party sources.

Summary of Portfolio Investments (as of 6/30/2023)¹



Cash: \$1,147,633

Number of CLO Securities	29
Number of Collateral Managers	18
Fair Value of CLO Equity Securities	\$14,444,013
Fair Value of CLO Debt Securities	\$1,480,698

Summary of Underlying Portfolio Characteristics (as of 06/30/2023)²

Number of Unique Underlying Loan Obligors	1,260
Largest Exposure to an Individual Obligor	0.84%
Average Individual Loan Obligor Exposure	0.08%
Top 10 Loan Obligors Exposure	6.07%
Aggregate Indirect Exposure to Senior Secured Loans ³	97.56%
Weighted Average Market Value of Loan Collateral	95.09%
Weighted Average Stated Loan Spread	3.68%
Weighted Average Loan Maturity	4.6 years
Weighted Average Remaining CLO Reinvestment Period	3.6 years

Please see footnote disclosure on Page 12.

Notes

- ¹ The summary of portfolio investments shown is based on the estimated fair value of the underlying positions and cash net of pending settlements as of June 30, 2023.
- ² The information presented herein is on a look-through basis to the collateralized loan obligation, or “CLO”, equity held by the Fund as of June 30, 2023 (except as otherwise noted) and reflects the aggregate underlying exposure of the Fund based on the portfolios of those investments. The data is estimated and unaudited and is derived from CLO trustee reports received by the Fund relating to June 2023 and from custody statements and/or other information received from CLO collateral managers and other third party sources. Information relating to the market price of underlying collateral is as of month end; however, with respect to other information shown, depending on when such information was received, the data may reflect a lag in the information reported. As such, while this information was obtained from third party data sources, June 2023 trustee reports and similar reports, other than market price, it does not reflect actual underlying portfolio characteristics as of June 30, 2023 and this data may not be representative of current or future holdings. The weighted average remaining reinvestment period information is based on the fair value of CLO equity investments held by the Fund as of June 30, 2023.
- ³ We obtain exposure in underlying senior secured loans indirectly through CLOs and related investments.

Consolidated Financial Statements for the Six Months Ended June 30, 2023 (Unaudited)

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Eagle Point Institutional Income Fund & Subsidiaries
Consolidated Statement of Assets and Liabilities
As of June 30, 2023
(expressed in U.S. dollars)
(Unaudited)

ASSETS

Investments, at fair value (cost \$16,741,815)	\$ 15,924,711
Cash and cash equivalents	1,147,633
Interest receivable	638,074
Due from Adviser (Note 4)	628,341
Deferred offering costs (Note 4)	66,205
Prepaid expenses	36,624
Total Assets	18,441,588

LIABILITIES

Incentive fee payable	366,865
Management fee payable	261,476
Professional fees payable	134,547
Administration fees payable	85,381
Trustee fees payable	52,812
Due to Adviser (Note 4)	11,746
Transfer agent fees payable	9,197
Other expenses payable	7,122
Total Liabilities	929,146

COMMITMENTS AND CONTINGENCIES (Note 7)

NET ASSETS applicable to 1,805,211 shares issued and outstanding \$ 17,512,442

NET ASSETS consist of:

Paid-in capital (Note 5)	\$ 17,392,989
Aggregate distributable earnings (losses)	119,453
Total Net Assets	\$ 17,512,442

Shares issued and outstanding 1,805,211

Net asset value per share \$ 9.70

Eagle Point Institutional Income Fund & Subsidiaries
Consolidated Schedule of Investments
As of June 30, 2023
(expressed in U.S. dollars)
(Unaudited)

Issuer ⁽¹⁾	Investment ⁽²⁾	Acquisition Date ⁽³⁾	Principal Amount	Cost	Fair Value ⁽⁴⁾	% of Net Assets
Investments at Fair Value						
CLO Debt ⁽⁵⁾						
Structured Finance						
Apidos CLO XXXI	Secured Note - Class E-R, 11.86% (3M LIBOR + 6.60%, due 04/15/2031)	06/07/22	\$ 525,000	\$ 489,577	\$ 477,593	2.73%
Barings CLO Ltd. 2022-II	Secured Note - Class E, 12.83% (3M SOFR + 7.84%, due 07/15/2035)	06/21/22	100,000	99,041	93,690	0.53%
CIFC Funding 2017-IV, Ltd.	Secured Note - Class D, 11.37% (3M LIBOR + 6.10%, due 10/24/2030)	09/22/22	500,000	432,825	440,650	2.52%
Tralce CLO VII, Ltd.	Secured Note - Class E, 12.65% (3M LIBOR + 7.39%, due 04/25/2034)	06/02/22	550,000	488,970	468,765	2.68%
				1,510,413	1,480,698	8.46%
CLO Equity ⁽⁶⁾⁽⁷⁾						
Structured Finance						
Ares LXIV CLO Ltd.	Subordinated Note (effective yield 19.57%, maturity 04/15/2035)	01/26/23	600,000	477,971	431,880	2.47%
Bardot CLO, Ltd.	Subordinated Note (effective yield 45.24%, maturity 10/22/2032) ⁽⁸⁾	11/22/22	275,000	171,924	168,509	0.96%
Barings CLO Ltd. 2021-II	Subordinated Note (effective yield 20.62%, maturity 07/15/2034)	09/07/22	600,000	457,016	413,811	2.36%
Barings CLO Ltd. 2022-II	Income Note (effective yield 33.18%, maturity 07/15/2022) ⁽⁸⁾	06/21/22	1,000,000	378,660	457,323	2.61%
Battalion CLO XXIII Ltd.	Income Note (effective yield 23.58%, maturity 07/15/2036) ⁽⁸⁾	05/19/22	600,000	440,109	335,247	1.91%
Bear Mountain Park CLO, Ltd.	Income Note (effective yield 17.06%, maturity 07/15/2035) ⁽⁸⁾	07/13/22	475,000	391,454	344,445	1.97%
BlueMountain CLO XXIV Ltd.	Subordinated Note (effective yield 20.77%, maturity 04/20/2034)	05/31/22	750,000	480,298	394,542	2.25%
CIFC Funding 2019-V, Ltd.	Subordinated Note (effective yield 20.01%, maturity 01/15/2035)	02/07/23	650,000	478,940	462,463	2.64%
CIFC Funding 2020-II, Ltd.	Subordinated Note (effective yield 22.67%, maturity 10/20/2034)	12/14/22	650,000	478,652	500,590	2.86%
CIFC Funding 2022-VI, Ltd.	Income Note (effective yield 14.42%, maturity 07/16/2035) ⁽⁸⁾	08/01/22	600,000	481,502	371,908	2.12%
Dryden 94 CLO, Ltd.	Income Note (effective yield 23.06%, maturity 07/15/2037) ⁽⁸⁾	04/28/22	3,000,000	2,203,843	2,052,765	11.72%
Dryden 109 CLO, Ltd.	Subordinated Note (effective yield 21.85%, maturity 04/20/2035)	02/15/23	600,000	476,198	431,340	2.46%
Eaton Vance CLO 2020-2, Ltd.	Subordinated Note (effective yield 22.25%, maturity 01/15/2035)	09/16/22	650,000	468,708	454,481	2.60%
Elmwood CLO 14 Ltd.	Subordinated Note (effective yield 20.14%, maturity 04/20/2035)	06/06/23	1,000,000	761,252	771,535	4.41%
Elmwood CLO 17 Ltd.	Subordinated Note (effective yield 19.41%, maturity 07/17/2035)	04/25/23	650,000	495,625	497,845	2.84%
Generate CLO 9 Ltd.	Subordinated Note (effective yield 23.33%, maturity 10/20/2034)	05/31/22	600,000	461,635	478,778	2.73%
Kings Park CLO, Ltd.	Subordinated Note (effective yield 25.07%, maturity 01/21/2035)	04/27/23	800,000	489,200	517,674	2.96%
Madison Park Funding XXXIV, Ltd.	Subordinated Note (effective yield 25.03%, maturity 04/25/2032)	09/27/22	750,000	469,739	453,137	2.59%
Octagon 58, Ltd.	Income Note (effective yield 21.75%, maturity 07/15/2037) ⁽⁸⁾	04/21/22	3,000,000	2,162,912	2,062,225	11.78%
Regatta XIX Funding Ltd.	Subordinated Note (effective yield 22.01%, maturity 04/20/2035)	03/15/23	500,000	396,687	409,348	2.34%
Regatta XXI Funding Ltd.	Subordinated Note (effective yield 18.18%, maturity 10/20/2034)	06/10/22	650,000	472,025	411,210	2.35%
Regatta XXII Funding Ltd.	Subordinated Note (effective yield 20.69%, maturity 07/20/2035)	06/20/23	1,000,000	741,250	746,939	4.27%
Regatta XXIV Funding Ltd.	Subordinated Note (effective yield 20.33%, maturity 01/20/2035)	02/14/23	700,000	455,929	424,290	2.42%
Venture 45 CLO, Ltd.	Subordinated Note (effective yield 28.27%, maturity 07/20/2035)	09/19/22	700,000	513,565	445,228	2.54%
Wind River 2022-2 CLO Ltd.	Income Note (effective yield 26.71%, maturity 07/20/2035) ⁽⁸⁾	06/03/22	600,000	426,308	406,500	2.32%
				15,231,402	14,444,013	82.48%
Total investments at fair value as of June 30, 2023				\$ 16,741,815	\$ 15,924,711	90.94%
Net assets above (below) fair value of investments					1,587,731	
Net Assets as of June 30, 2023					\$ 17,512,442	

(1) The Fund is not affiliated with, nor does it "control" (as such term is defined in the Investment Fund Act of 1940 (the "1940 Act")), any of the issuers listed. In general, under the 1940 Act, the Fund would be presumed to "control" an issuer if it owned 25% or more of its voting securities.

(2) All securities exempt from registration under the Securities Act of 1933, and are deemed to be "restricted securities".

(3) Acquisition date represents the initial purchase date of investment.

(4) Fair value is determined by the Adviser in accordance with written valuation policies and procedures, subject to oversight by the Fund's Board of Trustees, in accordance with Rule 2a-5 under the 1940 Act.

(5) CLO debt positions reflect the interest rate as of the reporting date.

(6) The fair value of CLO equity investments are classified as Level III investments. See Note 3 "Investments" for further discussion.

(7) CLO subordinated notes and income notes are considered CLO equity positions. CLO equity positions are entitled to recurring distributions which are generally equal to the remaining cash flow of payments made by underlying assets less contractual payments to debt holders and fund expenses. The effective yield is estimated based upon the current projection of the amount and timing of these recurring distributions in addition to the estimated amount of terminal principal payment. It is the Fund's policy to update the effective yield for each CLO equity position held within the Fund's portfolio at the initiation of each investment and each subsequent quarter thereafter. The effective yield and investment cost may ultimately not be realized. As of June 30, 2023, the Fund's weighted average effective yield on its aggregate CLO equity positions, based on current amortized cost, was 22.31%.

(8) Fair value includes the Fund's interest in fee rebates on CLO subordinated and income notes.

Reference Key:

SOFR Secured Overnight Financing Rate
LIBOR London Interbank Offered Rate

Eagle Point Institutional Income Fund & Subsidiaries
Consolidated Statement of Operations
For the six months ended June 30, 2023
(expressed in U.S. dollars)
(Unaudited)

INVESTMENT INCOME	
Interest income	\$ 1,408,709
Other income	55,793
Total Investment Income	1,464,502
EXPENSES	
Incentive fee (Note 4)	254,318
Administration fees (Note 4)	165,046
Professional fees	134,232
Management fee (Note 4)	133,290
Trustee fees	52,812
Transfer agent fees	16,641
Amortization of offering costs (Note 4)	6,019
Other expenses	78,499
Total Expenses	840,857
Expense support (Note 4)	(387,608)
Net Expenses	453,249
NET INVESTMENT INCOME	1,011,253
REALIZED AND UNREALIZED GAIN (LOSS)	
Net realized gain (loss) on investments	76,854
Net change in unrealized appreciation (depreciation) on investments	(764,956)
NET REALIZED AND UNREALIZED GAIN (LOSS)	(688,102)
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	\$ 323,151

Eagle Point Institutional Income Fund & Subsidiaries
Consolidated Statements of Changes in Net Assets
(expressed in U.S. dollars, except share amounts)
(Unaudited)

	For the six months ended June 30, 2023	For the period from June 1, 2022 (Commencement of Operations) through December 31, 2022
Net Increase (decrease) in net assets resulting from operations		
Net investment income	\$ 1,011,253	\$ 650,250
Net realized gain (loss) on investments	76,854	1,668
Net change in unrealized appreciation (depreciation) on investments	(764,956)	(52,148)
Total net increase (decrease) in net assets resulting from operations	323,151	599,770
Distributions to shareholders		
Total earnings distributed	(699,065)	(104,403)
Distributions from tax return of capital	-	(480,820)
Total distributions to shareholders	(699,065)	(585,223)
Capital share transactions:		
Proceeds from shares sold	3,316,462	13,314,437
Reinvestment of distributions resulting in the issuance of shares	597,996	544,914
Total capital share transactions:	3,914,458	13,859,351
Total increase (decrease) in net assets	3,538,544	13,873,898
Net assets at beginning of period	13,973,898	100,000
Net assets at end of period	\$ 17,512,442	\$ 13,973,898
Capital share activity:		
Shares sold	342,926	1,337,483
Shares sold pursuant to the Fund's distribution reinvestment plan	60,672	54,130
Total increase (decrease) in capital share activity	403,598	1,391,613

Eagle Point Institutional Income Fund & Subsidiaries
Consolidated Statement of Cash Flows
For the six months ended June 30, 2023
(expressed in U.S. dollars)
(Unaudited)

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net increase (decrease) in net assets from operations	\$ 323,151
Adjustments to reconcile net increase (decrease) in net assets from operations to net cash provided by (used in) operating activities:	
Purchase of investments	(4,836,700)
Proceeds from sales of investments and repayments of principal ⁽¹⁾	1,588,794
Net realized (gain) loss on investments	(76,854)
Net change in unrealized (appreciation) depreciation on investments	764,956
Amortization (accretion) of premiums or discounts on CLO debt securities	(5,663)
Change in assets and liabilities:	
Interest receivable	390,207
Due from Adviser	(387,608)
Deferred offering costs	(66,205)
Prepaid expenses	21,619
Incentive fee payable	254,318
Management fee payable	133,290
Professional fees payable	(77,289)
Administration fees payable	(83,639)
Trustee fees payable	(9,313)
Due to Adviser (Note 4)	(59,752)
Transfer agent fees payable	(8,182)
Other expenses payable	(1,092)
Net cash provided by (used in) operating activities	<u>(2,135,962)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Distributions to shareholders, net of change in distribution payable	(707,969)
Proceeds from shares sold	3,914,458
Net cash provided by (used in) financing activities	<u>3,206,489</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,070,527
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>77,106</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u><u>\$ 1,147,633</u></u>

⁽¹⁾ Proceeds from sales or maturity of investments includes \$739,521 of return of capital on CLO equity investments from recurring cash flows.

Eagle Point Institutional Income Fund & Subsidiaries
Notes to Consolidated Financial Statements
June 30, 2023
(Unaudited)

1. ORGANIZATION

Eagle Point Institutional Income Fund (the “Fund”) was formed as a Delaware statutory trust on October 22, 2021, and is an externally managed, non-diversified closed-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”). The Fund’s primary investment objective is to generate high current income, with a secondary objective to generate capital appreciation. The Fund seeks to achieve its investment objectives by investing primarily in equity and junior debt tranches of collateralized loan obligations (“CLOs”) that are collateralized by a portfolio consisting primarily of below investment grade U.S. senior secured loans with a large number of distinct underlying borrowers across various industry sectors. The Fund may also invest in other related securities and instruments or other securities and instruments that Eagle Point Credit Management LLC (the “Adviser”) believes are consistent with the Fund’s investment objectives, including senior debt tranches of CLOs, loan accumulation facilities (“LAFs”) and securities and instruments of corporate issuers. From time to time, in connection with the acquisition of CLO equity, the Fund may receive fee rebates from the CLO issuer. The CLO securities in which the Fund primarily seeks to invest are unrated or rated below investment grade and are considered speculative with respect to timely payment of interest and repayment of principal.

As of June 30, 2023, the Fund had two wholly-owned subsidiaries: EPIIF Sub (Cayman) Ltd. (“Sub I”), a Cayman Islands exempted company, and EPIIF Sub II (Cayman) Ltd. (“Sub II”), a Cayman Islands exempted company. As of June 30, 2023, Sub I and Sub II represent 2.68% and 2.87% of the Fund’s net assets, respectively.

The Fund commenced operations on June 1, 2022 and is offering its shares of beneficial interest (“Shares”) on a continuous basis at the applicable period end net asset value per share plus any applicable sales loads.

The Fund intends to operate so as to qualify to be taxed as a regulated investment company (“RIC”) under subchapter M of the Internal Revenue Code of 1986, as amended (the “Code”), for federal income tax purposes.

The Adviser is the investment adviser of the Fund and manages the investments of the Fund subject to the supervision of the Fund’s Board of Trustees (the “Board”). The Adviser is registered as an investment adviser with the U.S. Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940, as amended. Eagle Point Administration LLC, an affiliate of the Adviser, is the administrator of the Fund (the “Administrator”).

UMB Bank serves as the Fund’s custodian.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The consolidated financial statements include the accounts of the Fund and its wholly-owned subsidiaries. All intercompany accounts have been eliminated upon consolidation. The Fund is considered an investment company under accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Fund follows the accounting and reporting guidance applicable to investment companies in the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 946 *Financial Services – Investment Companies*. Items included in the consolidated financial statements are measured and presented in United States dollars.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions which affect the reported amounts included in the consolidated financial statements and accompanying notes as of the reporting date. Actual results may differ from those estimates.

Valuation of Investments

The most significant estimate inherent in the preparation of the consolidated financial statements is the valuation of investments. Pursuant to Rule 2a-5 under the 1940 Act, the Board has elected to designate the Adviser as

Eagle Point Institutional Income Fund & Subsidiaries
Notes to Consolidated Financial Statements
June 30, 2023
(Unaudited)

"valuation designee" to perform fair value determinations in respect of the Fund's portfolio investments that do not have readily available market quotations. In the absence of readily available market quotations, as defined by Rule 2a-5 under the 1940 Act, the Adviser determines the fair value of the Fund's investments in accordance with its written valuation policy, subject to Board oversight. Due to the uncertainty of valuation, this estimate may differ significantly from the value that would have been used had a ready market for the investments existed, and the differences could be material.

There is no single method for determining fair value in good faith. As a result, determining fair value requires judgment be applied to the specific facts and circumstances of each portfolio investment while employing a consistently applied valuation process for the types of investments held by the Fund.

The Fund accounts for its investments in accordance with U.S. GAAP, and fair values its investment portfolio in accordance with the provisions of the FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, which defines fair value, establishes a framework for measuring fair value and requires enhanced disclosures about fair value measurements. Investments are reflected in the consolidated financial statements at fair value. Fair value is the estimated amount that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date (i.e., the exit price). In accordance with Rule 2a-5 under the 1940 Act adopted by the SEC in December 2020, the Board has designated the Adviser to perform the determination of fair value of the Fund's investment portfolio, subject to Board oversight and certain other conditions.

The fair value hierarchy prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment, the characteristics specific to the investment and the state of the marketplace (including the existence and transparency of transactions between market participants). Investments with readily available actively quoted prices, or for which fair value can be measured from actively quoted prices in an orderly market, will generally have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories based on inputs:

Level I – Observable, quoted prices for identical investments in active markets as of the reporting date.

Level II – Quoted prices for similar investments in active markets or quoted prices for identical investments in markets that are not active as of the reporting date.

Level III – Pricing inputs are unobservable for the investment and little, if any, active market exists as of the reporting date. Fair value inputs require significant judgment or estimation from the Adviser.

In certain cases, inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given investment is based on the lowest level of input significant to that fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and consideration of factors specific to the investment.

Investments for which observable, quoted prices in active markets do not exist are reported at fair value based on Level III inputs. The amount determined to be fair value may incorporate the Adviser's own assumptions (including assumptions the Adviser believes market participants would use in valuing investments and assumptions relating to appropriate risk adjustments for nonperformance and lack of marketability), as provided for in the Adviser's valuation policy.

An estimate of fair value is made for each investment at least monthly taking into account information available as of the reporting date. For financial reporting purposes, valuations are determined by the Adviser on a quarterly basis.

Eagle Point Institutional Income Fund & Subsidiaries
Notes to Consolidated Financial Statements
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(Unaudited)

See Note 3 “Investments” for further discussion relating to the Fund’s investments.

In valuing the Fund’s investments in CLO debt and CLO equity, the Adviser considers a variety of relevant factors, including, as applicable, price indications from a third-party pricing service, recent trading prices for specific investments, recent purchases and sales known to the Adviser in similar securities and output from a third-party financial model. The third-party financial model contains detailed information on the characteristics of CLOs, including recent information about assets and liabilities, and is used to project future cash flows. Key inputs to the model, including, but not limited to assumptions for future loan default rates, recovery rates, prepayment rates, reinvestment rates and discount rates are determined by considering both observable and third-party market data and prevailing general market assumptions and conventions as well as those of the Adviser.

A third-party independent valuation firm is used as an input by the Adviser to determine the fair value of the Fund’s investments in CLO equity. The valuation firm’s advice is only one factor considered in the valuation of such investments, and the Adviser does not solely rely on such advice in determining the fair value of the Fund’s investments in accordance with the 1940 Act.

Investment Income Recognition

Interest income from investments in CLO debt is recorded using the accrual basis of accounting to the extent such amounts are expected to be collected. Interest income on investments in CLO debt is generally expected to be received in cash. The Fund applies the provisions of Accounting Standards Update No. 2017-08 *Premium Amortization on Purchased Callable Debt Securities* (“ASU 2017-08”) in calculating amortization of premium for purchased CLO debt securities. Amortization of premium or accretion of discount is recognized using the effective interest method.

In certain circumstances, interest income may be paid in the form of additional investment principal, often referred to as payment-in-kind (“PIK”) interest. PIK interest is included in interest income and interest receivable through the payment date. The PIK interest rate for CLO debt securities represents the coupon rate at payment date when PIK interest is received. On the payment date, interest receivable is capitalized as additional investment principal in the CLO debt security. To the extent the Fund does not believe it will be able to collect PIK interest, the CLO debt security will be placed on non-accrual status, and previously recorded PIK interest income will be reversed.

CLO equity investments and fee rebates recognize investment income for U.S. GAAP purposes on the accrual basis utilizing an effective interest methodology based upon an effective yield to maturity utilizing projected cash flows. ASC Topic 325-40, *Beneficial Interests in Securitized Financial Assets*, requires investment income from CLO equity investments and fee rebates to be recognized under the effective interest method, with any difference between cash distributed and the amount calculated pursuant to the effective interest method being recorded as an adjustment to the cost basis of the investment. It is the Fund’s policy to update the effective yield for each CLO equity position held within the Fund’s portfolio at the initiation of each investment and each subsequent quarter thereafter.

Other Income

Other income includes the Fund’s share of income under the terms of fee rebate agreements.

Securities Transactions

The Fund records the purchase and sale of securities on trade date. Realized gains and losses on investments sold are recorded on the basis of the specific identification method.

Cash and Cash Equivalents

The Fund has defined cash and cash equivalents as cash and short-term, highly liquid investments with original maturities of three months or less from the date of purchase. The Fund maintains its cash in bank accounts, which, at times, may exceed federal insured limits. The Adviser monitors the performance of the financial institution where the accounts are held in order to manage any risk associated with such accounts.

Eagle Point Institutional Income Fund & Subsidiaries
Notes to Consolidated Financial Statements
June 30, 2023
(Unaudited)

As of June 30, 2023, the Fund held cash in a UMB money market interest earning cash deposit account with a balance of \$1,076,411. This account is classified as Level I in the fair value hierarchy.

Expense Recognition

Expenses are recorded on the accrual basis of accounting.

Prepaid Expenses

Prepaid expenses consist primarily of insurance premiums and state registration fees. Insurance premiums are amortized over the term of the current policy. State registration fees are amortized over twelve months from the time of payment.

Offering Costs

Offering costs of the Fund are capitalized and amortized to expense over the twelve month period following such capitalization on a straight line basis. Since inception of the Fund, a portion of the offering costs incurred by the Fund have been paid for by the Adviser, for which the Adviser has not yet sought reimbursement. See Note 4 “Related Party Transactions” for further discussion of the Fund’s offering costs.

Organization Costs

Organizational costs of the Fund are expensed as incurred. Since inception, organizational costs incurred by the Fund have been paid for the by the Adviser, for which it has not yet sought reimbursement. See Note 4 “Related Party Transactions” for further discussion of the Fund’s organizational costs.

Federal and Other Taxes

The Fund intends to operate so as to qualify to be taxed as a RIC under subchapter M of the Code and, as such, to not be subject to federal income tax on the portion of its taxable income and gains distributed to shareholders. To qualify for RIC tax treatment, among other requirements, the Fund is required to distribute at least 90% of its investment company taxable income, as defined by the Code.

Because U.S. federal income tax regulations differ from U.S. GAAP, distributions in accordance with tax regulations may differ from net investment income and realized capital gains recognized for financial reporting purposes. Differences may be permanent or temporary. Permanent differences are reclassified among capital accounts in the consolidated financial statements to reflect their tax character. Temporary differences arise when certain items of income, expense, gain or loss are recognized at some time in the future. Differences in classification may also result from the treatment of short-term capital gains as ordinary income for federal income tax purposes. The tax basis components of distributable earnings differ from the amounts reflected in the Consolidated Statement of Assets and Liabilities due to temporary book/tax differences arising primarily from partnerships and passive foreign investment company investments.

As of June 30, 2023, the federal income tax cost and net unrealized depreciation on securities were as follows:

Cost for federal income tax purposes	\$	15,464,728
Gross unrealized appreciation	\$	814,837
Gross unrealized depreciation		(354,854)
Net unrealized appreciation	<u>\$</u>	<u>459,983</u>

Distributions

The composition of distributions paid to shareholders from net investment income and capital gains are determined in accordance with U.S. federal income tax regulations, which differ from U.S. GAAP. Distributions to shareholders can be comprised of net investment income, net realized capital gains and return of capital for U.S. federal income tax purposes and are intended to be paid monthly. Distributions payable to shareholders are recorded as a liability on ex-dividend date. If a shareholder opts-in to the Fund’s distribution reinvestment plan (the “DRIP”), distributions are automatically reinvested in full shares of the Fund as of the payment date, pursuant

Eagle Point Institutional Income Fund & Subsidiaries
Notes to Consolidated Financial Statements
June 30, 2023
(Unaudited)

to the DRIP. The Fund's shareholders who choose not to participate in the DRIP generally will receive all distributions in cash.

In addition to the regular monthly distributions, and subject to available taxable earnings of the Fund, the Fund may make periodic special distributions representing the excess of the Fund's net taxable income over the Fund's aggregate monthly distributions paid during the year (or for other purposes).

The characterization of distributions paid to shareholders, as set forth in the Consolidated Financial Highlights, reflect estimates made by the Fund for federal income tax purposes. Such estimates are subject to change once the final determination of the source of all distributions has been made by the Fund.

For the six months ended June 30, 2023, the Fund declared and paid distributions to shareholders of \$699,065 or \$0.449 per share.

3. INVESTMENTS

Fair Value Measurement

The following tables summarize the valuation of the Fund's investments measured and reported at fair value under the fair value hierarchy levels described in Note 2 "Summary of Significant Accounting Policies" as of June 30, 2023:

<u>Assets at Fair Value</u>	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
Cash Equivalents	\$ 1,076,411	\$ -	\$ -	\$ 1,076,411
<u>Investments at Fair Value</u>				
CLO Debt	\$ -	\$ 1,480,698	\$ -	\$ 1,480,698
CLO Equity	-	-	14,444,013	14,444,013
Total Investments at Fair Value	\$ -	\$ 1,480,698	\$ 14,444,013	\$ 15,924,711
Total Assets at Fair Value	<u>\$ 1,076,411</u>	<u>\$ 1,480,698</u>	<u>\$ 14,444,013</u>	<u>\$ 17,001,122</u>

Change in Investments Classified as Level III

The changes in investments classified as Level III are as follows for the six months ended June 30, 2023:

	<u>CLO Equity</u>
Balance as of January 1, 2023	\$ 11,910,711
Purchases of investments	4,836,700
Proceeds from sales, maturity of investments or return of capital ⁽¹⁾	(1,588,794)
Net realized gains (losses) and net change in unrealized appreciation (depreciation)	<u>(714,604)</u>
Balance as of June 30, 2023 ⁽²⁾	<u>\$ 14,444,013</u>
Change in unrealized appreciation (depreciation) on investments still held as of June 30, 2023	<u>\$ (817,505)</u>

⁽¹⁾ Includes \$739,521 of return of capital on CLO equity investments from recurring cash flows and distributions from called deals.

⁽²⁾ There were no transfers into or out of level III investments during the period.

The net realized gains (losses) recorded for Level III investments are reported in the net realized gain (loss) on investments account in the Consolidated Statement of Operations, if applicable. Net changes in unrealized

Eagle Point Institutional Income Fund & Subsidiaries
Notes to Consolidated Financial Statements
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appreciation (depreciation) are reported in the net change in unrealized appreciation (depreciation) on investments account in the Consolidated Statement of Operations.

Valuation of CLO Equity

The Adviser utilizes the output of a third-party financial model to estimate the fair value of CLO equity investments. The model contains detailed information on the characteristics of each CLO, including recent information about assets and liabilities from data sources such as trustee reports, and is used to project future cash flows to the CLO note tranches, as well as management fees.

The following table summarizes the quantitative inputs and assumptions used for investments categorized as Level III of the fair value hierarchy as of June 30, 2023. In addition to the techniques and inputs noted in the table below, the Adviser may use other valuation techniques and methodologies when determining the fair value measurements of the Fund's investments, as provided for in the Adviser's valuation policy approved by the Board. The table below is not intended to be all-inclusive, but rather provides information on the significant Level III inputs as they relate to the Fund's fair value measurements as of June 30, 2023. Unobservable inputs and assumptions are periodically reviewed and updated as necessary to reflect current market conditions.

Quantitative Information about Level III Fair Value Measurements				
Assets	Fair Value as of June 30, 2023	Valuation Techniques/Methodologies	Unobservable Inputs	Range / Weighted Average⁽¹⁾
CLO Equity	\$ 14,444,013	Discounted Cash Flows	Annual Default Rate ⁽²⁾	0.00% - 4.55%
			Annual Prepayment Rate ⁽²⁾⁽³⁾	20% - 25%
			Reinvestment Spread	3.50% - 4.15% / 3.64%
			Reinvestment Price ⁽²⁾	98.00% - 99.50%
			Recovery Rate	69.23% - 70.00% / 69.72%
			Expected Yield	18.64% - 44.11% / 24.42%

⁽¹⁾ Weighted average calculations are based on the fair value of investments.

⁽²⁾ A weighted average is not presented as the input in the discounted cash flow model varies over the life of an investment.

⁽³⁾ 0% is assumed for defaulted and non-performing assets.

Increases (decreases) in the annual default rate, reinvestment price and expected yield in isolation would result in a lower (higher) fair value measurement. Increases (decreases) in the reinvestment spread and recovery rate in isolation would result in a higher (lower) fair value measurement. Changes in the annual prepayment rate may result in a higher (lower) fair value, depending on the circumstances. Generally, a change in the assumption used for the annual default rate may be accompanied by a directionally opposite change in the assumption used for the annual prepayment rate and recovery rate.

The Adviser categorizes CLO equity as Level III investments. Certain pricing inputs may be unobservable. An active market may exist, but not necessarily for CLO equity investments the Fund holds as of the reporting date.

Valuation of CLO Debt

The Fund's investments in CLO debt have been valued using an independent pricing service. The valuation methodology of the independent pricing service includes incorporating data comprised of observable market transactions, executable bids, broker quotes from dealers with two sided markets, as well as transaction activity from comparable securities to those being valued. As the independent pricing service contemplates real time market data and no unobservable inputs or significant judgment has been used by the Adviser in the valuation of the Fund's investment in CLO debt, such positions are considered Level II assets.

Investment Risk Factors and Concentration of Investments

The following list is not intended to be a comprehensive list of all of the potential risks associated with the Fund. The Fund's prospectus provides a detailed discussion of the Fund's risks and considerations. The risks described in the prospectus are not the only risks the Fund faces. Additional risks and uncertainties not currently known to

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the Fund or that are currently deemed to be immaterial also may materially and adversely affect its business, financial condition and/or operating results.

Risks of Investing in CLOs and Other Structured Debt Securities

CLOs and other structured finance securities are generally backed by a pool of credit-related assets that serve as collateral. Accordingly, CLO and structured finance securities present risks similar to those of other types of credit investments, including default (credit), interest rate and prepayment risks. In addition, CLOs and other structured finance securities are often governed by a complex series of legal documents and contracts, which increases the risk of dispute over the interpretation and enforceability of such documents relative to other types of investments.

Subordinated Securities Risk

CLO equity and junior debt securities that the Fund may acquire are subordinated to more senior tranches of CLO debt. CLO equity and junior debt securities are subject to increased risks of default relative to the holders of superior priority interests in the same CLO. In addition, at the time of issuance, CLO equity securities are under-collateralized in that the face amount of the CLO debt and CLO equity of a CLO at inception exceed its total assets. The Fund will typically be in a subordinated or first loss position with respect to realized losses on the underlying assets held by the CLOs in which the Fund is invested.

High Yield Investment Risk

The CLO equity and junior debt securities that the Fund acquires are typically rated below investment grade, or in the case of CLO equity securities unrated, and are therefore considered “higher yield” or “junk” securities and are considered speculative with respect to timely payment of interest and repayment of principal. The senior secured loans and other credit-related assets underlying CLOs are also typically higher yield investments. Investing in CLO equity and junior debt securities and other high yield investments involves greater credit and liquidity risk than investment grade obligations, which may adversely impact the Fund’s performance.

Leverage Risk

The use of leverage, whether directly or indirectly through investments such as CLO equity or junior debt securities that inherently involve leverage, may magnify the Fund’s risk of loss. CLO equity or junior debt securities are very highly leveraged (with CLO equity securities typically being leveraged ten times), and therefore the CLO securities in which the Fund invests are subject to a higher degree of loss since the use of leverage magnifies losses.

Credit Risk

If (1) a CLO in which the Fund invests, (2) an underlying asset of any such CLO or (3) any other type of credit investment in the Fund’s portfolio declines in price or fails to pay interest or principal when due because the issuer or debtor, as the case may be, experiences a decline in its financial status, the Fund’s income, net asset value (“NAV”) and/or market price would be adversely impacted.

Key Personnel Risk

The Fund is dependent upon the key personnel of the Adviser for its future success.

Conflicts of Interest Risk

The Fund’s executive officers and directors, and the Adviser and certain of its affiliates and their officers and employees, including the Senior Investment Team, have several conflicts of interest as a result of the other activities in which they engage.

Prepayment Risk

The assets underlying the CLO securities in which the Fund invests are subject to prepayment by the underlying corporate borrowers. As such, the CLO securities and related investments in which the Fund invests are subject to prepayment risk. If the Fund or a CLO collateral manager are unable to reinvest prepaid amounts in a new investment with an expected rate of return at least equal to that of the investment repaid, the Fund’s investment performance will be adversely impacted.

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LIBOR Risk

The London Interbank Offered Rate (“LIBOR”) is no longer published by its administrator as of June 30, 2023. LIBOR and other inter-bank lending rates and indices have been the subject of ongoing national and international regulatory reform due to concerns around their susceptibility to manipulation. Most, but not all, LIBOR settings have transitioned to alternative near risk-free rates, including Secured Overnight Financing Rate (SOFR, which is intended to replace U.S. dollar LIBOR and measures the cost of overnight borrowings through repurchase agreement transactions collateralized with U.S. Treasury securities) and the Sterling Overnight Index Average Rate (SONIA, which is intended to replace pound sterling LIBOR and measures the overnight interest rate paid by banks for unsecured transactions in the sterling market). Although LIBOR has ceased to be published, certain CLO securities in which the Fund may invest continue to earn interest at (or, from the perspective of the Fund as CLO equity investor, obtain financing at) a floating rate based on a synthetically calculated LIBOR.

Furthermore, certain senior secured loans that constitute the collateral of the CLOs in which the Fund invests may continue to pay interest at a floating rate based on LIBOR (or a “synthetic” calculation of LIBOR which is currently expected to continue to be published until September 30, 2024) or may convert to a fixed rate of interest. To the extent that any LIBOR replacement rate utilized for senior secured loans differs from that utilized for debt of a CLO that holds those loans, for the duration of such mismatch, the CLO would experience an interest rate mismatch between its assets and liabilities, which could have an adverse impact on the cash flows distributed to CLO equity investors (and, therefore, the Fund’s net investment income and portfolio returns) until such mismatch is corrected or minimized.

Certain underlying loans held by CLOs do not include a “fall back” provision that addresses how interest rates will be determined once LIBOR stops being published, or otherwise leave certain aspects of the replacement rate to be negotiated between the loan issuer and the lender group. For example, certain loans held by CLOs in which the Fund invests provide for a negotiated “credit spread adjustment” (i.e., a marginal increase in the applicable replacement rate to compensate lenders for the tendency of SOFR and other alternative rates to price lower than LIBOR). If a CLO’s collateral manager and other members of the lending group agree to (or fail to reject) an amendment to an underlying loan that provides for a below-market spread adjustment, then the equity investors in such CLO (such as the Fund) would be disadvantaged if the debt securities issued by the CLO have a larger spread adjustment. While LIBOR has ceased to be published, the replacement rate used for such underlying loans may not be known until the interest rate is reset for the next accrual period.

Given the foregoing, the impact of LIBOR transition on the Fund’s net investment income and overall portfolio returns remains uncertain.

Liquidity Risk

Generally, there is no public market for the CLO investments in which the Fund invests. As such, the Fund may not be able to sell such investments quickly, or at all. If the Fund is able to sell such investments, the prices the Fund receives may not reflect the Adviser’s assessment of their fair value or the amount paid for such investments by the Fund.

Incentive Fee Risk

The Fund’s incentive fee structure and the formula for calculating the fee payable to the Adviser may incentivize the Adviser to pursue speculative investments and use leverage in a manner that adversely impacts the Fund’s performance.

Fair Valuation of The Fund’s Portfolio Investments

Generally, there is no public market for the CLO investments in which the Fund invests. The Adviser values these securities at least quarterly, or more frequently as may be required from time to time, at fair value. The Adviser’s determinations of the fair value of the Fund’s investments have a material impact on the Fund’s net earnings through the recording of unrealized appreciation or depreciation of investments and may cause the Fund’s NAV on a given date to understate or overstate, possibly materially, the value that the Fund ultimately realizes on one or more of the Fund’s investments.

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Limited Investment Opportunities Risk

The market for CLO securities is more limited than the market for other credit related investments. The Fund can offer no assurances that sufficient investment opportunities for the Fund's capital will be available.

Non-Diversification Risk

The Fund is a non-diversified investment company under the 1940 Act and expect to hold a narrower range of investments than a diversified fund under the 1940 Act.

Market Risk

Political, regulatory, economic and social developments, and developments that impact specific economic sectors, industries or segments of the market, can affect the value of the Fund's investments. A disruption or downturn in the capital markets and the credit markets could impair the Fund's ability to raise capital, reduce the availability of suitable investment opportunities for the Fund, or adversely and materially affect the value of the Fund's investments, any of which would negatively affect the Fund's business. These risks may be magnified if certain events or developments adversely interrupt the global supply chain, and could affect companies worldwide.

Loan Accumulation Facilities Risk

The Fund may invest in LAFs, which are short to medium term facilities often provided by the bank that will serve as placement agent or arranger on a CLO transaction and which acquire loans on an interim basis which are expected to form part of the portfolio of a future CLO. Investments in LAFs have risks similar to those applicable to investments in CLOs. Leverage is typically utilized in such a facility and as such the potential risk of loss will be increased for such facilities employing leverage. In the event a planned CLO is not consummated, or the loans are not eligible for purchase by the CLO, the Fund may be responsible for either holding or disposing of the loans. This could expose the Fund to credit and/or mark-to-market losses, and other risks.

Currency Risk

Although the Fund primarily makes investments denominated in U.S. dollars, the Fund may make investments denominated in other currencies. The Fund's investments denominated in currencies other than U.S. dollars will be subject to the risk that the value of such currency will decrease in relation to the U.S. dollar. The Fund may or may not hedge currency risk.

Hedging Risk

Hedging transactions seeking to reduce risks may result in poorer overall performance than if the Fund had not engaged in such hedging transactions. Additionally, such transactions may not fully hedge the Fund's risks.

Reinvestment Risk

CLOs will typically generate cash from asset repayments and sales that may be reinvested in substitute assets, subject to compliance with applicable investment tests. If the CLO collateral manager causes the CLO to purchase substitute assets at a lower yield than those initially acquired or sale proceeds are maintained temporarily in cash, it would reduce the excess interest-related cash flow, thereby having a negative effect on the fair value of the Fund's assets and the market value of the Fund's securities. In addition, the reinvestment period for a CLO may terminate early, which would cause the holders of the CLO's securities to receive principal payments earlier than anticipated. There can be no assurance that the Fund will be able to reinvest such amounts in an alternative investment that provides a comparable return relative to the credit risk assumed.

Interest Rate Risk

The price of certain of the Fund's investments may be significantly affected by changes in interest rates, including recent increases in interest rates.

Refinancing Risk

If the Fund incurs debt financing and subsequently refinance such debt, the replacement debt may be at a higher cost and on less favorable terms and conditions. If the Fund fails to extend, refinance or replace such debt financings prior to their maturity on commercially reasonable terms, the Fund's liquidity will be lower than it would have been with the benefit of such financings, which would limit the Fund's ability to grow, and holders

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of the Fund's shares would not benefit from the potential for increased returns on equity that incurring leverage creates.

Tax Risk

If the Fund fails to qualify for tax treatment as a RIC under Subchapter M of the Code for any reason, or otherwise becomes subject to corporate income tax, the resulting corporate taxes (and any related penalties) could substantially reduce the Fund's net assets, the amount of income available for distributions to the Fund's shareholders, and the amount of income available for payment of the Fund's other liabilities.

Derivatives Risk

Derivative instruments in which the Fund may invest may be volatile and involve various risks different from, and in certain cases greater than, the risks presented by other instruments. The primary risks related to derivative transactions include counterparty, correlation, liquidity, leverage, volatility, over-the-counter trading, operational and legal risks. In addition, a small investment in derivatives could have a large potential impact on the Fund's performance, effecting a form of investment leverage on the Fund's portfolio. In certain types of derivative transactions, the Fund could lose the entire amount of the Fund's investment; in other types of derivative transactions the potential loss is theoretically unlimited.

Counterparty Risk

The Fund may be exposed to counterparty risk, which could make it difficult for the Fund or the CLOs in which the Fund invests to collect on obligations, thereby resulting in potentially significant losses.

Global Economy Risk

Global economies and financial markets are highly interconnected, and conditions and events in one country, region or financial market may adversely impact issuers in a different country, region or financial market.

Price Risk

Investors who buy shares at different times will likely pay different prices.

Russia Risk

Russia's military incursion into Ukraine, the response of the United States and other countries, and the potential for wider conflict, has increased volatility and uncertainty in the financial markets and may adversely affect the Fund.

Banking Risk

The possibility of future bank failures poses risks of reduced financial market liquidity at clearing, cash management and other custodial financial institutions. The failure of banks which hold cash on behalf of the Fund, the Fund's underlying obligors, the collateral managers of the CLOs in which the Fund invests, or the Fund's service providers could adversely affect the Fund's ability to pursue its investment strategies and objectives. For example, if an underlying obligor has a commercial relationship with a bank that has failed or is otherwise distressed, such obligor may experience delays or other disruptions in meeting its obligations and consummating business transactions. Additionally, if a collateral manager has a commercial relationship with a distressed bank, the manager may experience issues conducting its operations or consummating transactions on behalf of the CLOs it manages, which could negatively affect the performance of such CLOs (and, therefore, the performance of the Fund).

Illiquid Shares Risk

The Fund's shares are not publicly traded and the Fund does not expect a secondary market in the shares to develop in the foreseeable future, if ever. To provide shareholders with limited liquidity, the Fund intends to offer to repurchase shares from shareholders in each quarter in an amount up to 5% of the Fund's net asset value, calculated as of the prior calendar quarter end. The Board has complete discretion to determine whether the Fund will engage in any share repurchase, and if so, the terms of such repurchase. An investment in the Fund is not suitable for investors that require short-term liquidity.

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4. RELATED PARTY TRANSACTIONS

Investment Advisory Agreement

Effective February 11, 2022, the Fund entered into an investment advisory agreement with the Adviser (the “Advisory Agreement”). Pursuant to the terms of the Advisory Agreement, the Fund will pay the Adviser a management fee and an incentive fee for its services.

Management fee

The management fee is calculated monthly and payable quarterly in arrears at an annual rate of 1.75% of the Fund’s “Managed Assets”, provided, that, if the Fund calculates its net asset value more frequently than monthly, the management fee shall be calculated on the same frequency as the net asset value is calculated. Managed Assets are defined as the Fund’s total assets (including assets attributable to the Fund’s use of leverage) minus the sum of the Fund’s accrued liabilities (other than liabilities incurred for the purpose of creating leverage). The Fund was charged a management fee of \$133,290 for the six months ended June 30, 2023, and has a payable balance of \$261,476 as of June 30, 2023. The payable balance includes \$128,186 in management fees charged to the Fund for the period from June 1, 2022 (commencement of operations) to December 31, 2022.

Incentive fee

The incentive fee is payable quarterly, in arrears, on the pre-incentive fee net investment income (“PNII”) for the immediately preceding quarter. For this purpose, PNII means (a) interest income, dividend income and any other income (including any other fees, such as commitment, origination, structuring, diligence and consulting fees) accrued during the calendar quarter, minus (b) the Fund’s operating expenses for the quarter (including the management fee, expenses payable under the Administration Agreement (as defined below) to the Administrator, and any interest expense and/or dividends paid on any issued and outstanding debt or preferred stock, but excluding organizational and offering expenses and the incentive fee) after giving application to any reimbursement or recoupment under the ELA (as defined below). PNII includes, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments payment-in-kind interest and zero coupon securities), accrued income that the Fund has not yet received in cash. PNII does not include any realized or unrealized capital gains or losses.

PNII, expressed as a rate of return on the value of the Fund’s net assets at the end of the immediately preceding calendar quarter, is compared to a hurdle rate of 2.00% per quarter. The Fund pays the Adviser an incentive fee with respect to the Fund’s PNII in each calendar quarter as follows: (1) no incentive fee in any calendar quarter in which the Fund’s PNII does not exceed the hurdle rate of 2.00%; (2) 100% of the Fund’s PNII with respect to that portion of such PNII, if any, exceeding the hurdle rate but equal to or less than 2.50% in any calendar quarter; and (3) 20% of the amount of the Fund’s PNII, if any, exceeding 2.50% in any calendar quarter. The Fund incurred incentive fees of \$254,318 for the six months ended June 30, 2023, and has a payable balance of \$366,865 as of June 30, 2023. The payable balance includes \$112,547 in incentive fees charged to the Fund for the period from June 1, 2022 to December 31, 2022.

Administration Agreement

Effective February 11, 2022, the Fund entered into an administration agreement (the “Administration Agreement”) with the Administrator, an affiliate of the Adviser. Pursuant to the Administration Agreement, the Administrator performs, or arranges for the performance of, the Fund’s required administrative services, which include being responsible for the financial records which the Fund is required to maintain and preparing reports which are disseminated to the Fund’s shareholders. In addition, the Administrator provides the Fund with accounting services, assists the Fund in determining and publishing its net asset value, oversees the preparation and filing of the Fund’s tax returns, monitors the Fund’s compliance with tax laws and regulations, and prepares and assists the Fund with any audit of the financial statements by an independent public accounting firm. The Administrator is also responsible for managing the printing and disseminating reports to the Fund’s shareholders and maintaining the Fund’s website, providing support to investor relations, generally overseeing the payment of the Fund’s expenses and the performance of administrative and professional services rendered to the Fund by others, and providing such other administrative services as the Fund may designate from time to time.

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Payments under the Administration Agreement are equal to an amount based upon the Fund's allocable portion of the Administrator's overhead in performing its obligations under the Administration Agreement, including rent, the fees and expenses associated with performing compliance functions and the Fund's allocable portion of the compensation of the Fund's chief compliance officer, chief financial officer, chief operating officer and the Fund's allocable portion of the compensation of any related support staff. The Fund's allocable portion of such compensation is based on an allocation of the time spent on the Fund relative to other matters. To the extent the Administrator outsources any of its functions, the Fund pays the fees on a direct basis, without profit to the Administrator. Certain accounting and other administrative services have been delegated by the Administrator to UMB Fund Services, Inc. ("UMB"). The Administration Agreement may be terminated by the Fund without penalty upon not less than sixty days' written notice to the Administrator and by the Administrator upon not less than ninety days' written notice to the Fund. The Administration Agreement is approved by the Board on an annual basis.

For the six months ended June 30, 2023, the Fund was charged a total of \$165,046 in administration fees consisting of \$145,682 and \$19,364, relating to services provided by the Administrator and UMB, respectively, which are included in the Consolidated Statement of Operations and, of which \$85,381 was payable as June 30, 2023.

Expense Limitation and Reimbursement Agreement

Effective February 11, 2022, the Fund and the Adviser entered into an expense limitation and reimbursement agreement (the "ELA") that has an initial term expiring two years after its effective date.

Pursuant to the ELA, the Adviser may provide expense support by paying, directly or indirectly, the Fund's operating expenses or waive fees due by the Fund to the Adviser or affiliates of the Adviser to the extent deems appropriate in the effort to limit expenses borne by the Fund. Expense support payments or fee waivers made by the Adviser may be subject to reimbursement from the Fund for up to three years after such expense support payment or waiver was made. Reimbursement to the Adviser must be approved by the Board prior to recoupment by the Adviser. For the six months ended June 30, 2023, the Adviser provided expense support of \$387,608, which is recorded on the Consolidated Statement of Assets and Liabilities under due from adviser.

The following amounts are subject to reimbursement by the Adviser by the following dates:

<u>Period Ended</u>	<u>Expense Support Payments Due From Adviser</u>	<u>Expense Support Payments Reimbursed to Adviser</u>	<u>Unreimbursed Expense Support</u>	<u>Eligible to be Paid Through</u>
June 30, 2022	\$ 14,094	\$ -	\$ 14,094	June 30, 2025
September 30, 2022	53,891	-	53,891	September 30, 2025
December 31, 2022	172,748	-	172,748	December 31, 2025
March 31, 2023	181,991	-	181,991	March 31, 2026
June 30, 2023	205,617	-	205,617	June 30, 2026
Total	\$ 628,341	\$ -	\$ 628,341	

Organizational and Offering Expense Support and Reimbursement Agreement

Pursuant to the organizational and offering ("O&O") expense support and reimbursement agreement ("O&O Agreement") executed on February 11, 2022, the Fund may pay O&O expenses up to a limit of 1.50% of gross proceeds raised in the Fund's offering of its shares. Through June 30, 2023, the Fund has incurred offering expenses of \$72,224, of which \$66,205 is a deferred asset in the Consolidated Statement of Assets and Liabilities, while \$6,019 has been amortized to expense on the Consolidated Statement of Operations during the six months ended June 30, 2023. In addition to offering expenses incurred by the Fund, the Adviser, on behalf of the Fund, paid O&O costs of approximately \$1.8 million for the period from the Fund's formation on October 22, 2021 to June 30, 2023. O&O expenses paid by the Adviser are subject to reimbursement by the Fund up to three years after the date on which such O&O expenses were paid on the Fund's behalf. Reimbursement must be approved by the Board. As of June 30, 2023, the Adviser has not sought reimbursement for any O&O expenses it incurred.

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The following amounts may be subject to reimbursement by the Adviser by the following dates:

	O&O expenses paid by Adviser	Unreimbursed O&O expenses	Eligible to be Paid through Quarter Ended
	\$ 35,093	\$ 35,093	December 31, 2024
	560,093	560,093	March 31, 2025
	351,412	351,412	June 30, 2025
	150,629	150,629	September 30, 2025
	227,534	227,534	December 31, 2025
	126,179	126,179	March 31, 2026
	324,106	324,106	June 30, 2026
Total	\$ 1,775,046	\$ 1,775,046	

Exemptive Relief

On March 17, 2015, the SEC granted exemptive relief to the Adviser and its affiliates which permits the Fund to participate in certain negotiated co-investments alongside other accounts managed by the Adviser, or its affiliates, subject to certain conditions.

Due to Affiliates

Due to affiliates reported in the Consolidated Statement of Assets and Liabilities represents amounts payable to the Adviser for expenses paid on behalf of the Fund. Amounts due to the Adviser under this account are representative of expenses accrued for by the Fund and are not subject to the ELA.

Affiliated Ownership

As of June 30, 2023, the Adviser and senior investment team held an aggregate of 71.57% of the Fund's shares.

5. SHAREHOLDERS' EQUITY

The Fund offers its shares on a continuous basis at the applicable period end net asset value per share plus any applicable sales load. The Fund's authorized shares consist of 94,000,000 shares of beneficial interest.

For the six months ended June 30, 2023, the Fund sold 342,926 shares for total net proceeds to the Fund of \$3.3 million.

For the six months ended June 30, 2023, the Fund issued 60,672 shares pursuant to the Fund's distribution reinvestment plan for total net proceeds to the Fund of \$0.6 million.

As of June 30, 2023, the Fund had 1,805,211 shares issued and outstanding.

Repurchases of Shares by the Fund

Subject to the Board's discretion, the Fund intends to conduct quarterly tender offers in accordance with the Fund's share repurchase program in an amount up to 5% of the Fund's net asset value. The Fund may extend multiple offers to repurchase shares in a quarter in an aggregate amount of 5% of the Fund's net asset value. For the six months ended June 30, 2023, the Fund held tender offers on March 1, 2023 and May 31, 2023 using period end net asset value for December 31, 2022 and March 31, 2023, respectively. There were no participants in the aforementioned tender offers, and therefore no shares were repurchased.

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6. COMMITMENTS AND CONTINGENCIES

The Fund is not currently subject to any material legal proceedings. From time to time, the Fund may be a party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of the Fund's rights under contracts. While the outcome of these legal proceedings cannot be predicted with certainty, the Fund does not expect these proceedings will have a material effect upon its financial condition or results of operations.

As of June 30, 2023, the Fund had no unfunded commitments.

7. INDEMNIFICATIONS

Under the Fund's organizational documents, its officers and trustees are indemnified against certain liabilities arising out of the performance of their duties to the Fund. In addition, during the normal course of business, the Fund enters into contracts containing a variety of representations which provide general indemnifications. The Fund's maximum exposure under these agreements cannot be known; however, the Fund expects any risk of loss to be remote.

8. SUBSEQUENT EVENTS

Pursuant to the continuous offering, in the period from July 1, 2023 through August 1, 2023, the Fund issued shares for total net proceeds to the Fund of \$13.1 million.

On July 31, 2023, the Fund paid a distribution of \$0.075 per share to shareholders of record as of July 27, 2023.

The Fund's NAV per share as of July 31, 2023 was \$9.97.

Management of the Fund has evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date of release of this report. Management has determined there are no events in addition to those described above which would require adjustment to or disclosure in the consolidated financial statements and related notes through the date of release of this report.

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Consolidated Financial Highlights
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Per Share Data	For the six months ended June 30, 2023	For the period from June 1, 2022 (Commencement of Operations) through December 31, 2022
Net asset value at beginning of period	\$ 9.97	\$ 10.00
Net investment income ⁽¹⁾	0.65	0.52
Net realized gain (loss) and change in unrealized appreciation (depreciation) on investments ⁽¹⁾⁽²⁾	(0.47)	(0.08)
Net income (loss) and net increase (decrease) in net assets resulting from operations ⁽¹⁾	0.18	0.44
Distributions to shareholders from net investment income ⁽³⁾	(0.45)	(0.08)
Distributions to shareholders from net realized gains on investments ⁽³⁾	-	-
Distributions to shareholders from tax return of capital ⁽³⁾	-	(0.38)
Total distributions declared to shareholders	(0.45)	(0.46)
Distributions to shareholders based on weighted average shares impact ⁽⁴⁾	0.00	(0.01)
Total distributions to shares	(0.45)	(0.47)
Net asset value at end of period	\$ 9.70	\$ 9.97
Total net asset value return ⁽⁵⁾	1.81%	4.30%
Shares outstanding at end of period	1,805,211	1,401,613
Ratios and Supplemental Data:		
Net asset value at end of period	\$ 17,512,442	\$ 13,973,898
Ratio of expenses to average net assets, before expense support ⁽⁶⁾	10.87%	9.62%
Ratio of expenses to average net assets, after expense support ⁽⁷⁾	5.86%	6.35%
Ratio of net investment income to average net assets ⁽⁷⁾	13.08%	10.34%
Portfolio turnover rate ⁽⁸⁾	11.05%	4.63%

Footnotes to Financial Highlights:

- (1) Per share amounts are based on weighted average of shares outstanding for the period.
- (2) Net realized gain (loss) and change in unrealized appreciation (depreciation) on investments includes a balancing figure to reconcile to the change in net asset value ("NAV") per share at the end of each period. The amount per share may not agree with the change in the aggregate net realized gain (loss) and change in unrealized appreciation (depreciation) on investments for the period because of the timing of issuance of the Fund's shares in relation to fluctuating market values for the portfolio.
- (3) The information provided is based on estimates available at each respective period. The Fund's final taxable income and the actual amount required to be distributed will be finally determined when the Fund files its final tax returns and may vary from these estimates.
- (4) Represents the difference between the per share amount distributed to shareholders of record and the per share amount distributed based on the weighted average of shares outstanding for the period.
- (5) Total return is calculated based on a change in NAV per share between the beginning and end of period NAV per share and assumes distributions paid to shareholders during the period were reinvested in accordance with the Fund's distribution reinvestment plan.
- (6) Annualized. Ratios for the six months ended June 30, 2023 and the period from June 1, 2022 to December 31, 2022 exclude expense limitation provided by the Adviser.
- (7) Annualized. Ratios for the six months ended June 30, 2023 and the period from June 1, 2022 to December 31, 2022 reflect expense limitation provided by the Adviser.
- (8) The portfolio turnover rate is calculated as the lesser of total investment purchases executed during the period or the total investment sales executed during the period and repayments of principal, divided by the average fair value of investments for the same period.

Distribution Reinvestment Plan

Subject to our Board of Trustees' discretion and applicable legal restrictions, we intend to authorize and declare ordinary cash distributions on a quarterly basis and pay such distributions on a monthly basis. We have adopted an "opt in" distribution reinvestment plan ("DRIP") pursuant to which shareholders may elect to have the full amount of your cash distributions reinvested in additional Shares. Shares will be issued pursuant to the DRIP at their net asset value. There is no sales load or other charge for distributions reinvestment. Participants in our DRIP are free to elect or revoke reinstatement in the DRIP within a reasonable time as specified in the plan. If shareholders elect to participate in the DRIP, distributions on Shares are automatically reinvested in additional Shares by UMB Fund Services, Inc., or the "DRIP Agent." Holders of our Shares who receive distributions in the form of additional Shares are nonetheless required to pay applicable federal, state or local taxes on the reinvested distribution and will not receive a corresponding cash distribution with which to pay any applicable tax. Reinvested distributions increase our Shareholders' equity on which a management fee is payable to the Adviser.

Shares will be issued pursuant to the DRIP at their net asset value. There is no sales load or other charge for distribution reinvestment. A request must be received by the Fund before the record date to be effective for that income distribution or capital gain distribution.

We and the DRIP Agent reserve the right to amend or terminate the DRIP upon written notice to each participant at least 30 days before the record date for the payment of any distribution by us.

All correspondence or additional information about the DRIP should be directed to UMB Fund Services, Inc., (866) 661-6615 or by mail: 235 West Galena Street, Milwaukee, Wisconsin 53212.

Additional Information

Investment Advisory Agreement

At a meeting held on May 11, 2023, the Board, including all of the trustees that are not interested persons of the Fund (voting separately), unanimously voted to approve the continuation and renewal of the existing investment advisory agreement (the “Investment Advisory Agreement”) by and between the Fund and the Adviser for an additional one-year period.

In reaching a decision to approve the continuation and renewal of the Investment Advisory Agreement, the Board, assisted by the advice of fund counsel, requested and received a significant amount of information and considered all the factors the Board believed relevant, including, among other things, the following: (1) the nature, extent and quality of services performed by the Adviser, including the investment performance of the Fund, other comparable registered investment companies and business development companies, and certain other accounts advised by the Adviser; (2) information regarding the fees and other expenses paid by the Fund, including the cost of services provided by the Adviser and its affiliate; (3) comparative information on fees and expenses borne by other comparable registered investment companies and business development companies, and certain other accounts advised by the Adviser; (4) the extent to which economies of scale would be realized as the Fund grows and whether fee levels reflect these economies of scale for the benefit of the Fund’s investors; and (5) various other factors.

The Board’s decision to renew the Investment Advisory Agreement was not based on any single factor, but rather was based on a comprehensive consideration of the information provided to the Board at its meetings throughout the year. The Board did not assign relative weights to the factors considered by it as the Board conducted an overall analysis of these factors. Individual members of the Board may have given different weights to different factors.

The Board requested, considered and evaluated information regarding the following factors, among others:

Nature, Extent and Quality of Services and Performance

The Board reviewed and considered the nature, extent and quality of the services provided by the Adviser under the Investment Advisory Agreement and by its affiliate under a separate administration agreement and the services provided to the Fund by third-party service providers. Among other things, the Board reviewed the most recent Form ADV for the Adviser and information about the background and experience of the staff and personnel of the Adviser primarily responsible for the day-to-day portfolio management of the Fund, including their experience in managing portfolios of CLO securities and the CLO industry knowledge of the Adviser’s senior investment team.

The Board also evaluated the ability of the Adviser to attract and retain high-caliber professional personnel. In this regard, the Board considered information regarding the Adviser’s and its affiliates’ compensation program, which is designed to align personnel interests with the long-term success of the Adviser’s clients, including the Fund.

In addition, the Board reviewed information about the Adviser’s investment process, financial stability and investment and risk management programs and legal and compliance programs of the Adviser, and the Fund’s potential use of leverage, the different forms of leverage proposed to be used by the Fund, and the effect such leverage may have on the Fund’s portfolio, profitability and performance.

The Board then reviewed and considered the Fund’s performance results in terms of total return on a net asset value basis (i.e., book basis) during (a) the third and fourth quarter of 2022, (b) the first quarter of 2023 and (c) the period from the Fund’s commencement of operations through the first quarter of 2023, and considered such performance in light of the Fund’s investment objective, strategies and risks.

The Board also considered and discussed at length these results in comparison to the performance results for various relevant periods of time of (1) non-traded registered closed-end funds and business development companies managed by third-party advisers (the “Comparable Funds”), (2) other funds and accounts managed by the Adviser and its affiliates that employ investment strategies which are similar to those of the Fund (collectively, the “Other Eagle Point Accounts”), and (3) a composite of estimates of CLO equity performance published by several Wall Street research firms. The Board considered that

the Fund launched in 2022 and had limited historical performance for the Board to review. The Board also discussed and considered the Fund's recent performance in light of recent and current market conditions.

Based on the above factors, together with those referenced below, the Board concluded that it was generally satisfied with, and that the Fund should continue to benefit from, the nature, extent and quality of services provided to the Fund by the Adviser.

Investment Advisory Fee Rates and Total Expense Ratio

The Board then reviewed and considered the advisory fee rates, including the base management fee and incentive fee, payable by the Fund to the Adviser under the Investment Advisory Agreement and the total expense ratio of the Fund and certain fee waivers and expense reimbursements by the Adviser during the 2022 calendar year. Additionally, the Board received and considered information comparing the advisory fee rates and total expense ratio of the Fund with those of Comparable Funds and certain of the Other Eagle Point Accounts.

The Board noted that, among its three closest peer funds in the group of Comparable Funds, the Fund's base management fee rate was lower than one of the Comparable Funds and higher than two of the Comparable Funds. Among this group, the Board noted that the Fund's incentive fee rate was the same as two of the Comparable Funds and higher than one of the Comparable Funds, and its incentive fee hurdle was higher than one of the Comparable Funds and the same as two of the Comparable Funds. The Board also noted that the Fund's total expense ratio was higher than that of each of the Comparable Funds. Among other things, the Board considered the differences between the investment strategy of the Fund and the strategy of each of the Comparable Funds, and the fact that the Fund had recently commenced operations and thus has yet to achieve meaningful scale.

The Board also compared the advisory fee rates paid by the Fund to those of the Other Eagle Point Accounts. The Board noted the differences in the fee structures of the Fund and certain of the Other Eagle Point Accounts, and that such differences could cause the Fund to pay a higher or lower effective advisory fee rate than the Other Eagle Point Accounts in certain circumstances. The Board considered that the different rate structures are driven by investor expectations for the different fund structures and strategies, the additional complexity of the Adviser's investment strategy in the regulatory and tax environment applicable to the Fund's portfolio and the costs associated with operating as an investment adviser for a registered investment company.

In considering the advisory fee rates, the Board also discussed the Fund's potential use of leverage. The Board noted that while the Adviser believes that the prudent use of leverage is in the best interests of the Fund and its shareholders, the use of leverage has the potential to increase the Adviser's base management fee and incentive fee, and therefore may create a conflict of interest.

Based on its review, the Board concluded that each of the Fund's advisory fee rates and total expense ratio is fair and reasonable in light of the services provided to the Fund and other factors considered.

Profitability

The Board also considered that due to the fact that the Fund had recently commenced operations, the difficulty of projecting future asset raising with a reasonable degree of certainty (as well as the relative size of future fixed costs) and other factors, the Adviser was unable to provide a meaningful estimate of projected profitability to the Adviser from its relationship with the Fund.

Economies of Scale

The Board considered information regarding whether the Investment Advisory Agreement adequately addresses economies of scale with respect to providing advisory services to the Fund. The Board considered that, given (1) the complexity and time required to manage and monitor the types of CLO securities in which the Fund invests, (2) the resource-intensive nature of acquiring and disposing of certain of the Fund's investments in the primary markets (particularly with respect to CLO equity investments), and (3) the limited size of individual CLO transactions, growth in the Fund's assets would be expected to require and had required additional investment resources, including personnel, and therefore generally would not meaningfully reduce the per unit cost of managing the portfolio. Based on the foregoing, the Board concluded that the opportunity of the Fund to realize significant economies of scale is limited and that the lack of breakpoints in the fee structure was appropriate given the Fund's investment objectives and strategies.

Other Benefits

The Board considered other benefits to the Adviser and its affiliates derived from their relationship with the Fund. The Board considered the Adviser's representation that these ancillary benefits could not be appropriately valued.

Based on the information reviewed and the discussions detailed above, the Board reached a determination, through the exercise of its business judgment, that the compensation payable to the Adviser pursuant to the Investment Advisory Agreement was fair and reasonable in light of the services provided to the Fund by the Adviser and other factors considered.

Portfolio Information

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The Fund Form N-PORT is available without charge, upon request by calling (866) 6610-6615, or from the EDGAR Database on the SEC's website (www.sec.gov).

Tax Information

For the six months ended May 31, 2023, the Company recorded distributions on our shares of beneficial interest equal to \$0.4520 per share or \$0.7 million.

Proxy Voting Records

The Fund has delegated its proxy voting responsibility to the Adviser. A description of these policies and procedures is available (1) without charge, upon request, by calling toll free (844) 810-6501; and (2) in the Fund's prospectus, filed with the SEC, which can be found on the SEC's website (www.sec.gov).

Information regarding how we voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 will be available, without charge: (1) upon request, by calling toll free (844) 810-6501; and (2) on the SEC's website at <http://www.sec.gov>. You may also obtain information about how we voted proxies by making a written request for proxy voting information to: Eagle Point Credit Management LLC, 600 Steamboat Road, Suite 202, Greenwich, CT 06830.

Privacy Notice

The Fund is committed to protecting your privacy. This privacy notice explains the privacy policies of Eagle Point Institutional Income Fund and its affiliated companies. The terms of this notice apply to both current and former shareholders. The Fund will safeguard, according to strict standards of security and confidentiality, all information it receives about you. With regard to this information, the Fund maintains procedural safeguards that are reasonably designed to comply with federal standards. We have implemented procedures that are designed to restrict access to your personal information to authorized employees of the Fund's investment adviser, Eagle Point Credit Management LLC and its affiliates who need to know your personal information to perform their jobs, and in connection with servicing your account. The Fund's goal is to limit the collection and use of information about you. While we may share your personal information with our affiliates in connection with servicing your account, our affiliates are not permitted to share your information with non-affiliated entities, except as permitted or required by law.

When you purchase shares of the Fund and in the course of providing you with products and services, we and certain of our service providers, such as a transfer agent, may collect personal information about you, such as your name, address, social security number or tax identification number. This information may come from sources such as account applications and other forms, from other written, electronic or verbal correspondence, from your transactions, from your brokerage or financial advisory firm, financial adviser or consultant, and/or information captured on applicable websites.

We do not disclose any personal information provided by you or gathered by us to non-affiliated third parties, except as permitted or required by law or for our everyday business purposes, such as to process transactions or service your account. For example, we may share your personal information in order to send you annual and semiannual reports and other information

required by law, and to send you information the Fund believes may be of interest to you. We may disclose your personal information to unaffiliated third party financial service providers (which may include a custodian, transfer agent, accountant or financial printer) who need to know that information in order to provide services to you or to the Fund. These companies are required to protect your information and use it solely for the purpose for which they received it or as otherwise permitted by law. We may also provide your personal information to your brokerage or financial advisory firm and/or to your financial adviser or consultant, as well as to professional advisors, such as accountants, lawyers and consultants.

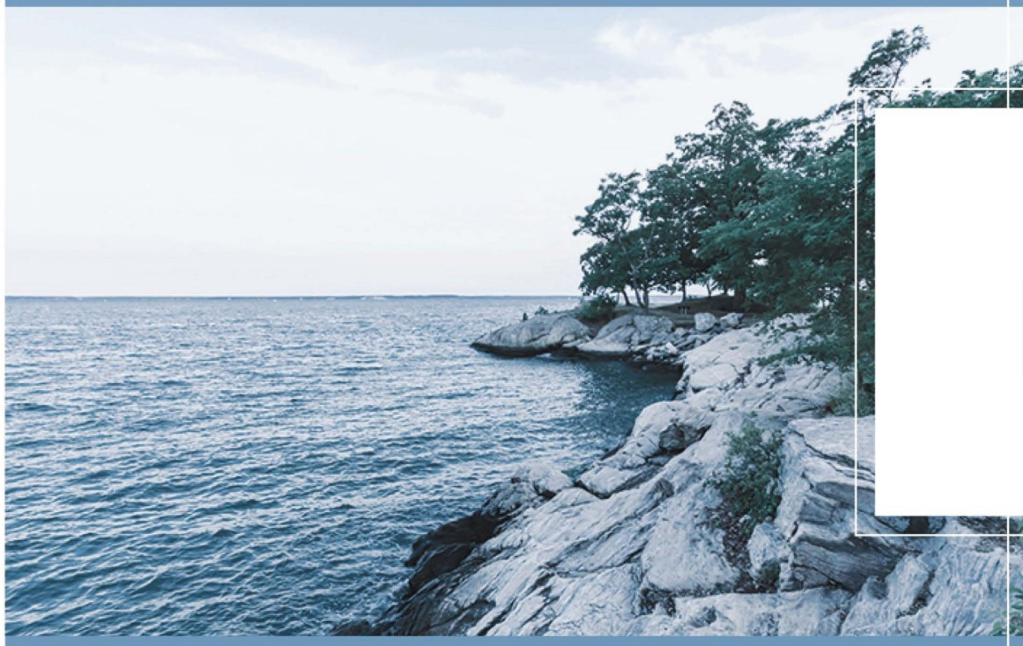
We reserve the right to disclose or report personal or account information to non-affiliated third parties in limited circumstances where we believe in good faith that disclosure is required by law, such as in accordance with a court order or at the request of government regulators or law enforcement authorities or to protect our rights or property. We may also disclose your personal information to a non-affiliated third party at your request or if you consent in writing to the disclosure.

If you have any queries or concerns about the privacy of your personal information, please contact our investor relations team (866) 661-6615.

We will review this policy from time to time and may update it at our discretion.

* * *

End of Semiannual Report. Back Cover Follows.



Eagle Point Institutional Income Fund

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Greenwich, CT 06830
(866) 661 6615

Investment Adviser

Eagle Point Credit Management LLC

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