

FINANCIAL STATEMENTS
EAGLE POINT INSTITUTIONAL INCOME FUND
FINANCIAL STATEMENT
FEBRUARY 18, 2022

Eagle Point Institutional Income Fund

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KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Trustees
Eagle Point Institutional Income Fund:

Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Eagle Point Institutional Income Fund (the Company), as of February 18, 2022 (in organization) and the related notes to statement of financial condition (collectively, the financial statement). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company as of February 18, 2022 (in organization), in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

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

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

KPMG LLP

We have served as the auditor of one or more Eagle Point Credit Management, LLC advised investment companies since 2014.

New York, New York
March 1, 2022

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EAGLE POINT INSTITUTIONAL INCOME FUND
STATEMENT OF FINANCIAL CONDITION
 FEBRUARY 18, 2022
 (IN ORGANIZATION)

ASSETS

Cash	\$100,000
Total Assets	<u>\$100,000</u>

COMMITMENTS AND CONTINGENCIES (Note 5)

NET ASSETS

Paid-in capital	<u>\$100,000</u>
Total Net Assets applicable to 10,000 shares of beneficial interest outstanding	<u>\$100,000</u>
Net Asset Valuer Per Share	<u>\$ 10.00</u>

See accompanying notes to the statement of financial condition

Eagle Point Institutional Income Fund
Notes to Statement of Financial Condition
February 18, 2022

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 intends to be managed by Eagle Point Credit Management LLC (the “Adviser”), which is registered as an investment adviser with the U.S. Securities and Exchange Commission (the “SEC”). 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 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 the Adviser believes are consistent with the Fund’s investment objectives, including senior debt tranches of CLOs, loan accumulation facilities and securities and instruments of corporate issuers. 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 February 18, 2022, the Fund had not commenced its investing activities as the Fund was still in the process of establishing the business. The Fund has no operations to date other than matters relating to its organization and the sale and issuance of 10,000 common shares to the Adviser at a net asset value of \$10.00 per share.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The statement of financial condition of the Fund has been prepared in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”) and pursuant to the requirements for reporting noted in the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 946 *Financial Services — Investment Companies*. Items included in the financial statement are measured and presented in United States dollars.

Use of Estimates

The preparation of a statement of financial condition in conformity with U.S. GAAP may require management to make estimates and assumptions that affect the reported amounts included in the statement of financial condition and accompanying notes as of the reporting date. Actual results could differ from those estimates.

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. No cash equivalent balances were held as of February 18, 2022.

Income 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

Eagle Point Institutional Income Fund
Notes to Statement of Financial Condition
February 18, 2022

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.

3. RELATED PARTY TRANSACTIONS

Investment Advisory Agreement

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.

Administration Agreement

The Fund entered into an administration agreement (the “Administration Agreement”) with Eagle Point Administration LLC (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 audits by an independent public accounting firm of the financial statement. The Administrator is also responsible for 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.

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”).

Expense Limitation and Reimbursement Agreement

The Fund and the Adviser intend to enter into an Expense Limitation and Reimbursement Agreement (the “Expense Limitation and Reimbursement Agreement”) that has an initial term expiring two years after its effective date.

The Expense Limitation and Reimbursement Agreement will permit the Adviser to pay, directly or indirectly, Fund operating expenses or to waive fees due by the Fund to the Adviser or affiliates of the Adviser to the extent that it deems appropriate in effort to limit the expenses borne by the Fund. Expense payments or waivers made by the Adviser will be subject to reimbursement from the Fund for up to three years after such expense payment or waiver was made. Reimbursement must be approved by the board of trustees of the Fund.

Organizational and Offering Expenses

The Fund will pay for organizational and offering expenses up to a limit of 1.50% of gross proceeds raised from the sale and issuance of the Fund’s common shares. The Fund may pay organizational and offering expenses in the form of direct payments to third party vendors. The Fund may also pay organizational and offering expenses to affiliates of the Fund, the Adviser or the Administrator in the form of reimbursement subject to the organizational and offering expense limit.

As of February 18, 2022, the Adviser has incurred organization and offering costs on behalf of the Fund in the amount of \$88,034. These costs are not subject to reimbursement and are not reflected in the statement

Eagle Point Institutional Income Fund
Notes to Statement of Financial Condition
February 18, 2022

of financial condition of the Fund until the Fund's registration statement is declared effective. At such time, the Adviser may seek reimbursement from organizational and offering expenses up to a limit of 1.50% of gross proceeds raised from the sale and issuance of the Fund's common shares. Any organizational and offering expenses paid by affiliates of the Fund, the Adviser or the Administrator on the Fund's behalf are subject to reimbursement for up to three years after the date on which such expenses were paid.

4. SHAREHOLDERS' EQUITY

On January 25, 2022, the Adviser purchased 10,000 shares of the Fund's shares of beneficial interest at \$10.00 per share, which represents the initial public offering price of \$10.64 per share, net of the maximum upfront sales load.

5. 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 February 18, 2022, the Fund had no unfunded commitments.

6. SUBSEQUENT EVENTS

Management of the Fund has evaluated the need for disclosures and/or adjustments resulting from subsequent events through February 28, 2022, the date the statement of financial condition of the Fund was available to be issued. Management has determined that there are no events that would require adjustment to or disclosure in the Fund's statement of financial condition and related notes through this date.