

\$36,000,000

RiverNorth Marketplace Lending Corporation

1,440,000 Shares, 5.875% Series A Term Preferred Stock Due 2024

Liquidation Preference \$25 per Share

RiverNorth Marketplace Lending Corporation (the “Fund”) is a non-diversified, closed-end management investment company that has registered as an investment company under the Investment Company Act of 1940, as amended (the “1940 Act”), and is operated as an interval fund. The investment objective of the Fund is to seek a high level of current income. Under normal market conditions, the Fund seeks to achieve its investment objective by investing, directly or indirectly, at least 80% of its Managed Assets (as defined below) in marketplace lending investments. See “The Fund’s Investments.” There can be no assurance that the Fund’s investment objective can be achieved.

The Fund is offering 1,440,000 shares of its 5.875% Series A Term Preferred Stock due 2024 (“Series A Term Preferred Stock”). The Fund intends to pay quarterly dividends on the Series A Term Preferred Stock at an annual rate of 5.875% of the \$25 liquidation preference per share (the “Liquidation Preference”), or \$1.46875 per share of Series A Term Preferred Stock per year, on February 15, May 15, August 15 and November 15 or, in each case, if such date is not a business day, the next succeeding business day, commencing February 15, 2018. See “Description of Series A Term Preferred Stock—Dividends.”

The Series A Term Preferred Stock has been assigned a rating of “AA” by Egan-Jones Ratings Co. See “Description of Series A Term Preferred Stock—Rating Agencies.”

You should read this prospectus, which contains important information about the Fund, before deciding whether to invest in Series A Term Preferred Stock and retain it for future reference. A Statement of Additional Information, dated October 17, 2017, and as it may be supplemented (the “SAI”), containing additional information about the Fund has been filed with the SEC and is incorporated by reference in its entirety into this prospectus. See below for information on how to request a copy of the SAI.

Neither the Securities and Exchange Commission (“SEC”) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

(continued on next page)

Investing in shares of Series A Term Preferred Stock involves special risks that are described in the “Risk Factors” section beginning on page 15 of this prospectus. In addition, the Fund’s investments in Marketplace Loans (as defined below) have special risks as described on page 18 of this prospectus, including the following:

- If the borrower of a Marketplace Loan (as defined below) in which the Fund invests is unable to make its payments on a loan, the Fund may be greatly limited in its ability to recover any outstanding principal and interest under such loan, as (among other reasons) the Fund may not have direct recourse against the borrower or may otherwise be limited in its ability to directly enforce its rights under the loan, whether through the borrower or the platform through which such loan was originated, the loan may be unsecured or undercollateralized, and/or it may be impracticable to commence a legal proceeding against the defaulting borrower.
- Substantially all of the Marketplace Loans in which the Fund invests is not be guaranteed or insured by a third party. In addition, the Marketplace Lending Instruments (as defined below) in which the Fund may invest will not be backed by any governmental authority.
- Prospective borrowers supply a variety of information regarding the purpose of the loan, income, occupation and employment status (as applicable) to the lending platforms. As a general matter, platforms do not verify the majority of this information, which may be incomplete, inaccurate, false or misleading. Prospective borrowers may misrepresent any of the information they provide to the platforms, including their intentions for the use of the loan proceeds.
- Marketplace Lending Instruments are generally not rated by the nationally recognized statistical rating organizations (“NRSROs”). Such unrated instruments, however, are considered to be comparable in quality to securities falling into any of the ratings categories used by such NRSROs to classify “junk” bonds (i.e., below investment grade securities). Accordingly, the Fund’s unrated Marketplace Lending Instrument investments constitute highly risky and speculative investments similar to investments in “junk” bonds, notwithstanding that the Fund is not permitted to invest in loans that are of subprime quality at the time of investment.
- Although the Fund is not permitted to invest in loans that are of subprime quality at the time of investment, an investment in the Fund should be considered speculative and involving a high degree of risk, including the risk of loss of investment. There can be no assurance that payments due on underlying Marketplace Loans will be made.
- At any given time, the Fund’s portfolio may be substantially illiquid and subject to increased credit and default risk. Shares of Series A Term Preferred Stock therefore should be purchased only by investors who could afford the loss of the entire amount of their investment. Investors should consider their investment goals, time horizons and risk tolerance before investing in the Fund.
- The Fund may pay distributions in significant part from sources that may not be available in the future and that are unrelated to its performance, such as from offering proceeds, borrowings and other amounts that are subject to repayment.
- As a result of the foregoing and other risks described in this prospectus, an investment in the Fund is considered to be highly speculative.

The date of this prospectus is October 17, 2017

Underwriters
(Joint Book-Running Managers)

The Fund is required to redeem all of the outstanding shares of Series A Term Preferred Stock on October 31, 2024 at a redemption price equal to \$25 per share, plus an amount equal to accumulated but unpaid dividends, if any, to, but excluding, the date of redemption. The Fund cannot effect any amendment, alteration or repeal of its obligation to redeem all of the shares of Series A Term Preferred Stock on October 31, 2024 without the prior unanimous consent of the holders of Series A Term Preferred Stock. However, if the Fund is unable to obtain sufficient liquidity prior to the date of redemption, it may be forced to engage in a partial redemption or delay a required redemption. If such a delay or partial redemption were to occur, the market price of shares of the Series A Term Preferred Stock might be adversely affected. See “Risk Factors—Risks of Investing in Series A Term Preferred Stock—Delay in Redemption Risk.” If the Fund fails to maintain an asset coverage ratio of at least 200% (as described further in this prospectus), it will redeem a portion of the outstanding shares of the Series A Term Preferred Stock in an amount at least equal to the lesser of (1) the minimum number of shares of Series A Term Preferred Stock necessary to cause the Fund to meet its required asset coverage ratio, and (2) the maximum number of shares of Series A Term Preferred Stock that the Fund can redeem out of funds legally available for such redemption. At any time on or after October 31, 2020 at its sole option, the Fund may redeem shares of Series A Term Preferred Stock at a redemption price per share equal to the sum of the Liquidation Preference, plus an amount equal to accumulated but unpaid dividends, if any, on the Series A Term Preferred Stock. As an interval fund, the Fund also may redeem shares of Series A Term Preferred Stock as may be necessary from time to time, either in whole or in part, without penalty or premium, to permit it to repurchase its common stock in such amount as the board of directors of the Fund (the “Board of Directors”) may determine pursuant to the Fund’s repurchase policy (as defined below) in compliance with the Fund’s asset coverage requirements under the 1940 Act and the Articles Supplementary Establishing and Fixing the Rights and Preferences of Term Preferred Stock. The Fund currently expects to offer to repurchase 5% of the Fund’s outstanding shares of common stock on a quarterly basis pursuant to such repurchase policy, subject to approval of the Board of Directors. See “Description of Series A Term Preferred Stock—Redemption.”

The Series A Term Preferred Stock will rank senior in right of payment to the Fund’s common stock, will rank *pari passu*, or equally, in right of payment with any shares of preferred stock the Fund may issue in the future and will be subordinated in right of payment to any senior indebtedness, including the Fund’s borrowings pursuant to an existing credit agreement with The Huntington National Bank, which provides the Fund with a maximum borrowing capacity of \$20 million. The Fund’s borrowings under the credit agreement are secured by substantially all of the assets of the Fund. See “Description of Series A Term Preferred Stock” and “Risk Factors—Structural and Market-Related Risks—Leverage Risks.”

The Fund has applied to list its Series A Term Preferred Stock on the New York Stock Exchange and it expects trading to commence thereon within 30 days after the date of initial delivery of shares of Series A Term Preferred Stock under the symbol “RMPL”. The redemption and paying agent for the Series A Term Preferred Stock will be DST Systems, Inc. The Fund’s common stock is not listed on an exchange and will not be listed on an exchange in the foreseeable future, if at all. The Fund determines the net asset value per share of its common stock on a daily basis. The net asset value per share of the Fund’s common stock as of September 29 was \$24.97. As an interval fund, the Fund has adopted a fundamental policy to conduct, subject to certain conditions, quarterly repurchase offers for at least 5% and up to 25% of the outstanding shares of its common stock at net asset value (the “*repurchase policy*”). See “Repurchase Policy for the Common Shares.”

You may request a free copy of the SAI, the table of contents of which is on page 110 of this prospectus, annual and semi-annual reports to shareholders, when available, and other information about the Fund, and make shareholder inquiries by calling (844) 569-4750 or by writing to the Fund at P.O. Box 219184, Kansas City, Missouri, 64121-9184, or from the Fund's and the Adviser's website (www.rivernorth.com). The information contained in, or that can be accessed through, the Fund's and the Adviser's website is not part of this prospectus. You also may obtain a copy of the SAI (and other information regarding the Fund) from the SEC's website (www.sec.gov).

Shares of Series A Term Preferred Stock do not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.

	Per Share	Total
Public Offering Price	\$25.00	\$36,000,000
Sales Load (Underwriting Discounts and Commissions)	\$0.78125	\$1,125,000
Proceeds, before expenses, to the Fund ⁽¹⁾	\$24.21875	\$34,875,000
Proceeds, after expenses, to the Fund ⁽¹⁾	\$23.87875	\$34,385,400

(1) Total expenses of the offering payable by the Fund, excluding underwriting discounts and commissions, are estimated to be \$339,300 in the aggregate and \$0.34 on a per share basis.

The Fund has granted the underwriter a 30-day option to purchase up to an additional 216,000 shares of Series A Term Preferred Stock from the Fund to cover over-allotments, if any. If such option is exercised in full, the public offering price, underwriting discounts and commissions, proceeds, before expenses, to the Fund and proceeds, after expenses, to the Fund would be \$25.00, \$0.78125, \$24.21875 and \$23.87875, respectively, on a per share basis and \$41,400,000, \$1,293,750, \$40,106,250 and \$39,543,210, respectively, on an aggregate basis. See "Underwriting."

The underwriter expects to deliver the Series A Term Preferred Stock on or about October 25, 2017.

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You should rely only on the information contained or incorporated by reference in this prospectus. The Fund has not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. The Fund is not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information provided by this prospectus is accurate as of any date other than the date on the front of this prospectus.

PROSPECTUS SUMMARY

This is only a summary. You should review the more detailed information contained elsewhere in this prospectus and in the Statement of Additional Information, dated October 17, 2017, and as it may be supplemented (the “SAI”), including the Fund’s Articles Supplementary Establishing and Fixing the Rights and Preferences of Term Preferred Stock (the “Articles”), attached as Appendix A to the SAI, prior to making an investment in the Fund, especially the information set forth under the heading “Risk Factors.”

The Fund

RiverNorth Marketplace Lending Corporation (the “Fund”) is a non-diversified, closed-end management investment company that has registered as an investment company under the Investment Company Act of 1940, as amended (the “1940 Act”), and is operated as an interval fund. As an interval fund, the Fund has adopted a fundamental policy to conduct, subject to certain conditions, quarterly repurchase offers for at least 5% and up to 25% of the outstanding shares of its common stock, \$0.0001 par value per share (the “Common Shares”), at net asset value (the “repurchase policy”). See “Repurchase Policy for the Common Shares.”

Unlike traditional listed closed-end funds, the Fund’s Common Shares are not listed on any securities exchange. See “Description of Outstanding Shares and Debt—Common Shares.” As of September 29, 2017, the Fund had 5,830,681.804 Common Shares outstanding and net assets applicable to Common Shares of \$145,617,798.22. The Fund commenced investment operations on August 19, 2016. See “—Series A Term Preferred Stock” below for a summary of the Fund’s Series A Term Preferred Stock being offered under this prospectus.

Investment Objective. The investment objective of the Fund is to seek a high level of current income. There can be no assurance that the Fund’s investment objective can be achieved.

Investment Strategies and Policies. Under normal market conditions, the Fund seeks to achieve its investment objective by investing, directly or indirectly, at least 80% of its Managed Assets in marketplace lending investments. The Fund’s marketplace lending investments may be made through a combination of: (i) investing in loans to consumers, small- and mid-sized companies (“SMEs”) and other borrowers, including borrowers of student loans, originated through online platforms (or an affiliate) that provide a marketplace for lending (“Marketplace Loans”) through purchases of whole loans (either individually or in aggregations); (ii) investing in notes or other pass-through obligations issued by a marketplace lending platform (or an affiliate) representing the right to receive the principal and interest payments on a Marketplace Loan (or fractional portions thereof) originated through the platform (“Pass-Through Notes”); (iii) purchasing asset-backed securities representing ownership in a pool of Marketplace Loans; (iv) investing in private investment funds that purchase Marketplace Loans, (v) acquiring an equity interest in a marketplace lending platform (or an affiliate); and (vi) providing loans, credit lines or other extensions of credit to a marketplace lending platform (or an affiliate) (the foregoing listed investments are collectively referred to herein as the “Marketplace Lending Instruments”). The Fund may invest without limit in any of the foregoing types of Marketplace Lending Instruments, except that the Fund will not invest greater than 45% of its Managed Assets in the securities of, or loans originated by, any single platform (or a group of related platforms) and the Fund’s investments in private investment funds will be limited to no more than 10% of the Fund’s Managed Assets. See “Risk Factors—Marketplace Lending-Related Risks—Platform Concentration Risk.” The Marketplace Loans in which the Fund typically invests are newly issued and/or current as to interest and principal payments at the time of investment, and a substantial portion of the Fund’s Marketplace Lending Instrument investments are made through purchases of whole loans. As a fundamental policy (which cannot be changed without the approval of the holders of a majority of the outstanding voting securities of the Fund), the Fund does not invest in Marketplace Loans that are of subprime quality at the time of investment. The Fund considers a consumer Marketplace Loan, and other Marketplace Loans to individual borrowers such as student loans, to be of subprime quality if the individual borrower of such loan has a FICO score of below 640. The Fund considers an SME loan to be of “subprime quality” if the likelihood of repayment on such loan is determined by the Adviser based on its due diligence and the credit underwriting policies of the originating platform to be similar to that of consumer loans that are of subprime quality. The Fund has no intention as of the date of this prospectus to invest in Marketplace Loans originated from lending platforms based outside the United States or made to non-U.S. borrowers. However, the Fund may in the future invest in such Marketplace Loans and, prior to such time, will amend the prospectus to provide additional information on such investments, including the associated risks. For a general discussion of marketplace lending and Marketplace Lending Instruments, see “—Marketplace Lending” below and “Investment Policies and Techniques—Marketplace Lending” in the SAI. Unless the context suggests otherwise, all references to loans generally in this prospectus refer to Marketplace Loans.

Marketplace Lending Instruments are generally not rated by the nationally recognized statistical rating organizations (“NRSROs”). Such unrated instruments, however, are considered to be comparable in quality to securities falling into any of the ratings categories used by such NRSROs to classify “junk” bonds. Accordingly, the Fund’s unrated Marketplace Lending Instrument investments constitute highly risky and speculative investments similar to investments in “junk” bonds, notwithstanding that the Fund is not permitted to invest in loans that are of subprime quality at the time of investment. See “Risk Factors—Marketplace Lending-Related Risks—Credit and Below Investment Grade Securities Risk.” The Marketplace Lending Instruments in which the Fund may invest may have varying degrees of credit risk. There can be no assurance that payments due on underlying Marketplace Loans will be made. At any given time, the Fund’s portfolio may be substantially illiquid and subject to increased credit and default risk. If a borrower is unable to make its payments on a loan, the Fund may be greatly limited in its ability to recover any outstanding principal and interest under such loan. An investment in the Fund therefore should be made only by investors who could afford the loss of the entire amount of their investment. See “Risk Factors—Marketplace Lending-Related Risks.”

The Fund invests substantially all of its Managed Assets in Marketplace Lending Instruments; however, the Fund may invest up to 20% of its Managed Assets in other income-producing securities of any maturity and credit quality, including below investment grade securities (which are commonly referred to as “junk” bonds), and equity securities, including exchange-traded funds. Such income-producing securities in which the Fund may invest may include, without limitation, corporate debt securities, U.S. government debt securities, short-term debt securities, asset-backed securities, exchange-traded notes, loans other than Marketplace Loans, including secured and unsecured senior loans, and cash and cash equivalents. As of September 30, 2017, the Fund invested approximately 6% of its Managed Assets in such non-Marketplace Lending Instruments. See “Risk Factors—Other Investment-Related Risks.” For a general discussion of the foregoing investments and the associated risks, see “Investment Policies and Techniques—Additional Investments and Practices of the Fund” in the SAI.

“Managed Assets” means the total assets of the Fund, including assets attributable to leverage, minus liabilities (other than debt representing leverage and any preferred stock that may be outstanding). Percentage limitations described in this prospectus regarding the Fund’s investment strategies and policies are as of the time of investment by the Fund and may be exceeded on a going-forward basis as a result of market value fluctuations of the Fund’s portfolio investments.

Governing Law. The Fund’s Charter and the Articles are governed by the laws of the State of Maryland.

Marketplace Lending

General. Marketplace lending is often referred to as “peer-to-peer” lending, which term originally reflected the initial focus of the industry on individual investors and consumer loan borrowers. In addition, the marketplace lending platforms may retain on their balance sheets a portion of the loan portfolios they originate. In marketplace lending, loans are originated through online platforms that provide a marketplace that matches consumers, small- and mid-sized companies (“SMEs”) and other borrowers seeking loans with investors willing to provide the funding for such loans. Since its inception, the industry has grown to include substantial involvement of institutional investors. The procedures through which borrowers obtain loans can vary between platforms, and between the types of loans (e.g., consumer versus SME). In the case of consumer platforms, prospective borrowers must disclose or otherwise make available to the platform operator certain financial and other information including, for example, the borrower’s credit score (as determined by a credit reporting agency), income, debt-to-income ratio, credit utilization, employment status, homeownership status, number of existing credit lines, intended use of funds and the number and/or amount of recent payment defaults and delinquencies, certain of which information is then made available to prospective lenders. The borrower must satisfy the minimum eligibility requirements set by the operator. The operator uses the information provided by the borrower (along with other relevant data such as the characteristics of the loan) to assign its own credit rating (in the case of most consumer platforms) and the interest rate for the requested loan. Lenders may select which loans to fund based on such borrower-provided information and platform-assigned credit rating (to the extent available) and the yield to the lender, which is the fixed interest rate assigned by the platform to the loan net of any fees charged by the platform, including servicing fees for screening borrowers for their eligibility, managing the supply and demand of the marketplace, and facilitating payments and debt collection, among other things. A typical servicing fee charged to the lender is 1% of the outstanding loan balance. Operators may also charge borrowers an origination fee, which is typically 1% to 5% of the loan balance. The platforms may set limits as to the maximum dollar amount that may be requested by a borrower (whether through one or multiple loans) and the minimum dollar amount that a lender must provide under each loan. The loans originated through the online consumer lending platforms typically have a fixed term ranging between six months and five years in principal amounts with a minimum (e.g., \$1,000) and maximum (e.g., \$100,000), and typically amortize through equal monthly payments to their maturity dates. The Fund intends to hold its Marketplace Loan investments until maturity.

The Fund's Marketplace Loan investments currently originate from lending platforms based in the United States, a substantial portion of which are whole loans. As of September 30, 2017, approximately 94% of the Fund's Managed Assets were invested in whole loans. A small number of marketplace lending platforms originate a substantial portion of the Marketplace Loans in the United States (in particular, LendingClub Corporation ("LendingClub") and Prosper Funding LLC ("Prosper") currently originate the large majority of all U.S. consumer Marketplace Loans). As such, a substantial portion of the Fund's Marketplace Loan investments have originated from one of these platforms. The Adviser intends to continue to build relationships and enter into agreements with additional platforms. However, if there are not sufficient qualified loan requests through any platform, the Fund may be unable to deploy its capital in a timely or efficient manner. In such event, the Fund may be forced to invest in cash, cash equivalents, or other assets that fall within its investment policies that are generally expected to offer lower returns than the Fund's target returns from investments in Marketplace Loans. The Fund has entered into purchase agreements with platforms, which outline, among other things, the terms of the loan purchase, loan servicing, the rights of the Fund to assign the loans and the remedies available to the parties. Although the form of these agreements are similar to those typically available to all investors, institutional investors such as the Fund (unlike individual retail investors) have an opportunity to negotiate some of the terms of the agreement. In particular, the Fund has greater negotiating power related to termination provisions and custody of the Fund's account(s) relative to other investors due to the restrictions placed on the Fund by the 1940 Act, of which the platforms are aware. Pursuant to such agreements, the platform or a third-party servicer typically service the loans, collecting payments and distributing them to the Fund, less any servicing fees, and the servicing entity, unless directed by the Fund, typically makes all decisions regarding acceleration or enforcement of the loans following any default by a borrower. The Fund seeks to have a backup servicer in case any platform or third-party servicer ceases or fails to perform the servicing functions, which the Fund expects will mitigate some of the risks associated with a reliance on platforms or third-party servicers for servicing of the Marketplace Loans. See "Risk Factors—Marketplace Lending-Related Risks—Platform Concentration Risk" and "Risk Factors—Marketplace Lending-Related Risks—Servicer Risk."

In the United States, a platform may be subject to extensive regulation, oversight and examination at both the federal and state level, and across multiple jurisdictions if it operates its business nationwide. Accordingly, platforms are generally subject to various securities, lending, licensing and consumer protection laws. In addition, courts have recently considered the regulatory environment applicable to marketplace lending platforms and purchasers of Marketplace Loans. In light of recent decisions, if upheld and widely applied, certain marketplace lending platforms could be required to restructure their operations and certain loans previously made by them through funding banks may not be enforceable, whether in whole or in part, by investors holding such loans or such loans would be subject to diminished returns and/or the platform subject to fines and penalties. As a result, large amounts of Marketplace Loans purchased by the Fund (directly or indirectly) could become unenforceable or subject to diminished returns, thereby causing losses for Shareholders. See "Investment Objective, Strategies and Policies—Marketplace Lending" and "Risks—Marketplace Lending-Related Risks—Regulatory and Other Risks Associated with Platforms and Marketplace Loans."

Marketplace Loans and Pass-Through Notes. As noted above, the underlying Marketplace Loan origination processes employed by each platform may vary significantly. Under one model employed by certain platforms in the United States, the operator of the platform maintains a contractual relationship with a bank and operates a website to help the bank originate loans. The principal amount of each loan is advanced to the borrower by a bank (the “funding bank”). The platform operator sometimes purchases the loan from the funding bank at par shortly after its origination and may resell it directly to an investor under a whole loan purchase program. The bank may also sell loans directly to investors and in some cases, retains some of the loans on its balance sheet. Institutional investors, such as the Fund, typically invest in whole loans, and therefore acquire the entire beneficial interest in the loans in which they invest, rather than fractional portions of or participations in such loans. Alternatively, the operator of the platform may purchase the loan from the funding bank at par using the funds of multiple lenders and then issues to each such lender at par a Pass-Through Note of the operator (or an affiliate of the operator) representing the right to receive the lender’s proportionate share of all principal and interest payments received by the operator from the borrower on the loan funded by such lender (net of the platform servicing fees). As a further alternative, certain operators (including most SME lenders) do not engage funding banks but instead extend their loans directly to the borrowers. These lenders similarly may sell the funded loans as whole loans to institutional investors or sell Pass-Through Notes backed by individual loans or engage in other capital market transactions.

The platform operator typically will service the loans it originates and will maintain a separate segregated deposit account into which it will deposit all payments received from the obligors on the loans. Upon identification of the proceeds received with respect to a loan and deduction of applicable fees, the platform operator forwards the amounts owed to the lenders or the holders of any related Pass-Through Notes, as applicable.

A platform operator is not obligated to make any payments due on a Marketplace Loan or Pass-Through Note (except to the extent that the operator actually receives payments from the borrower on the related loan). Accordingly, lenders and investors assume all of the credit risk on the loans they fund through a Pass-Through Note or whole loan purchased from a platform operator and are not entitled to recover any deficiency of principal or interest from the platform operator if the underlying borrower defaults on its payments due with respect to a loan. In addition, a platform operator is generally not required to repurchase Marketplace Loans from a lender or purchaser except under very narrow circumstances, such as in cases of verifiable identity fraud by the borrower or as may otherwise be negotiated by a purchaser of whole loans. As loan servicer, the platform operator or an affiliated entity typically has the ability to refer any delinquent Marketplace Loan to a collection agency (which may impose additional fees and costs that are often as high, or higher in some cases, as 35% of any recovered amounts). The Fund itself will not directly enter into any arrangements or contracts with the collection agencies (and, accordingly, the Fund does not currently anticipate it would have, under current law and existing interpretations, substantial risk of liability for the actions of such collection agencies). At the same time, the relatively low principal amounts of Marketplace Loans often make it impracticable for the platform operator to commence legal proceedings against defaulting borrowers. Marketplace Loans may be secured (generally in the case of SME loans and real estate-related loans) or unsecured (generally in the case of consumer loans). For example, real estate Marketplace Loans may be secured by a deed of trust, mortgage, security agreement or legal title to real estate. There can be no assurance that any collateral pledged to secure a Marketplace Loan can be liquidated quickly or at all or will generate proceeds sufficient to offset any defaults on such loan. See “Risk Factors—Marketplace Lending-Related Risks.”

The documentation for Marketplace Loans is executed electronically. Accordingly, the borrower does not execute a physical loan note and no such note is available for delivery to investors. No Marketplace Loans currently being offered have been registered with the SEC and the only Pass-Through Notes that have been registered with the SEC are those issued by LendingClub and Prosper. In addition, Marketplace Loans are not listed on any securities exchange (although secondary market trading in Pass-Through Notes issued by LendingClub does occur on an electronic “alternative trading system” maintained by FOLIOfn, Inc., a registered broker-dealer). Marketplace Loans are therefore generally illiquid and the issuers provide no assurances as to the liquidity or value of the loans. An active secondary market for the Marketplace Loans does not currently exist and an active market for the Marketplace Loans may not develop in the future. See “The Fund’s Investments—Marketplace Lending—Marketplace Loans and Pass-Through Notes.”

Investment Adviser

RiverNorth Capital Management, LLC, a registered investment adviser (the “Adviser”), is the Fund’s investment adviser and is responsible for the day-to-day management of the Fund’s portfolio, managing the Fund’s business affairs and providing certain administrative services. The Adviser is also responsible for determining the Fund’s overall investment strategy and overseeing its implementation. As of August 31, 2017, the Adviser managed approximately \$3.63 billion as adviser or sub-adviser for six registered open-end management investment companies, two registered closed-end management investment companies, three private investment funds and an institutional separately managed account. See “Management of the Fund.”

Recent Developments

Since the start of the current fiscal year on July 1, 2017 through September 30, 2017, the Fund has sold 2,014,247.93 Common Shares representing in the aggregate \$49,905,186.60 in net assets. Pursuant to its repurchase policy, the Fund conducted a repurchase offer on July 12, 2017 resulting in the repurchase of 55,479.778 Common Shares representing \$1,395,316.39 in the aggregate and on October 12, 2017 resulting in the repurchase of 76,474.998 Common Shares representing \$1,912,639.76 in the aggregate. The next repurchase offer is scheduled to occur on January 10, 2018.

The Fund incurred borrowings of \$5,000,000 and \$15,000,000 under the Credit Facility on September 8, 2017 and September 13, 2017, respectively, and repaid \$5,500,000 of such borrowings on September 28, 2017. As of September 30, 2017, the principal amount of borrowings under the Credit Facility was \$14,500,000.

Series A Term Preferred Stock

The following is a brief summary of the terms of this offering. For a more complete description of the rights, preferences and other terms of the Series A Term Preferred Stock (as defined below), see “Description of Series A Term Preferred Stock” below.

Issuer	RiverNorth Marketplace Lending Corporation.
Listing	The Fund has applied to list its Series A Term Preferred Stock on the New York Stock Exchange (the “NYSE”) and it expects trading to commence thereon within 30 days after the date of initial delivery of shares of Series A Term Preferred Stock under the symbol “RMPL”. Prior to the expected commencement of trading, the underwriters may, but are not obligated to, make a market in Series A Term Preferred Stock. The Fund’s Common Shares are not listed on an exchange and will not be listed on an exchange in the foreseeable future, if at all.
Securities Offered	1,440,000 shares of 5.875% Series A Term Preferred Stock due 2024 (“Series A Term Preferred Stock”) (1,656,000 shares if the underwriters exercise their over-allotment option in full). See “Underwriting.”
Liquidation Preference	\$25 per share, plus accrued but unpaid dividends, if any. In the event of any liquidation, dissolution or winding up of the Fund’s affairs, whether voluntary or involuntary, holders of Series A Term Preferred Stock will be entitled to receive a liquidation distribution per share equal to \$25 per share (the “Liquidation Preference”), plus an amount equal to all accrued but unpaid dividends, if any, and distributions accumulated to, but excluding, the date fixed for distribution or payment, whether or not earned or declared by the Fund, but excluding interest on any such distribution or payment.
Dividends	Shares of Series A Term Preferred Stock pay a quarterly dividend at a fixed annual rate of 5.875% of the Liquidation Preference (the “Fixed Dividend Rate”), or \$1.46875 per share per year. The Fixed Dividend Rate is subject to adjustment under certain circumstances. See “Description of Series A Term Preferred Stock—Dividends—Adjustment to Fixed Dividend Rate—Default Period.”

The board of directors of the Fund (the “Board of Directors”) may determine not to pay, or may be precluded from paying, such dividends if the Board of Directors believes it is not in the best interest of the Fund’s stockholders or if the Fund fails to maintain the asset coverage required by the 1940 Act.

Cumulative cash dividends or distributions on each share of Series A Term Preferred Stock are payable quarterly, when, as and if declared, or under authority granted, by the Board of Directors out of funds legally available for such payment. The Fund will pay quarterly dividends on shares of Series A Term Preferred Stock offered pursuant to this prospectus, commencing on February 15, 2018. See “Description of Series A Term Preferred Stock—Dividends—Dividend Periods.”

Ranking

The shares of Series A Term Preferred Stock are senior securities that constitute capital stock of the Fund.

The Series A Term Preferred Stock rank:

- senior to the Fund’s Common Shares in priority of payment of dividends and as to the distribution of assets upon dissolution, liquidation or the winding-up of the Fund’s affairs;
- equal in priority with all other future series of preferred stock the Fund may issue as to priority of payment of dividends and as to distributions of assets upon dissolution, liquidation or the winding-up of the Fund’s affairs; and
- subordinate in right of payment to amounts owed under an existing credit agreement with The Huntington National Bank as lender (the “Credit Agreement”), which provides the Fund with a maximum Borrowing capacity of \$20 million (the “Credit Facility”), and to the holders of any future senior indebtedness, which senior indebtedness may be issued without the vote or consent of preferred stockholders. The Credit Facility is secured by substantially all of the assets of the Fund.

Therefore, dividends, distributions, payments in redemption and other payments to holders of Series A Term Preferred Stock in liquidation or otherwise (i) may be limited or blocked by the terms of the Fund’s senior indebtedness (*e.g.*, under the Credit Agreement) and (ii) may be subject to payments due to the holders of such senior indebtedness. See “Risk Factors—Risks of Investing in Series A Term Preferred Stock—Subordination Risk.”

Under the Credit Agreement, the Fund may not, without the prior written consent of The Huntington National Bank, (a) declare or make any dividend payment or other distribution of assets on account of any shares of the Fund's capital stock, including Series A Term Preferred Stock, if payment of such dividend would cause an event of default under the Credit Agreement, or (b) purchase, redeem or otherwise acquire for value any shares of its capital stock, including Series A Term Preferred Stock, if such purchase, redemption or acquisition would cause an event of default under the Credit Agreement; excluding (i) quarterly repurchases of 5% to 25% of the Fund's Common Shares in accordance with the 1940 Act, and (ii) redemptions of preferred stock, including Series A Term Preferred Stock, necessary to permit the Fund to make such quarterly repurchases of 5% to 25% of its Common Shares in compliance with the asset coverage requirements of Section 18 of the 1940 Act.

The Fund has a right to augment or replace the Credit Agreement with a new credit agreement in the future, and any such augmented or replacement credit agreement may contain terms that are materially different than the terms contained in the existing Credit Agreement, including terms that limit payments to holders of Series A Term Preferred Stock.

The Fund may issue additional shares of Series A Term Preferred Stock and additional series of preferred stock, but may not issue additional classes of capital stock that rank senior or junior to the Series A Term Preferred Stock (other than the Fund's common stock) as to priority of payment of dividends and as to distribution of assets upon dissolution, liquidation or winding-up of the Fund's affairs. The Fund may, however, issue additional shares of preferred stock only so long as the ratio of (1) the value of total assets less all liabilities and indebtedness not represented by senior securities to (2) the sum of all senior securities representing indebtedness and the outstanding preferred stock of the Fund multiplied by \$25 per share is at least 200%. In addition, the Fund may borrow funds from banks and other lenders (including under the Credit Facility) so long as the ratio of (1) the value of total assets less liabilities and indebtedness not represented by senior securities to (2) the sum of all senior securities representing indebtedness is at least 300%.

Term Redemption

The Fund is required to redeem all outstanding shares of Series A Term Preferred Stock on October 31, 2024 (the "Term Redemption Date") at a redemption price equal to the Liquidation Preference, plus an amount equal to accumulated but unpaid dividends, if any, on such shares (whether or not earned or declared, but excluding interest on such dividends) to, but excluding, the Term Redemption Date. See "Description of Series A Term Preferred Stock—Redemption—Term Redemption."

The Fund cannot effect any amendment, alteration or repeal of its obligation to redeem all of the shares of Series A Term Preferred Stock on the Term Redemption Date without the prior unanimous vote or consent of holders of the shares of Series A Term Preferred Stock. See “Description of Series A Term Preferred Stock—Voting Rights.” However, if the Fund is unable to obtain sufficient liquidity prior to the date of redemption, it may be forced to engage in a partial redemption or delay a required redemption. If such a delay or partial redemption were to occur, the market price of shares of the Series A Term Preferred Stock might be adversely affected. See “Risk Factors—Risks of Investing in Series A Term Preferred Stock—Delay in Redemption Risk.”

Mandatory Redemption for Asset Coverage

If the Fund fails to maintain an asset coverage ratio of at least 200% with respect to its preferred stock (including Series A Term Preferred Stock) as of the close of business on any business day on which asset coverage is required to be calculated, and such failure is not cured by the close of business on the date that is 30 calendar days following such business day (the “Asset Coverage Cure Date”), then the Fund will be required to redeem, within 90 calendar days of the Asset Coverage Cure Date, shares of preferred stock equal to the lesser of (1) the minimum number of shares of preferred stock that will result in the Fund having an asset coverage ratio of at least 200%, and (2) the maximum number of shares of preferred stock that can be redeemed out of funds legally available for such redemption. Also, at its sole discretion, the Fund may redeem such number of shares of preferred stock (including shares of preferred stock required to be redeemed) that will result in the Fund having an asset coverage ratio of up to and including 285%. If shares of Series A Term Preferred Stock are to be redeemed in such an event, they will be redeemed at a redemption price equal to their Liquidation Preference plus accumulated but unpaid dividends, if any, on such shares (whether or not declared, but excluding interest on accrued but unpaid dividends, if any) to, but excluding, the date fixed for such redemption.

Asset coverage for purposes of the Fund’s preferred stock is a ratio calculated under Section 18(h) of the 1940 Act. The Fund estimates that, on the Date of Original Issue (as defined below), its asset coverage, based on the composition and value of its portfolio and the outstanding borrowings under the Credit Facility as of September 30, 2017, and after giving effect to (1) the issuance of shares of Series A Term Preferred Stock in this offering and (2) the payment of offering costs payable by the Fund of \$339,300 in connection with this offering, will be 426%. See “Description of Series A Term Preferred Stock—Redemption—Mandatory Redemption for Asset Coverage.”

Interval Fund Redemption	As an interval fund, the Fund may redeem shares of Series A Term Preferred Stock as may be necessary from time to time, either in whole or in part, without penalty or premium, to permit it to repurchase its Common Shares in such amount as the Board of Directors may determine pursuant to the Fund’s repurchase policy (as defined below) in compliance with the Fund’s asset coverage requirements under the 1940 Act and the Articles. The Fund currently expects to offer to repurchase 5% of the Fund’s outstanding shares of common stock on a quarterly basis pursuant to such repurchase policy, subject to approval of the Board of Directors. See “Description of Series A Term Preferred Stock—Redemption—Interval Fund Redemption.”
Optional Redemption	At any time on or after October 31, 2020 at its sole option, the Fund may redeem, from time to time, shares of Series A Term Preferred Stock in whole or in part, out of funds legally available for such redemption, at a price per share equal to the sum of the Liquidation Preference plus an amount equal to accumulated but unpaid dividends, if any, on such shares (whether or not earned or declared, but excluding interest on such dividends) to, but excluding, the date fixed for such redemption. See “Description of Series A Term Preferred Stock—Redemption—Optional Redemption.”
Voting Rights	Except as otherwise provided in the Fund’s Charter or the Articles or as otherwise required by law, (1) each holder of preferred stock (including Series A Term Preferred Stock) will be entitled to one vote for each share of preferred stock held by such holder on each matter submitted to a vote of the Fund’s stockholders and (2) the holders of the Fund’s outstanding preferred stock and the Fund’s Common Shares will vote together as a single class; provided that holders of preferred stock, voting separately as a class, will elect two of the Fund’s directors and will be entitled to elect a majority of the Fund’s directors if the Fund fails to pay dividends on any outstanding shares of preferred stock in an amount equal to two full years of dividends and continuing during that period until the Fund corrects that failure. Preferred stock holders will also vote separately as a class on any matter that materially and adversely affects any preference, right or power of holders of preferred stock. See “Description of Series A Term Preferred Stock—Voting Rights.”

Conversion Rights

The Series A Term Preferred Stock will have no conversion rights.

Rating

The Series A Term Preferred Stock has been assigned a rating of "AA" by Egan-Jones Ratings Co. The Fund is obligated only to use commercially reasonable efforts to cause at least one rating agency to publish a credit rating with respect to Series A Term Preferred Stock for so long as shares of Series A Term Preferred Stock are outstanding. The Fund may choose a different nationally recognized statistical rating organization to rate the Series A Term Preferred Stock and the ratings of Series A Term Preferred Stock may vary.

The Fund may be subject to certain restrictions or guidelines by a rating agency to achieve a desired rating. Such restrictions and guidelines vary by rating agency and by desired ratings. These guidelines may include asset coverage requirements; portfolio characteristics such as portfolio diversification; and qualitative views on the Fund and Fund management. While these restrictions or guidelines may impose different requirements than those under the 1940 Act, it is not anticipated that these restrictions or guidelines will impede the management of the Fund's portfolio or repurchase policy in accordance with the Fund's investment objective and policies.

Use of Proceeds

The Fund intends to use the net proceeds from this offering (after the payment of expenses of the offering estimated to be approximately \$339,300) to acquire investments in accordance with the Fund's investment objective and strategies as described in this prospectus and for general corporate purposes. Although it does not currently anticipate doing so, the Fund also may use a portion of the proceeds to repay borrowings under the Credit Facility.

Leverage

The Fund may use leverage to the extent permitted by the 1940 Act, including through the issuance of preferred stock and/or through borrowings and/or the issuance of notes or debt securities. On September 5, 2017, the Fund established its Credit Facility by entering into the Credit Agreement with The Huntington National Bank as lender. As of September 30, 2017, the principal amount of borrowings under the Credit Facility was \$14,500,000, representing approximately 9% of the Fund's total assets. As of September 30, 2017, the Fund had \$5,500,000 in unutilized funds available for borrowing under the Credit Facility. The Fund estimates it will have incurred leverage of approximately 33% of its net assets immediately following the issuance of Series A Term Preferred Stock in this offering.

While the Fund is using leverage, the amount of the fees paid to the Adviser for investment advisory and management services are higher than if the Fund did not use leverage because the fees paid are calculated based on the Fund's Managed Assets, which include assets purchased with leverage. Therefore, the Adviser has a financial incentive to leverage the Fund, which creates a conflict of interest between the Adviser on the one hand and the stockholders of the Fund on the other.

Leverage involves special risks. There can be no assurances that a leveraging strategy will be successful. See "Risk Factors—Structural and Market-Related Risks—Leverage Risks."

U.S. Federal Income Taxes Prospective investors are urged to consult their own tax advisors regarding these matters in light of their personal investment circumstances.

The Fund has elected to be treated for tax purposes, and intends to continue to so qualify each year, as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"), and the Fund generally does not expect to be subject to U.S. federal income tax. See "U.S. Federal Income Tax Matters."

Risk Factors Investing in shares of Series A Term Preferred Stock involves risks. You should carefully consider the information set forth in the "Risk Factors" section below before deciding whether to invest in Series A Term Preferred Stock. See "Risk Factors" on page 15 of this prospectus.

Information Rights During any period in which the Fund is not subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and any shares of Series A Term Preferred Stock are outstanding, the Fund will provide holders of Series A Term Preferred Stock, without cost, copies of the Fund's annual, semi-annual and quarterly reports, proxy statements and other information that the Fund would have been required to file with the SEC pursuant to the Exchange Act if it were subject to such requirements.

Redemption and Paying Agent

The Fund has entered into an amendment to its Agency Agreement with DST Systems, Inc. (the "Redemption and Paying Agent"). Under this amendment, the Redemption and Paying Agent serves as transfer agent and registrar, dividend disbursing agent, and redemption and paying agent with respect to the Series A Term Preferred Stock.

RISK FACTORS

An investment in the Fund, including Series A Term Preferred Stock, involves special risk considerations. You should consider carefully the risks described below before investing in Series A Term Preferred Stock.

Investors should carefully consider the Fund's risks and investment objective, as an investment in the Fund may not be appropriate for all investors and is not designed to be a complete investment program. An investment in the Fund involves a high degree of risk. It is possible that investing in the Fund may result in a loss of some or all of the amount invested. Before making an investment/allocation decision, investors should (i) consider the suitability of this investment with respect to an investor's investment objectives and individual situation and (ii) consider factors such as an investor's net worth, income, age and risk tolerance. Investment should be avoided where an investor/client cannot bear the loss of some or all of the investment.

See “—Structural and Market-Related Risks” below for risks that generally relate to the structure of the Fund and the risks associated with general market and economic conditions.

Risks of Investing in Series A Term Preferred Stock

The risks listed below are in alphabetical order and specifically apply to an investment in shares of Series A Term Preferred Stock. See also “—Structural and Market-Related Risks—Leverage Risks”.

See “—Marketplace-Lending-Related Risks” below for the risks associated with the Fund's investments in Marketplace Lending Instruments, which will also impact holders of Series A Term Preferred Stock.

Capital Structure Risk. The Fund has entered into a credit agreement with The Huntington National Bank as lender (the “Credit Agreement”), which provides the Fund with a maximum Borrowing capacity of \$20 million (the “Credit Facility”), and, in the future, may enter into other credit agreements. Under such an agreement, the rights of lenders to receive payments of interest on and repayments of principal of any borrowings would be senior to the rights of the holders of Series A Term Preferred Stock with respect to the payment of dividends and other distributions, and upon liquidation. Accordingly, if the Fund defaults on its obligations under the Credit Agreement (or such other credit agreement it may enter from time to time), it may not be able to declare dividends or other distributions on its preferred stock, including Series A Term Preferred Stock. In addition, the Fund will not be permitted to declare dividends and other distributions with respect to the Series A Term Preferred Stock or redeem the Series A Term Preferred Stock unless at such time the Fund meets certain asset coverage requirements and no event of default or other circumstance exists under the Credit Agreement (or any other credit agreement in effect as of such date) that would limit or otherwise block payments in redemption.

Delay in Redemption Risk. The Fund invests substantially, if not all, of its Managed Assets in Marketplace Loans and other Marketplace Lending Instruments. Marketplace Loans and other Marketplace Lending Instruments may not be registered under the Securities Act of 1933, as amended (the “Securities Act”), and are not listed on any securities exchange. Accordingly, those Marketplace Lending Instruments may not be transferred unless they are first registered under the Securities Act and all applicable state or foreign securities laws or the transfer qualifies for exemption from such registration. A reliable secondary market has yet to develop, nor may one ever develop, for Marketplace Loans and such other Marketplace Lending Instruments and, as such, these investments should be considered illiquid. The Fund may not be able to sell any of its Marketplace Lending Instruments even under circumstances when the Adviser believes it would be in the best interests of the Fund to sell such investments. Moreover, certain Marketplace Lending Instruments are subject to certain additional significant restrictions on transferability. As a result of the foregoing, it may be difficult for the Fund to obtain cash equal to the value at which the Fund records its investments quickly if a need arises. If the Fund is unable to obtain sufficient liquidity prior to the Term Redemption Date, it may be forced to engage in a partial redemption or delay a required redemption. In addition, as an interval fund, the Fund has adopted a fundamental policy to conduct quarterly repurchase offers for the outstanding shares of its common stock. As a result of the foregoing, the Fund may lack sufficient liquidity to make scheduled dividend payments or fully redeem the Series A Term Preferred Stock on the Term Redemption date. If the Fund is unable to obtain sufficient liquidity, it may be forced to delay scheduled dividend payments or redemptions. If such a delay or partial redemption were to occur, the market price of shares of the Series A Term Preferred Stock might be adversely affected.

Early Redemption Risk. Under the circumstances described herein, the Fund may voluntarily redeem some or all of the outstanding shares of Series A Term Preferred Stock or may be required to redeem such shares to meet regulatory requirements and satisfy the asset coverage requirements of such preferred stock. Such redemptions may be at a time that is unfavorable to holders of Series A Term Preferred Stock. The Fund expects to voluntarily redeem Series A Term Preferred Stock on or after October 31, 2020 but before the Term Redemption Date to the extent that market conditions allow the Fund to issue other preferred stock or debt securities at a rate that is lower than the Fixed Dividend Rate on the Series A Term Preferred Stock. For further information, see “Description of Series A Term Preferred Stock—Redemption.”

Income Shortfall/Dividend Risk. The Fund may be unable to pay dividends on the Series A Term Preferred Stock under some circumstances. For example, if the interest rates paid on the Fund’s Marketplace Loan investments fall below the Fixed Dividend Rate, the Fund’s ability to pay dividends on its Series A Term Preferred Stock could be jeopardized. In addition, under the Credit Agreement, the Fund may not, without the prior written consent of The Huntington National Bank, declare or make any dividend payment or other distribution of assets on account of any shares of the Fund’s capital stock, including Series A Term Preferred Stock, if payment of such dividend would cause an event of default under the Credit Agreement. The terms of any future indebtedness the Fund may incur also could preclude the payment of dividends in respect of equity securities, including the Series A Term Preferred Stock, under certain conditions.

Interest Rate Risk. Prices of fixed income investments, such as the Series A Term Preferred Stock, vary inversely with changes in market yields. The market yields on securities comparable to Series A Term Preferred Stock may increase, which would likely result in a decline in the secondary market price of the Series A Term Preferred Stock prior to the Term Redemption Date.

No Prior History, Market and Liquidity Risk. Because the Fund has no prior trading history for shares of its preferred stock, it is difficult to predict the trading patterns of Series A Term Preferred Stock. The Fund cannot assure investors that the market price of the Series A Term Preferred Stock will not decline following the offering.

The Fund has applied to list the shares of Series A Term Preferred Stock on the NYSE and expects that trading on the exchange will begin within 30 days from the date of this prospectus, subject to notice of issuance. Accordingly, the Series A Term Preferred Stock may not be listed on any securities exchange for a period of time after the offering has commenced. Prior to the expected commencement of trading, the underwriters may, but are not obligated, to make a market in the Series A Term Preferred Stock. Consequently, an investment in the Series A Term Preferred Stock during this period will be illiquid, and the holders may not be able to sell such securities. If a secondary market does develop during this period, holders of Series A Term Preferred Stock may be able to sell such shares only at substantial discounts from the Liquidation Preference.

If the Fund is unable to list the shares of the Series A Term Preferred Stock on a national securities exchange, the holders of such securities may be unable to sell them at all, or, if they are able to, only at substantial discounts from the Liquidation Preference. Even if shares of the Series A Term Preferred Stock are listed on the NYSE as anticipated, there is a risk that the market for such shares may be thinly traded and relatively illiquid compared to the market for other types of securities, with the spread between the bid and asked prices considerably greater than the spreads of other securities with comparable terms and features.

Reinvestment Risk. Given the seven - year term and potential for early redemption of Series A Term Preferred Stock, holders of Series A Term Preferred Stock may face an increased reinvestment risk, which is the risk that the return on an investment purchased with proceeds from the sale or redemption of Series A Term Preferred Stock may be lower than the return previously obtained from an investment in Series A Term Preferred Stock.

Subordination Risk. While holders of Series A Term Preferred Stock will have equal liquidation and distribution rights to any other preferred stock that might be issued by the Fund, they will be subordinated to the rights of holders of senior indebtedness of the Fund, including the borrowings under the Credit Agreement, which principal amount outstanding as of September 30, 2017 was \$14,500,000. Therefore, dividends, distributions, payments in redemption and other payments to holders of Series A Term Preferred Stock in liquidation or otherwise (i) may be limited or blocked by the terms of the Fund's senior indebtedness (*e.g.*, under a credit agreement in effect on such date) and (ii) may be subject to payments due to the holders of such senior indebtedness. The Fund also has a right to augment or replace the Credit Agreement with a new credit agreement in the future, and any such augmented or replacement credit agreement may contain terms that are materially different than the terms contained in the existing Credit Agreement, including terms that limit payments to holders of Series A Term Preferred Stock.

In addition, the 1940 Act may provide debt holders with voting rights that are superior to the voting rights of preferred stock holders, including holders of Series A Term Preferred Stock. The rights of lenders, creditors and counterparties of the Fund will also be senior to those of the holders of Series A Term Preferred Stock.

Tax Risks. The Fund will treat Series A Term Preferred Stock as equity in the Fund for federal income tax purposes. If the Series A Term Preferred Stock were treated as debt rather than as equity for such purposes, the timing and character of such income to holders could be affected.

Because there is no controlling legal precedent on the classification of Series A Term Preferred Stock as equity for federal income tax purposes, investors should be aware that the Internal Revenue Service (“IRS”) could assert a contrary position—meaning that the IRS could attempt to classify Series A Term Preferred Stock as debt. If the IRS prevailed on such a position, dividends paid on Series A Term Preferred Stock (including dividends already paid) would be treated as interest payments. Although there is no controlling legal precedent, the Fund’s treatment of the Series A Term Preferred Stock as equity is consistent with the holding of a private letter ruling issued by the IRS to another regulated investment company that preferred stock similar to Series A Term Preferred Stock qualifies as equity for federal income tax purposes. In general, private letter rulings may not be used or cited as precedent, but the courts recognize that private letter rulings reveal the interpretation put upon the statute by the IRS and that they may be helpful in establishing consistency of administrative treatment. In addition, private letter rulings are authority for purposes of determining whether there is substantial authority for the tax treatment of an item in connection with the imposition of the accuracy-related penalty under Section 6662 of the Code. The Fund does not intend currently to seek a ruling on the equity status of Series A Term Preferred Stock. See “U.S. Federal Income Tax Matters.”

The value of Series A Term Preferred Stock may be adversely affected by changes in tax rates and policies.

Marketplace Lending-Related Risks

The risks listed below are in alphabetical order and specifically apply to marketplace lending and the investments of the Fund in Marketplace Lending Instruments. In addition, see “Investment Policies and Techniques—Marketplace Lending” in the SAI for additional risks of investing in Marketplace Lending Instruments and see “—Other Investment-Related Risks” below for a discussion of additional risks associated with the Fund’s other investments, which may also apply to the Fund’s investments in Marketplace Lending Instruments.

Asset-Backed Securities Risk. Asset-backed securities often involve risks that are different from or more acute than risks associated with other types of debt instruments. For instance, asset-backed securities may be particularly sensitive to changes in prevailing interest rates. In addition, the underlying assets are subject to prepayments that shorten the securities’ weighted average maturity and may lower their return. Asset-backed securities are also subject to risks associated with their structure and the nature of the assets underlying the security and the servicing of those assets. Payment of interest and repayment of principal on asset-backed securities is largely dependent upon the cash flows generated by the assets backing the securities and, in certain cases, supported by letters of credit, surety bonds or other credit enhancements. The values of asset-backed securities may be substantially dependent on the servicing of the underlying asset pools, and are therefore subject to risks associated with the negligence by, or defalcation of, their servicers. Furthermore, debtors may be entitled to the protection of a number of state and federal consumer credit laws with respect to the assets underlying these securities, which may give the debtor the right to avoid or reduce payment. In addition, due to their often complicated structures, various asset-backed securities may be difficult to value and may constitute illiquid investments. If many borrowers on the underlying Marketplace Loans default, losses could exceed the credit enhancement level and result in losses to investors in asset-backed securities.

An investment in subordinated (residual) classes of asset-backed securities is typically considered to be an illiquid and highly speculative investment, as losses on the underlying assets are first absorbed by the subordinated classes. The risks associated with an investment in such subordinated classes of asset-backed securities include credit risk, regulatory risk pertaining to the Fund's ability to collect on such securities, platform performance risk and liquidity risk.

Competition for Assets Risk. The current marketplace lending market in which the Fund participates is competitive and rapidly changing. The Fund may face increasing competition for access to platforms and Marketplace Lending Instruments as the marketplace lending industry continues to evolve. The Fund may face competition from other institutional lenders such as pooled investment vehicles and commercial banks that are substantially larger and have considerably greater financial and other resources than the Fund. These potential competitors may have higher risk tolerances or different risk assessments than the Fund, which could allow them to consider a wider variety of investments and establish more relationships with platforms than the Adviser. A platform with which the Fund has entered into an arrangement to purchase Marketplace Lending Instruments may have similar arrangements with other parties, thereby reducing the potential investments of the Fund through such platform. There can be no assurance that the competitive pressures the Fund may face will not erode the Fund's ability to deploy capital. If the Fund is limited in its ability to invest in Marketplace Lending Instruments, it may be forced to invest in cash, cash equivalents or other assets that may result in lower returns than otherwise may be available through investments in Marketplace Lending Instruments. If the Fund's access to platforms is limited, it would also be subject to increased concentration and counterparty risk. See "—Platform Concentration Risk."

The consumer and commercial lending business is highly competitive and Marketplace Loan platforms compete with other Marketplace Loan platforms as well as larger banking, securities and investment banking firms that have substantially greater financial resources. There can be no guarantee that the rapid origination growth experienced by certain platforms in recent periods will continue. Without a sufficient number of new qualified loan requests, there can be no assurances that the Fund will be able to compete effectively for Marketplace Loans and other Marketplace Lending Instruments with other market participants. General economic factors and market conditions, including the general interest rate environment, unemployment rates and residential home values, may affect borrower willingness to seek Marketplace Loans and investor ability and desire to invest in Marketplace Loans and other Marketplace Lending Instruments.

Credit and Below Investment Grade Securities Risks. Credit risk is the risk that an issuer of a security may be unable or unwilling to make dividend, interest and principal payments when due and the related risk that the value of a security may decline because of concerns about the issuer's ability or willingness to make such payments. Credit risk may be heightened for the Fund because it may invest in below investment grade securities, as well as Marketplace Lending Instruments that may be of credit quality comparable to securities rated below investment grade by a NRSRO (notwithstanding the Fund's fundamental policy prohibiting investments in Marketplace Loans of subprime quality, as determined at the time of investment). Such below investment grade securities are commonly referred to as "junk" or "high yield" securities. Such securities or Marketplace Lending Instruments of comparable credit quality, while generally offering the potential for higher yields than investment grade securities with similar maturities, involve greater risks, including the possibility of dividend or interest deferral, default or bankruptcy, and are regarded as predominantly speculative with respect to the issuer's capacity to pay dividends or interest and repay principal. In addition, these securities and Marketplace Lending Instruments of comparable credit quality are generally susceptible to decline in market value due to adverse economic and business developments and are often unsecured and subordinated to other creditors of the issuer. The market values for below investment grade securities or Marketplace Lending Instruments of comparable credit quality tend to be very volatile, and these instruments are generally less liquid than investment grade securities.

Credit and Interest Rate Analysis Risk. The Adviser is reliant in part on the borrower credit information provided to it or assigned by the platforms when selecting Marketplace Lending Instruments for investment. To the extent a credit rating is assigned to each borrower by a platform, such rating may not accurately reflect the borrower's actual creditworthiness. A platform may be unable, or may not seek, to verify all of the borrower information obtained by it, which it may use to determine such borrower's credit rating. Borrower information on which platforms and lenders may rely may be outdated. For example, following the date a borrower has provided its information to the platform, it may have defaulted on a pre-existing debt obligation, taken on additional debt or sustained an adverse financial or life event. In addition, certain information that the Adviser would otherwise seek may not be available, such as financial statements and other financial information. Furthermore, the Adviser may be unable to perform any independent follow-up verification with respect to a borrower to the extent the borrower's name, address and other contact information is required to remain confidential. There is risk that a borrower may have supplied false or inaccurate information. If a borrower supplied false, misleading or inaccurate information, repayments on the corresponding Marketplace Loan may be lower, in some cases significantly lower, than expected.

Although the Adviser conducts diligence on the credit scoring methodologies used by platforms from which the Fund purchases Marketplace Lending Instruments, the Fund typically will not have access to all of the data that platforms utilize to assign credit scores to particular loans purchased directly or indirectly by the Fund, and will not confirm the truthfulness of such information or otherwise evaluate the basis for the platform's credit score of those loans. In addition, the platforms' credit decisions and scoring models are based on algorithms that could potentially contain programming or other errors or prove to be ineffective or otherwise flawed. This could adversely affect loan pricing data and approval processes and could cause loans to be mispriced or misclassified, which could ultimately have a negative impact on the Fund's performance. See "—Information Technology Risk" below.

The interest rates on Marketplace Loans established by the platforms may have not been appropriately set. A failure to set appropriate rates on the Marketplace Loans may adversely impact the ability of the Fund to receive returns on its Marketplace Lending Instruments that are commensurate with the risks associated with directly or indirectly owning such instruments.

In addition, certain other information used by the platforms and the Adviser in making loan and investment decisions may be deficient and/or incorrect, which increases the risk of loss on the loan. For example, with respect to real estate-related loans, the valuation of the underlying property that is used by platforms in determining whether or not to make a Marketplace Loan to the borrower may prove to be overly optimistic, in which case there would be an increased risk of default on the loan. See “Investment Policies and Techniques—Marketplace Lending—Additional Considerations with Regard to Real Estate Marketplace Lending Instruments” in the SAI for additional discussion of real estate-related loans and the risks associated with such loans. See also “—Platform Reliance Risk” below.

Credit Risk. Certain of the Marketplace Loans in which the Fund may invest may represent obligations of consumers who would not otherwise qualify for, or would have difficulty qualifying for, credit from traditional sources of lending, or SMEs that are unable to effectively access public equity or debt markets, as a result of, among other things, limited assets, adverse income characteristics, limited credit or operating history or an impaired credit record, which may include, for example in the case of consumers, a history of irregular employment, previous bankruptcy filings, repossessions of property, charged off loans and/or garnishment of wages. The average interest rate charged to, or required of, such obligors generally is higher than that charged by commercial banks and other institutions providing traditional sources of credit or that set by the debt market. These traditional sources of credit typically impose more stringent credit requirements than the loans provided by certain platforms through which the Fund may make its investments. As a result of the credit profile of the borrowers and the interest rates on Marketplace Loans, the delinquency and default experience on the Marketplace Lending Instruments may be significantly higher than those experienced by financial products arising from traditional sources of lending. Shareholders are urged to consider the highly risky nature of the credit quality of Marketplace Loans when analyzing an investment in the Fund.

Default Risk. The ability of the Fund to generate income through its Marketplace Lending Instruments is dependent upon payments being made by the borrower underlying such Marketplace Lending Instruments. If a borrower is unable to make its payments on a Marketplace Loan, the Fund may be greatly limited in its ability to recover any outstanding principal and interest under such loan. As of September 30, 2017, approximately 1.40% of the Fund’s Managed Assets were invested in defaulted loans.

A substantial portion of the Marketplace Loans in which the Fund may invest will not be secured by any collateral, will not be guaranteed or insured by a third party and will not be backed by any governmental authority. The Fund may need to rely on the collection efforts of the platforms and third party collection agencies, which also may be limited in their ability to collect on defaulted loans. The Fund may not have direct recourse against borrowers, may not be able to obtain the identity of the borrowers in order to contact a borrower about a loan and may not be able to pursue borrowers to collect payment under loans. After a limited period of time following the final maturity date of a Pass-Through Note (typically, a year), platforms may not have any obligation to make late payments to the lenders even if the borrower has submitted such a payment to the platform. In such case, the platform is entitled to such payments submitted by the borrower and the lender will have no right to such payments. In addition, platforms will retain from the funds received from borrowers and otherwise available for payment to lenders any insufficient payment fees and the amounts of any attorneys’ fees or collection fees it, a third party service provider or collection agency may impose in connection with any collection efforts. To the extent a Marketplace Loan is secured, there can be no assurance as to the amount of any funds that may be realized from recovering and liquidating any collateral or the timing of such recovery and liquidation and hence there is no assurance that sufficient funds (or, possibly, any funds) will be available to offset any payment defaults that occur under the Marketplace Loan. Marketplace Loans are credit obligations of the borrowers and the terms of certain loans may not restrict the borrowers from incurring additional debt. If a borrower incurs additional debt after obtaining a loan through a platform, the additional debt may adversely affect the borrower’s creditworthiness generally, and could result in the financial distress, insolvency or bankruptcy of the borrower. This circumstance would ultimately impair the ability of that borrower to make payments on its Marketplace Loan and the Fund’s ability to receive the principal and interest payments that it expects to receive on such loan. To the extent borrowers incur other indebtedness that is secured, such as a mortgage, the ability of the secured creditors to exercise remedies against the assets of that borrower may impair the borrower’s ability to repay its Marketplace Loan or it may impair the platform’s ability to collect on the Marketplace Loan upon default. To the extent that a Marketplace Loan is unsecured, borrowers may choose to repay obligations under other indebtedness (such as loans obtained from traditional lending sources) before repaying a loan facilitated through a platform because the borrowers have no collateral at risk. The Fund will not be made aware of any additional debt incurred by a borrower, or whether such debt is secured.

Where a borrower is an individual, if he or she dies while the loan is outstanding, his or her estate may not contain sufficient assets to repay the loan or the executor of the estate may prioritize repayment of other creditors. Numerous other events could impact an individual's ability or willingness to repay a Marketplace Loan, including divorce or sudden significant expenses. A platform may have the exclusive right and ability to investigate claims of borrower identity theft, which creates a conflict of interest. If a platform determines that verifiable identity theft has occurred, it may be required to repurchase the loan or indemnify the Fund. Alternatively, if the platform denies a claim of identity theft, it would not be required to repurchase the loan or indemnify the Fund.

If a borrower files for bankruptcy, any pending collection actions will automatically be put on hold and further collection action will not be permitted absent court approval. It is possible that a borrower's personal liability on its Marketplace Loan will be discharged in bankruptcy. In most cases involving the bankruptcy of a borrower with an unsecured loan, unsecured creditors will receive only a fraction of any amount outstanding on the loan, if anything.

Fraud Risk. The Fund is subject to the risk of fraudulent activity associated with the various parties involved in marketplace lending, including the platforms, banks, borrowers and third parties handling borrower and investor information. A platform's resources, technologies and fraud prevention tools may be insufficient to accurately detect and prevent fraud. Platforms generally are obligated to repurchase Marketplace Loans in cases of confirmed identity theft. High profile fraudulent activity or significant increases in fraudulent activity could lead to regulatory intervention, negatively impact operating results, brand and reputation and lead the defrauded platform to take steps to reduce fraud risk, which could increase costs.

Funding Bank Risk. Multiple banks may originate loans for marketplace lending platforms. If such a bank were to suspend, limit or cease its operations or a platform's relationship with a bank were to otherwise terminate, such platform would need to implement a substantially similar arrangement with another funding bank, obtain additional state licenses or curtail its operations. Transitioning loan originations to a new funding bank is untested and may result in delays in the issuance of loans or may result in a platform's inability to facilitate loans. If a platform is unable to enter in an alternative arrangement with a different funding bank, the platform may need to obtain a state license in each state in which it operates in order to enable it to originate loans, as well as comply with other state and federal laws, which would be costly and time-consuming. If a platform is unsuccessful in maintaining its relationships with the funding banks, its ability to provide loan products could be materially impaired and its operating results would suffer. The Fund is dependent on the continued success of the platforms that originate the Fund's Marketplace Loans. If such platforms were unable or impaired in their ability to operate their lending business, the Adviser may be required to seek alternative sources of investments (e.g., loans originated by other platforms), which could adversely affect the Fund's performance and/or prevent the Fund from pursuing its investment objective and strategies.

Geographic Concentration Risk. The Fund is not subject to any geographic restrictions when investing in Marketplace Loans and therefore could be concentrated in a particular state or region. A geographic concentration of the Marketplace Loans may expose the Fund to an increased risk of loss due to risks associated with certain regions. Certain regions of the United States from time to time will experience weaker economic conditions and, consequently, will likely experience higher rates of delinquency and loss than on similar loans nationally. In addition, natural disasters in specific geographic regions may result in higher rates of delinquency and loss in those areas. In the event that a significant portion of the pool of Marketplace Loans is comprised of Marketplace Loans owed by borrowers resident or operating in certain states, economic conditions, localized weather events, environmental disasters, natural disasters or other factors affecting these states in particular could adversely impact the delinquency and default experience of the Marketplace Loans and could impact Fund performance. Further, the concentration of the Marketplace Loans in one or more states would have a disproportionate effect on the Fund if governmental authorities in any of those states took action against the platforms lending in such states.

Information Technology Risk. Marketplace Loans are originated and documented in electronic form and there are generally no tangible written documents evidencing such loans or any payments owed thereon. Because the Fund relies on electronic systems maintained by the custodian and the platforms to maintain records and evidence ownership of Marketplace Loans and to service and administer Marketplace Loans (as applicable) it is susceptible to risks associated with such electronic systems. These risks include, among others: power loss, computer systems failures and Internet, telecommunications or data network failures; operator negligence or improper operation by, or supervision of, employees; physical and electronic loss of data or security breaches, misappropriation and similar events; computer viruses; cyber attacks, intentional acts of vandalism and similar events; and hurricanes, fires, floods and other natural disasters.

In addition, platforms rely on software that is highly technical and complex and depend on the ability of such software to store, retrieve, process and manage immense amounts of data. Such software may contain errors or bugs. Some errors may only be discovered after the code has been released for external or internal use. Errors or other design defects within the software on which a platform relies may result in a negative experience for borrowers who use the platform, delay introductions of new features or enhancements, result in errors or compromise the platform's ability to protect borrower or investor data or its own intellectual property. Any errors, bugs or defects discovered in the software on which a platform relies could negatively impact operations of the platform and the ability of the platform to perform its obligations with respect to the Marketplace Loans originated by the platform.

The electronic systems on which platforms rely may be subject to cyber attacks that could result, among other things, in data breaches and the release of confidential information and thus expose the platform to significant liability. A security breach could also irreparably damage a platform's reputation and thus its ability to continue to operate its business.

The Adviser is also reliant on information technology to facilitate the Marketplace Loan acquisition process. Any failure of such technology could have a material adverse effect on the ability of the Adviser to acquire Marketplace Loans and therefore may impact the performance of the Fund. Any delays in receiving the data provided by such technology could also impact, among other things, the valuation of the portfolio of Marketplace Loans.

Investments in Platforms Risk. The platforms in which the Fund may invest may have a higher risk profile and be more volatile than companies engaged in lines of business with a longer, established history and such investments should be viewed as longer term investments. The Fund may invest in listed or unlisted equity securities of platforms or make loans directly to the platforms. Investments in unlisted equity securities, by their nature, generally involve a higher degree of valuation and performance uncertainties and liquidity risks than investments in listed equity securities. The companies of unlisted securities, in comparison to companies of listed securities, may:

- have shorter operating histories and a smaller market share, rendering them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;
- often operate at a financial loss;
- be more likely to depend on the management talents and efforts of a small group of persons and the departure of any such persons could have a material adverse impact on the business and prospects of the company; and
- generally have less predictable operating results and require significant additional capital to support their operations, expansion or competitive position.

The success of a platform is dependent upon payments being made by the borrowers of Marketplace Loans originated by the platform. Any increase in default rates on a platform's Marketplace Loans could adversely affect the platform's profitability and, therefore, the Fund's investments in the platform. See also "—Small and Mid-Capitalization Investing Risk."

Illiquidity Risk. Marketplace Loans generally have a maturity between six months to five years. Investors acquiring Marketplace Loans and other Marketplace Lending Instruments directly through platforms and hoping to recoup their entire principal must generally hold their loans through maturity. Marketplace Loans and other Marketplace Lending Instruments may not be registered under the Securities Act, and are not listed on any securities exchange. Accordingly, those Marketplace Lending Instruments may not be transferred unless they are first registered under the Securities Act and all applicable state or foreign securities laws or the transfer qualifies for exemption from such registration. A reliable secondary market has yet to develop, nor may one ever develop, for Marketplace Loans and such other Marketplace Lending Instruments and, as such, these investments should be considered illiquid. Until an active secondary market develops, the Fund intends to primarily hold its Marketplace Loans until maturity. The Fund may not be able to sell any of its Marketplace Lending Instruments even under circumstances when the Adviser believes it would be in the best interests of the Fund to sell such investments. In such circumstances, the overall returns to the Fund from its Marketplace Lending Instruments may be adversely affected. Moreover, certain Marketplace Lending Instruments are subject to certain additional significant restrictions on transferability. Although the Fund may attempt to increase its liquidity by borrowing from a bank or other institution, its assets may not readily be accepted as collateral for such borrowing.

Limited Operating History of Platforms Risk. Many of the platforms, and marketplace lending in general, are in the early stages of development and have a limited operating history. As a result, there is a lack of significant historical data regarding the performance of Marketplace Loans and the long term outlook of the industry is uncertain. In addition, because Marketplace Loans are originated using a lending method on a platform that has a limited operating history, borrowers may not view or treat their obligations on such loans as having the same significance as loans from traditional lending sources, such as bank loans.

Marketplace Loans and Pass-Through Notes Risk. Marketplace Lending Instruments are generally not rated and constitute a highly risky and speculative investment, similar to an investment in “junk” bonds. There can be no assurance that payments due on underlying Marketplace Loans will be made. An investment in the Fund therefore should only be made by investors who could afford the loss of the entire amount of their investment.

A substantial portion of the Marketplace Loans in which the Fund may invest will not be secured by any collateral, will not be guaranteed or insured by a third party and will not be backed by any governmental authority. Accordingly, the platforms and any third-party collection agencies will be limited in their ability to collect on defaulted Marketplace Loans. With respect to Marketplace Loans secured by collateral, there can be no assurance that the liquidation of any such collateral would satisfy a borrower’s obligation in the event of a default under its Marketplace Loan.

Furthermore, Marketplace Loans may not contain any cross-default or similar provisions. A cross-default provision makes a default under certain debt of a borrower an automatic default on other debt of that borrower. The effect of this can be to allow other creditors to move more quickly to claim any assets of the borrower. To the extent a Marketplace Loan does not contain a cross-default provision, the loan will not be placed automatically in default upon that borrower’s default on any of the borrower’s other debt obligations, unless there are relevant independent grounds for a default on the loan. In addition, the Marketplace Loan will not be referred to a third-party collection agency for collection because of a borrower’s default on debt obligations other than the Marketplace Loan. If a borrower first defaults on debt obligations other than the Marketplace Loan, the creditors to such other debt obligations may seize the borrower’s assets or pursue other legal action against the borrower, which may adversely impact the ability to recoup any principal and interest payments on the Marketplace Loan if the borrower subsequently defaults on the loan. In addition, an operator of a platform is generally not required to repurchase Marketplace Loans from a lender except under very narrow circumstances, such as in cases of verifiable identity fraud by the borrower or as may otherwise be negotiated by the Fund when purchasing whole loans.

Borrowers may seek protection under federal bankruptcy law or similar laws. If a borrower files for bankruptcy (or becomes the subject of an involuntary petition), a stay will go into effect that will automatically put any pending collection actions on hold and prevent further collection action absent bankruptcy court approval. Whether any payment will ultimately be made or received on a Marketplace Loan after bankruptcy status is declared depends on the borrower's particular financial situation and the determination of the court. It is possible that the borrower's liability on the Marketplace Loan will be discharged in bankruptcy. In most cases involving the bankruptcy of a borrower with an unsecured Marketplace Loan, unsecured creditors will receive only a fraction of any amount outstanding on their loan, if anything at all.

As Pass-Through Notes generally are pass-through obligations of the operators of the lending platforms, and are not direct obligations of the borrowers under the underlying Marketplace Loans originated by such platforms, holders of certain Pass-Through Notes are exposed to the credit risk of the operator. An operator that becomes subject to bankruptcy proceedings may be unable to make full and timely payments on its Pass-Through Notes even if the borrowers of the underlying Marketplace Loans timely make all payments due from them. Although some operators have chosen to address operator insolvency risk by organizing special purpose subsidiaries to issue the Pass-Through Notes, there can no assurance that any such subsidiary would not be consolidated into the operator's bankruptcy estate should the operator become subject to bankruptcy proceedings. In such event, the holders of the Pass-Through Notes would remain subject to all of the risks associated with an operator insolvency.

In addition, Pass-Through Notes are non-recourse obligations (except to the extent that the operator actually receives payments from the borrower on the loan). Accordingly, lenders assume all of the borrower credit risk on the loans they fund and are not entitled to recover any deficiency of principal or interest from the operator if the borrower defaults on its payments.

There may be a delay between the time the Fund commits to purchase a Pass-Through Note and the issuance of such note and, during such delay, the funds committed to such an investment will not be available for investment in other Marketplace Lending Instruments. Because the funds committed to an investment in Pass-Through Notes do not earn interest until the issuance of the note, the delay in issuance will have the effect of reducing the effective rate of return on the investment.

Platform Concentration Risk. The Fund anticipates that, for the foreseeable future, a substantial portion of its Marketplace Loan investments will have originated from a limited number of platforms. As of September 30, 2017, the Fund has invested approximately 25% or more of its Managed Assets in Marketplace Loans originated from each of LendingClub and Prosper. The Fund may, in the future, invest 25% or more of its Managed Assets in Marketplace Loans originated from another or other platform(s).

A concentration in select platforms may subject the Fund to increased dependency and risks associated with those platforms than it would otherwise be subject to if it were more broadly diversified across a greater number of platforms. The Fund may be more susceptible to adverse events affecting such platforms, particularly if such platforms were unable to sustain their current lending models. In addition, many platforms and/or their affiliated entities have incurred operating losses since their inception and may continue to incur net losses in the future. The Fund's concentration in certain platforms may also expose it to increased risk of default and loss on the Marketplace Loans in which it invests through such platforms if such platforms have, among other characteristics, lower borrower credit criteria or other minimum eligibility requirements, or have deficient procedures for conducting credit and interest rate analyses as part of their loan origination processes, relative to other platforms. In addition, the fewer platforms through which the Fund invests, the greater the risks associated with those platforms changing their arrangements will become. For instance, the platforms may change their underwriting and credit models, borrower acquisition channels and quality of debt collection procedures in ways which may make the loans originated through such platforms unsuitable for investment by the Fund. Moreover, a platform may become involved in a lawsuit, which may adversely impact that platform's performance and reputation and, in turn, the Fund's portfolio performance.

An investor may become dissatisfied with a platform's marketplace if a loan underlying its investment is not repaid and it does not receive full payment. As a result, such platform's reputation may suffer and the platform may lose investor confidence, which could adversely affect investor participation on the platform's marketplace.

Platform Reliance Risk. The Fund is dependent on the continued success of the platforms that originate the Fund's Marketplace Lending Instruments and the Fund materially depends on such platforms for loan data and the origination, sourcing and servicing of Marketplace Loans. If such platforms were unable or impaired in their ability to operate their lending business, the Adviser may be required to seek alternative sources of investments (e.g., Marketplace Loans originated by other platforms), which could adversely affect the Fund's performance and/or prevent the Fund from pursuing its investment objective and strategies. In order to sustain its business, platforms and their affiliated entities may be dependent in large part on their ability to raise additional capital to fund their operations. If a platform and its affiliated entities are unable to raise additional funding, they may be unable to continue their operations.

The Fund may have limited knowledge about the underlying Marketplace Loans in which it invests and will be dependent upon the platform originating such loans for information on the loans. Some investors of Marketplace Lending Instruments, including the Fund, may not review the particular characteristics of the loans in which they invest at the time of investment, but rather negotiate in advance with platforms the general criteria of the investments, as described under "The Fund's Investments—Investment Philosophy and Process." As a result, the Fund is dependent on the platforms' ability to collect, verify and provide information to the Fund about each Marketplace Loan and borrower. See also "—Credit and Interest Rate Analysis Risk" above.

In addition, when the Fund owns fractional loans and certain other Marketplace Lending Instruments, the Fund and its custodian generally will not have a contractual relationship with, or personally identifiable information regarding, individual borrowers, so the Fund will not be able to enforce such underlying loans directly against borrowers and may not be able to appoint an alternative servicing agent in the event that a platform or third-party servicer, as applicable, ceases to service the underlying loans. Therefore, the Fund will be more dependent on the platform for servicing such fractional loans than in the case in which the Fund owns whole loans. See “—Servicer Risk” below.

Each of the platforms from which the Fund will purchase Marketplace Lending Instruments retains an independent auditor to conduct audits on a routine basis.

Prepayment Risk. Borrowers may decide to prepay all or a portion of the remaining principal amount due under a borrower loan at any time without penalty (unless the underlying loan agreements provide for prepayment penalties as may be the case in certain non-consumer Marketplace Loans). In the event of a prepayment of the entire remaining unpaid principal amount of a Marketplace Loan, the Fund will receive such prepayment amount but further interest will not accrue on the loan after the principal has been paid in full. If the borrower prepays a portion of the remaining unpaid principal balance, interest will cease to accrue on such prepaid portion, and the Fund will not receive all of the interest payments that the Adviser may have originally expected to receive on the loan.

Private Investment Funds Risk. The Fund, as a holder of securities issued by private investment funds, will bear its pro rata portion of the private funds’ expenses. These expenses are in addition to the direct expenses of the Fund’s own operations, thereby increasing costs and/or potentially reducing returns to investors.

Regulatory and Other Risks Associated with Platforms and Marketplace Loans. The platforms through which Marketplace Loans are originated are subject to various statutes, rules and regulations issued by federal, state and local government authorities. For example, these laws, rules may require extensive disclosure to, and consents from, applicants and borrowers impose fair lending requirements upon lenders and platforms and may impose multiple qualification and licensing obligations on platforms before they may conduct their business. Federal and state consumer protection laws in particular impose requirements and place restrictions on creditors and service providers in connection with extensions of credit and collections on personal loans and protection of sensitive customer data obtained in the origination and servicing thereof. Platforms are also subject to laws relating to electronic commerce and transfer of funds in conducting business electronically. A failure to comply with the applicable rules and regulations may, among other things, subject the platform or its related entities to certain registration requirements with government authorities and the payment of any penalties and fines; result in the revocation of their licenses; cause the loan contracts originated by the platform to be voided or otherwise impair the enforcement of such loans; and subject them to potential civil and criminal liability, class action lawsuits and/or administrative or regulatory enforcement actions. Any of the foregoing could have a material adverse effect on a platform’s financial condition, results of operations or ability to perform its obligations with respect to its lending business or could otherwise result in modifications in the platform’s methods of doing business which could impair the platform’s ability to originate or service Marketplace Loans or collect on Marketplace Loans.

Marketplace lending industry participants, including platforms, may be subject in certain cases to increased risk of litigation alleging violations of federal and state laws and regulations and consumer law torts, including unfair or deceptive practices. Moreover, Marketplace Loans generally are written using standardized documentation. Thus, many borrowers may be similarly situated in so far as the provisions of their respective contractual obligations are concerned. Accordingly, allegations of violations of the provisions of applicable federal or state consumer protection laws could potentially result in a large class of claimants asserting claims against the platforms and other related entities. As noted above, while many borrower agreements require the use of individual arbitration, a new CFPB rule scheduled to go into effect in March 2018 may impose restrictions on the continued use and viability of arbitration as a means of resolving disputes, subjecting marketplace lenders and platforms to the potential of increased litigation, including class actions, and the costs of defending such actions.

As noted above, each of the platforms through which the Fund may invest may adhere to a novel or different business model, resulting in uncertainty as to the regulatory environment applicable to a particular platform and the Fund. For example, one platform may operate from a particular state to make loans to small- and mid-sized companies across the United States. The platform must comply with that state's licensing requirements and, if applicable, usury limitations. However, other states could seek to regulate the platform (or the Fund as a lender under the platform) on the basis that loans were made to companies located in such other state. In that case, loans made in that other state could be subject to the maximum interest rate limits, if any, of such jurisdiction, which could limit potential revenue for the Fund. In addition, it could further subject the platform (or the Fund) to such state's licensing requirements.

Another platform, on the other hand, might follow a different model pursuant to which all loans originated by the platform must be made through a bank. The bank may work jointly with the platform to act as issuer, *i.e.*, the true lender, of the loans sourced through the services of the platform or its website. However, if challenged, courts may instead determine that the platform (or the Fund as a lender under the platform) is the true lender of the loans. In fact, courts have recently applied differing interpretations to the analysis of which party should be deemed the true lender. The resulting uncertainty may increase the possibility of claims brought against the platforms by borrowers seeking to void their loans or seek damages or subject the platforms to increased regulatory scrutiny and enforcement actions. To the extent that either the platform (or the Fund) is deemed to be the true lender in any jurisdiction (whether determined by a regulatory agency or by court decision), loans made to borrowers in that jurisdiction would be subject to the maximum interest rate limits of such jurisdiction and existing loans may be unenforceable, or subject to reduction in value or damages and the platform (and/or the Fund) could be subject to additional regulatory requirements in addition to any penalties and fines. Moreover, it may be determined that this business model is not sustainable in its current form, which could ultimately cause such platforms to terminate their business. In such circumstances, there is likely to be an adverse effect on the Adviser's ability to continue to invest in certain or all Marketplace Loans and other Marketplace Lending Instruments and the Fund's ability to pursue its investment objective and generate anticipated returns.

If the platforms' ability to be the assignee and beneficiary of a funding bank's ability to export the interest rates, and related terms and conditions, permitted under the laws of the state where the bank is located to borrowers in other states was determined to violate applicable lending laws, this could subject the platforms to the interest rate restrictions, and related terms and conditions, of the lending or usury laws of each of the states in which it operates. The result would be a complex patchwork of regulatory restrictions that could materially and negatively impact the platforms' operations and ability to operate, in which case they may be forced to terminate or significantly alter their business and activities, resulting in a reduction in the volume of loans available for investment for lenders such as the Fund.

Even absent regulations, plaintiffs may seek to successfully challenge the funding bank or other lending models. Recent case law raises questions regarding the viability of the model in which many consumer platforms operate and specifically the ability of investors to charge the same rate as the funding bank after the loan has been sold to investors. The U.S. Court of Appeals for the Second Circuit in May 2015 issued a significant decision interpreting the scope of federal preemption under the National Bank Act (the "NBA") and held that a non-bank assignee of defaulted and charged off loans originated by a national bank was not entitled to the benefits of NBA preemption as to state law claims of usury if the bank no longer held an interest in the loan. Typically, a national bank may impose rates and fees upon borrowers that are allowed under the state in which the bank is located, preempting conflicting state laws. As a result, a bank may lend nationwide using the rate structure allowed in its own state. The Second Circuit decision found a non-bank debt collector assignee was not entitled to enforce the bank's contract with the borrower after assignment if the bank no longer retained any ongoing interest in the loan, and the assignee was subject to state law interest rate limitations which in that case, were below what the bank could have imposed. Although binding only in Connecticut, New York and Vermont this decision nonetheless may significantly affect non-bank assignees of loans, including the loan origination practices of certain marketplace lending platforms. At a minimum, non-bank assignees/purchasers of bank loans may face uncertainty as to their ability to rely upon federal preemption of state usury laws. As a result of this decision, some lending platforms reconfigured operational aspects of their origination programs so that funding banks continued to receive an ongoing economic interest in loans that are sold by the funding bank. In June 2016, the U.S. Supreme Court declined to hear an appeal of the case, although in a brief to that court, the Solicitor General of the U.S. stated that the Second Circuit decision was incorrectly decided. The case was remanded to the federal district court for consideration of choice of law issues. In February 2017, the district court issued an opinion finding that the law of the state of the borrower (New York) applied, rather than the law of the state where the bank was located (Delaware). The case is proceeding. Some marketplace lending platforms purchase loans from state-chartered banks shortly after origination and rely upon federal preemption to exempt the loans from state usury caps. The Second Circuit decision, although directly ruling on purchasers of national bank loans, could be applied by courts considering the scope of federal preemption under the Depository Institutions Deregulation and Monetary Control Act of 1980 (which generally preempts state usury laws in favor of federally insured state-chartered banks). The decision, which appears to be contrary to other federal circuit court decisions and inconsistent with long-standing commercial practice, could be challenged and reconsidered and therefore the long term impact of the decision is uncertain. If, however, the decision is upheld or is more widely applied, certain marketplace lending platforms may be required to restructure their operations and certain loans previously made through funding banks may not be enforceable, whether in whole or in part, by investors holding such loans. As a result, large amounts of Marketplace Loans purchased by the Fund (directly or indirectly) could become unenforceable or subject to diminished return or penalties, thereby causing losses for Shareholders. The risk from this court decision in the three states comprising the Second Circuit may be mitigated by purchasing or investing in loans that are not above the state usury limitations in those states. Legislation is pending in the United States Congress that would effectively overrule and negate the Second Circuit decision, if enacted.

In addition, numerous other statutory provisions, including federal bankruptcy laws and related state laws, may interfere with or affect the ability of a creditor to enforce a Marketplace Loan. If a platform or related entity were to go into bankruptcy or become the subject of a similar insolvency proceeding, the platform or related entity may stop performing its services with respect to the Marketplace Loans. For example, if the servicer of the Marketplace Loans is involved in such a proceeding, it may be difficult to find a replacement for such services. A replacement entity may seek additional compensation or revised terms with respect to the obligations of the servicer. The servicer may also have the power, in connection with a bankruptcy or insolvency proceeding and with the approval of the court or the bankruptcy trustee or similar official, to assign its rights and obligations as servicer to a third party without the consent, and even over the objection, of any affected parties. If the servicer is a debtor in bankruptcy or the subject of an insolvency or similar proceeding, this may limit the ability of affected parties to enforce the obligations of the servicer, to collect any amount owing by the servicer or to terminate and replace the servicer. A bankruptcy court may also reduce the monthly payments due under the related contract or loan or change the rate of interest and time of repayment of the indebtedness. Borrowers may delay or suspend making payments on Marketplace Loans because of the uncertainties occasioned by the platform or its related entities becoming subject to a bankruptcy or similar proceeding, even if the borrowers have no legal right to do so. It is possible that a period of adverse economic conditions resulting in high defaults and delinquencies on the Marketplace Loans will increase the potential bankruptcy risk to platforms and its related entities.

The regulatory environment applicable to platforms and their related entities may be subject to periodic changes. Any such changes could have an adverse effect on the platforms' and related entities' costs and ability to operate. The platforms would likely seek to pass through any increase in costs to lenders such as the Fund. Further, changes in the regulatory application or judicial interpretation of the laws and regulations applicable to financial institutions generally and marketplace lending in particular also could impact the manner in which the marketplace lending industry conducts its business. In addition, Congress, the states and regulatory agencies could further regulate the consumer credit industry in ways that would make it more difficult to collect payments on Marketplace Loans. The regulatory environment in which financial institutions operate has become increasingly complex and robust, and following the financial crisis of 2008, supervisory efforts to apply relevant laws, regulations and policies have become more intense. For example, the CFPB has broad investigative and enforcement powers to prohibit or limit unfair and deceptive acts and practices. The CFPB sponsors an online complaint database that includes marketplace loans. In addition, the CFPB has broad rulemaking authority. It has issued a final rule scheduled to be effective on March 19, 2018 (unless overruled by Congress) that will severely limit the scope and use of arbitration in consumer financial service products and services, including the ability to avoid class actions. Since most marketplace loans utilize arbitration, if this rule goes into effect, platform operators may become subject to more litigation including class actions and potentially the increased costs of defending such actions. Further, in May 2016, the U.S. Treasury Department issued a white paper regarding its review of the online marketplace lending industry. The white paper provided policy recommendations, highlighted the benefits and risks associated with online marketplace lending and set forth certain best practices applicable to established and emerging market participants, among other things. The white paper is part of a multi-stage process led by the U.S. Treasury Department, in consultation with other regulatory agencies, to inform appropriate policy responses. The U.S. Treasury Department's focus on marketplace lending signifies the increasing spotlight on the industry and could ultimately result in significant and sweeping changes to the current regulatory framework governing marketplace lending. The Officer of the Comptroller of the Currency ("OCC") has proposed a new type of national bank charter for fintech companies which could include marketplace lenders. That action is being challenged in court by state banking regulators. In late 2016 and 2017, both the OCC and the FDIC published guidance concerning third party lending relationships and specifically addressed managing risks related to marketplace lending programs. In addition, some states such as California are requesting information from marketplace lenders and other states such as Colorado are engaging in litigation with marketplace lenders and the bank funding model. It is anticipated that continued evolution of the regulatory landscape will affect marketplace lending and platform operators. See "—Risks Associated with Recent Events in the Marketplace Lending Industry."

Risk of Adverse Market and Economic Conditions. Marketplace Loan default rates, and marketplace lending generally, may be significantly affected by economic downturns or general economic conditions beyond the control of any borrowers. In particular, default rates on Marketplace Loans may increase due to factors such as prevailing interest rates, the rate of unemployment, the level of consumer confidence, residential real estate values, the value of the U.S. dollar, energy prices, changes in consumer spending, the number of personal bankruptcies, disruptions in the credit markets and other factors. A significant downturn in the economy could cause default rates on the Marketplace Loans to increase. A substantial increase in default rates, whether due to market and economic conditions or otherwise, could adversely impact the viability of the overall marketplace lending industry.

Risk of Inadequate Guarantees and/or Collateral of Marketplace Loans. To the extent that the obligations under a Marketplace Loan are guaranteed by a third-party, there can be no assurance that the guarantor will perform its payment obligations should the underlying borrower to the loan default on its payments. Similarly, to the extent a Marketplace Loan is secured, there can be no assurance as to the amount of any funds that may be realized from recovering and liquidating any collateral or the timing of such recovery and liquidation and hence there is no assurance that sufficient funds (or, possibly, any funds) will be available to offset any payment defaults that occur under the Marketplace Loan. For example, with respect to real estate-related loans, which include loans used for financing real estate-related transactions, the real property security for a Marketplace Loan may decline in value, which could result in the loan amount being greater than the property value and therefore increase the likelihood of borrower default. In addition, if it becomes necessary to recover and liquidate any collateral with respect to a secured Marketplace Loan, it may be difficult to sell such collateral and there will likely be associated costs that would reduce the amount of funds otherwise available to offset the payments due under the loan.

If a borrower of a secured Marketplace Loan enters bankruptcy, an automatic stay of all proceedings against such borrower's property will be granted. This stay will prevent any recovery and liquidation of the collateral securing such loan, unless relief from the stay can be obtained from the bankruptcy court. There is no guarantee that any such relief will be obtained. Significant legal fees and costs may be incurred in attempting to obtain relief from a bankruptcy stay from the bankruptcy court and, even if such relief is ultimately granted, it may take several months or more to obtain. In addition, bankruptcy courts have broad powers to permit a sale of collateral free of any lien, to compel receipt of an amount less than the balance due under the Marketplace Loan and to permit the borrower to repay the Marketplace Loan over a term which may be substantially longer than the original term of the loan. It is possible that the same collateral could secure multiple Marketplace Loans of a borrower. To the extent that collateral secures more than one Marketplace Loan, the liquidation proceeds of such collateral may not be sufficient to cover the payments due on all such loans.

Risk of Regulation as an Investment Company or an Investment Adviser. If platforms or any related entities are required to register as investment companies under the 1940 Act or as investment advisers under the Investment Advisers Act of 1940, their ability to conduct business may be materially adversely affected, which may result in such entities being unable to perform their obligations with respect to their Marketplace Loans, including applicable indemnity, guaranty, repurchasing and servicing obligations, and any contracts entered into by a platform or related entity while in violation of the registration requirements may be voidable.

Risks Associated with Recent Events in the Marketplace Lending Industry. The marketplace lending industry is heavily dependent on investors for liquidity and at times in the recent past, there has been some decreasing interest from institutional investors in purchasing Marketplace Loans (due both to yield considerations as well as reactions to platform and industry events described below), causing some platforms to increase rates. In addition, there is concern that a weakening credit cycle could stress servicing of Marketplace Loans and result in significant losses.

In early 2016 concerns were raised pertaining to certain loan identification practices and other compliance related issues of LendingClub. Those resulted in top management changes at LendingClub and class action lawsuits being filed against LendingClub after its stock precipitously dropped, and as a result, increased the volatility in the industry and have caused some institutional investors to retrench from purchasing Marketplace Lending Instruments, either from LendingClub specifically or in general with respect to any Marketplace Lending Instruments. While the industry has stabilized after these events, the occurrence of any additional negative business practices involving a marketplace lending platform, or the inability for marketplace lending platforms to assure investors and other market participants of its ability to conduct business practices acceptable to borrowers and investors, may significantly and adversely impact the platforms and/or the marketplace lending industry as a whole and, therefore, the Fund's investments in Marketplace Lending Instruments.

There has been increased regulatory scrutiny of the marketplace lending industry, including the recent U.S. Department of the Treasury white paper, the Office of the Comptroller of the Currency white paper and state investigations into marketplace lending platforms in California and New York. In addition, an increasing number of lawsuits have been filed alleging that the platforms are the true lender and not the funding banks including by the State of Colorado against two platform operators. The West Virginia Attorney General challenged an arrangement where a consumer lender purchased and serviced loans made to residents of West Virginia by a South Dakota bank. The West Virginia courts found the non-bank consumer lender to be the true lender as it had the “predominant economic interest” in the loans. Because the rates charged by the non-bank lender exceeded usury limits, the loans were found to be unenforceable and the non-bank lender charged with penalties. The U.S. Supreme Court declined to hear an appeal of this case in 2015. In 2016, a borrower class action lawsuit was filed in New York federal court against LendingClub alleging among other theories that LendingClub as the true lender on loans it purchased from its funding bank. The court enforced the arbitration provision in the borrower’s loan agreement on an individual but not class basis. Two cases in California decided at approximately the same time came to different conclusions on the true lender issue. The CFPB challenged an online consumer lender that purchased and serviced loans purportedly made by a Native American tribe subject to tribal law. A U.S. district court found the lender to be the true lender. However, another US district court in the same district found that loans made a national bank and sold did not make the purchasers the true lender of the loans. In January 2017, the Attorney General of Colorado acting as Administrator of the state’s Uniform Consumer Credit Code filed lawsuits in state court against two online lending platforms. The state contends that the platform operators are the true creditors of the loans, not the originating bank. The defendants removed both actions to federal court. The originating banks offensively filed declaratory judgment actions in federal court in Colorado asking the court to find that federal law preempts Colorado state law. The state has moved to dismiss the actions which awaits decision. If it is possible that similar litigation or regulatory actions may challenge funding banks’ status as a loan’s true lender, and if successful, platform operators or loan purchasers may become subject to state licensing and other consumer protection laws and requirements. If the platform operators or subsequent assignees of the loans were found to be the true lender of the loans, the loans could be void or voidable or subject to rescission or reduction of principal or interest paid or to be paid in whole or in part or subject to damages or penalties. See “—Regulatory and Other Risks Associated with Platforms and Marketplace Loans” above.

Servicer Risk. The Fund expects that all of its direct and indirect investments in loans originated by marketplace lending platforms will be serviced by a platform or a third-party servicer. However, the Fund’s investments could be adversely impacted if a platform that services the Fund’s investments becomes unable or unwilling to fulfill its obligations to do so. In the event that the servicer is unable to service the loans, there can be no guarantee that a backup servicer will be able to assume responsibility for servicing the loans in a timely or cost-effective manner; any resulting disruption or delay could jeopardize payments due to the Fund in respect of its investments or increase the costs associated with the Fund’s investments. If the servicer becomes subject to a bankruptcy or similar proceeding, there is some risk that the Fund’s investments could be re-characterized as secured loans from the Fund to the platform, which could result in uncertainty, costs and delays from having the Fund’s investment deemed part of the bankruptcy estate of the platform, rather than an asset owned outright by the Fund. To the extent the servicer becomes subject to a bankruptcy or similar proceeding, there is a risk that substantial losses will be incurred by the Fund. See “Risk Factors—Marketplace Lending-Related Risks—Regulatory and Other Risks Associated with Platforms and Marketplace Loans.”

Small and Mid-Capitalization Investing Risk. The Fund may gain exposure to the securities of small capitalization companies, mid-capitalization companies and recently organized companies. For example, the Fund may invest in securities of marketplace lending platforms or may gain exposure to other small capitalization, mid-capitalization and recently organized companies through investments in the borrowings of such companies facilitated through a marketplace lending platform. Historically, such investments, and particularly investments in smaller capitalization companies, have been more volatile in price than those of larger capitalized, more established companies. Many of the risks that apply to small capitalization companies apply equally to mid-capitalization companies, and such companies are included in the term “small capitalization companies” for the purposes of this risk factor. The securities of small capitalization and recently organized companies pose greater investment risks because such companies may have limited product lines, distribution channels and financial and managerial resources. In particular, small capitalization companies may be operating at a loss or have significant variations in operating results; may be engaged in a rapidly changing business with products subject to substantial risk of obsolescence; may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position; and may have substantial borrowings or may otherwise have a weak financial condition. In addition, these companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing, and other capabilities and a larger number of qualified managerial and technical personnel. The equity securities of marketplace lending platforms or other issuers that are small capitalization companies are often traded over-the-counter or on regional exchanges and may not be traded in the volumes typical on a national securities exchange. Investments in instruments issued by, or loans of, small capitalization companies may also be more difficult to value than other types of investments because of the foregoing considerations as well as, if applicable, lower trading volumes. Investments in companies with limited or no operating histories are more speculative and entail greater risk than do investments in companies with an established operating record.

SME Loans Risk. The businesses of SME loan borrowers may not have steady earnings growth, may be operated by less experienced individuals, may have limited resources and may be more vulnerable to adverse general market or economic developments, among other concerns, which may adversely affect the ability of such borrowers to make principal and interest payments on the SME loans. See also “—Small and Mid-Capitalization Investing Risk” above.

Student Loans Risk. In general, the repayment ability of borrowers of student loans, as well as the rate of prepayments on student loans, may be influenced by a variety of economic, social, competitive and other factors, including changes in interest rates, the availability of alternative financings, regulatory changes affecting the student loan market and the general economy. For instance, certain student loans may be made to individuals who generally have higher debt burdens than other individual borrowers (such as students of post-secondary programs). The effect of the foregoing factors is impossible to predict.

Treatment of Marketplace Lending Instruments Purchased by the Fund under Federal Securities Laws. The Fund has been advised that it is the current view of the SEC and its Staff that the purchase of whole loans through marketplace lending platforms involves the purchase of “securities” issued by the originating platforms under the Securities Act. If the Marketplace Lending Instruments purchased by the Fund, such as whole loans, are deemed to be “securities” under federal securities law, then the issuers of such instruments are subject to a wide range of obligations and sanctions. At the federal level, the issuer, the underwriter and other individuals in a public offering signing a registration statement are strictly liable for any inaccurate statements in the document but underwriters or other such individuals who have not signed the registration statement may assert a due diligence defense. Even though an exemption from registration with the SEC is typically utilized by the issuers of the Marketplace Lending Instruments that are securities, the anti-fraud provisions of the federal securities laws still apply. Avoidance of fraud requires full and fair disclosure of all material facts and the usual method of discharging this disclosure obligation is for the issuer to prepare and distribute a prospectus that has been registered with the SEC or, in a private transaction, an “offering memorandum” that incorporates the same type of information as would be contained in a registration statement. Noncompliance with federal securities laws can involve potentially severe consequences for the issuer and the Fund may recover civil damages from the applicable issuer of a security if the requisite intent can be shown against its directors, managers and/or other responsible persons. Securities regulators can also institute administrative proceedings, suits for injunction and, in the appropriate circumstances, even criminal actions. In addition, there are separate obligations and sanctions under securities laws which exist in each and every state.

There is no bright line test to determine whether notes evidencing loans should be deemed “securities” within the purview of the SEC. In general, a determination of whether a note evidencing a loan is a security under the Securities Act is subject to an analysis of the facts and circumstances of the transaction involving the issuance of the notes. To the extent certain Marketplace Lending Instruments, such as whole loans, are not, in the future, deemed to be “securities” under the Securities Act, the Fund would not be able to seek the remedies described above with respect to such instruments.

Tax Risk. The treatment of Marketplace Loans and other Marketplace Lending Instruments for tax purposes is uncertain. In addition, changes in tax laws or regulations, or interpretations thereof, in the future could adversely affect the Fund, including its ability to qualify as a regulated investment company, or the participants in the marketplace lending industry. Investors should consult their tax advisors as to the potential tax treatment of holders of Series A Term Preferred Stock.

The Fund intends to elect to be treated as a regulated investment company for federal income tax purposes. In order to qualify for such treatment, the Fund will need to meet certain organization, income, diversification and distribution tests. The Fund has adopted policies and guidelines that are designed to enable the Fund to meet these tests, which will be tested for compliance on a regular basis for the purposes of being treated as a regulated investment company for federal income tax purposes. However, some issues related to qualification as a regulated investment company are open to interpretation. For example, the Fund intends to primarily invest in whole loans originated by marketplace lending platforms. Chapman and Cutler LLP has given the Fund its opinion that the issuer of such loans will be the identified borrowers in the loan documentation. However, if the IRS were to disagree and successfully assert that the marketplace lending platforms should be viewed as the issuer of the loans, the Fund would not satisfy the regulated investment company diversification tests. Chapman and Cutler LLP has given its opinion that, if the Fund follows its methods of operation as described in the Registration Statement for the Fund’s common stock and the Fund’s compliance manual, the Fund will satisfy the regulated investment company diversification tests.

If, for any taxable year, the Fund did not qualify as a regulated investment company for U.S. federal income tax purposes, it would be treated as a U.S. corporation subject to U.S. federal income tax at the Fund level, and possibly state and local income tax, and distributions to the holders of Series A Term Preferred Stock would not be deductible by the Fund in computing its taxable income. As a result of these taxes, the net asset value (“NAV”) of the Fund and amounts distributed to holders of Series A Term Preferred Stock may be substantially reduced. Also, in such event, the Fund’s distributions, to the extent derived from the Fund’s current or accumulated earnings and profits, would generally constitute ordinary dividends, which would generally be eligible for the dividends received deduction available to corporate shareholders, and non-corporate shareholders would generally be able to treat such distributions as “qualified dividend income” eligible for reduced rates of U.S. federal income taxation, provided in each case that certain holding period and other requirements are satisfied. In addition, in such an event, in order to re-qualify for taxation as a RIC, the Fund might be required to recognize unrealized gains, pay substantial taxes and interest and make certain distributions. This would cause a negative impact on Fund returns. In such event, the Fund’s Board of Directors may determine to recognize or close the Fund or materially change the Fund’s investment objective and strategies. See “U.S. Federal Income Tax Matters.”

Although the classification of preferred instruments has been subject to some recent litigation, the Fund is taking the position that the Shares are equity for US federal income tax purposes. Because the treatment of a corporate security as debt or equity is determined on the basis of the facts and circumstances of each case, and no controlling precedent exists for the Shares, there can be no assurance that the IRS will not question the Fund’s characterization of the Shares as equity. If the IRS were to succeed in such a challenge, holders of the Shares could be characterized as receiving taxable interest income rather than dividends and could be required to recognize such income at different times than when cash is received. If this caused a holder to have underpaid income tax in affected years, this could result in obligations to pay additional tax, interest and penalties.

Valuation Risk. Many of the Fund’s investments may be difficult to value. Where market quotations are not readily available or deemed unreliable, the Fund will value such investments in accordance with fair value procedures adopted by the Board of Directors. Valuation of illiquid investments may require more research than for more liquid investments. In addition, elements of judgment may play a greater role in valuation in such cases than for investments with a more active secondary market because there is less reliable objective data available. An instrument that is fair valued may be valued at a price higher or lower than the value determined by other funds using their own fair valuation procedures. Prices obtained by the Fund upon the sale of such investments may not equal the value at which the Fund carried the investment on its books, which would adversely affect the NAV of the Fund.

Structural and Market-Related Risks

The risks listed below are in alphabetical order and generally relate to the structure of the Fund, as opposed to any specific investments of the Fund (which are listed above under “—Marketplace Lending-Related Risks” and below under “—Other Investment-Related Risks”), and the risks associated with general market and economic conditions.

Anti-Takeover Provisions. Maryland law and the Fund’s Charter and Bylaws include provisions that could limit the ability of other entities or persons to acquire control of the Fund or convert the Fund to open-end status. These provisions could deprive holders of the Fund’s Common Shares opportunities to sell their shares. However, the Fund, in its Charter, has exempted all of its shares from the application of the Maryland Control Share Acquisition Act (the “MCSAA”), which provides that control shares of a Maryland corporation acquired in a control share acquisition have no voting rights except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter. In the absence of a judgment of a federal court of competent jurisdiction or the issuance of a rule or regulation of the SEC or a published interpretation by the SEC or its staff that the provisions of the MCSAA are not inconsistent with the provisions of the 1940 Act, or a change to the provisions of the 1940 Act having the same effect, the Fund does not intend to amend its Charter to remove the exemption or to make an election to be subject to the MCSAA. See “Certain Provisions of the Fund’s Charter and Bylaws and of Maryland Law.”

Controlling Shareholder Risk. The Common Shares may be held by a shareholder, such as a RiverNorth Fund, or a group of shareholders that may own a significant percentage of the Fund for an indefinite period of time. As long as a RiverNorth Fund holds a substantial amount of the Common Shares, it may be able to exercise a controlling influence in matters submitted to a vote of the holders of the Fund’s Common Shares, including, but not limited to, the election of the Fund’s directors, approval or renewal of advisory or sub-advisory contracts, and any vote relating to a reorganization or merger of the Fund. As a majority shareholder, the RiverNorth Fund(s) also would have the ability to call special meetings of the Fund pursuant to the Fund’s Charter and/or Bylaws. The ability to exercise a controlling influence over the Fund may result in conflicts of interest because, among other things, the Adviser is the investment adviser of the Fund and each of the RiverNorth Funds.

Cyber Security Risk. With the increased use of the Internet and because information technology (“IT”) systems and digital data underlie most of the Fund’s operations, the Fund and the Adviser, transfer agent, underwriter(s) and other service providers and the vendors of each (collectively “Service Providers”) are exposed to the risk that their operations and data may be compromised as a result of internal and external cyber-failures, breaches or attacks (“Cyber Risk”). This could occur as a result of malicious or criminal cyber-attacks. Cyber-attacks include actions taken to: (i) steal or corrupt data maintained online or digitally, (ii) gain unauthorized access to or release confidential information, (iii) shut down the Fund or Service Provider web site through denial-of-service attacks, or (iv) otherwise disrupt normal business operations. However, events arising from human error, faulty or inadequately implemented policies and procedures or other systems failures unrelated to any external cyber-threat may have effects similar to those caused by deliberate cyber-attacks.

Successful cyber-attacks or other cyber-failures or events affecting the Fund or its Service Providers may adversely impact the Fund or its shareholders or cause an investment in the Fund to lose value. For instance, such attacks, failures or other events may interfere with the processing of shareholder transactions, impact the Fund's ability to calculate its NAV, cause the release of private shareholder information or confidential Fund information, impede trading, or cause reputational damage. Such attacks, failures or other events could also subject the Fund or its Service Providers to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and/or additional compliance costs. Insurance protection and contractual indemnification provisions may be insufficient to cover these losses. The Fund or its Service Providers may also incur significant costs to manage and control Cyber Risk. While the Fund and its Service Providers have established IT and data security programs and have in place business continuity plans and other systems designed to prevent losses and mitigate Cyber Risk, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified or that cyber-attacks may be highly sophisticated.

Cyber Risk is also present for issuers of securities or other instruments in which the Fund invests, which could result in material adverse consequences for such issuers, and may cause a Fund's investment in such issuers to lose value.

Distribution Policy Risks. The Fund currently intends to make distributions to holders of its Common Shares on a quarterly basis. Such distributions are not tied to the Fund's investment income and capital gains and do not represent yield or investment return on the Fund's portfolio. To the extent that the amount distributed in cash exceeds the total net investment income of the Fund, the assets of the Fund will decline. A decline in Fund assets may result in an increase in the Fund's expense ratio. In addition, the maintenance of the Fund's distribution policy with respect to its Common Shares may cause the Fund's assets to be less fully invested than would otherwise be the case, which could reduce the Fund's total investment return. Furthermore, the Fund may need to raise additional capital in order to maintain the distribution policy.

A portion or all of any distribution of the Fund may consist of a return of capital. A return of capital represents the return of a shareholder's original investment in the Common Shares, and should not be confused with a dividend from profits and earnings. Such distributions are generally not treated as taxable income for the investor. Instead, shareholders will experience a reduction in the basis of their Common Shares, which may increase the taxable capital gain, or reduce capital loss, realized upon the sale of such shares. Upon a sale of their Common Shares, shareholders generally will recognize capital gain or loss measured by the difference between the sale proceeds received by the shareholder and the shareholder's federal income tax basis in the shares sold, as adjusted to reflect return of capital. It is possible that a return of capital could cause a shareholder to pay a tax on capital gains with respect to Common Shares that are sold for an amount less than the price originally paid for them. Shareholders are advised to consult with their own tax advisers with respect to the tax consequences of their investment in the Fund.

The Fund's distribution policy with respect to its Common Shares may result in the Fund making a significant distribution in December of each year in order to maintain the Fund's status as a regulated investment company. Depending upon the income of the Fund, such a year-end distribution may be taxed as ordinary income to investors.

Interest Rate Risk. Interest rate risk is the risk that fixed rate instruments will decline in value because of changes in market interest rates. When market interest rates rise, the market value of such instruments generally will fall. Longer-term fixed rate instruments are generally more sensitive to interest rate changes. The Fund's investment in such instruments means that the NAV and market price of its Common Shares and the market price of the shares of Series A Term Preferred Stock will tend to decline if market interest rates rise. These risks may be greater in the current market environment because interest rates are near historically low levels. Moreover, an increase in interest rates could negatively affect financial markets generally, increase market volatility and reduce the value and liquidity of securities and loans in which the Fund may invest, particularly given the current market environment. Because the values of lower-rated and comparable unrated fixed rate instruments are affected both by credit risk and interest rate risk, the price movements of such lower grade instruments in response to changes in interest rates typically have not been highly correlated to the fluctuations of the prices of investment grade quality instruments in response to changes in market interest rates.

The Fund's use of leverage, including through the issuance of Series A Term Preferred Stock, will tend to increase the Fund's interest rate risk. For example, a change in market interest rates could adversely impact the Fund's ability to utilize leverage due to an increase in the cost of borrowings, which could reduce the Fund's net investment income.

The investment vehicles in which the Fund may invest may be similarly subject to the foregoing interest rate risks. In addition, rising interest rates could affect the ability of the operating companies in which the Fund may directly or indirectly invest to service their debt obligations and, therefore, could adversely impact the Fund's investments in such companies.

Leverage Risks. The leverage issued by the Fund will have seniority over the Common Shares and may be secured by the assets of the Fund. The use of leverage by the Fund can magnify the effect of any losses. If the income and gains earned on the securities and investments purchased with leverage proceeds are greater than the cost of the leverage, the Common Shares' return will be greater than if leverage had not been used. Conversely, if the income and gains from the securities and investments purchased with such proceeds do not cover the cost of leverage, the return to the Common Shares will be less than if leverage had not been used. Leverage involves risks and special considerations for shareholders of the Fund including:

- the likelihood of greater volatility of NAV (and market price) of the Fund (and its shares) than a comparable portfolio without leverage;
- the risk that fluctuations in interest rates on leverage, including borrowings, or in the dividend rates on any preferred stock that the Fund may pay will reduce the return to shareholders or will result in fluctuations in the dividends paid on the shares of the Fund;

- the effect of leverage in a declining market, which is likely to cause a greater decline in the NAV of the Fund than if the Fund were not leveraged (which may result in a greater decline in the market price of the shares of the Fund); and
- the investment advisory fee payable to the Adviser will be higher than if the Fund did not use leverage because the definition of “Managed Assets” includes the proceeds of leverage.

There can be no assurances that a leveraging strategy will be successful. The Fund may continue to use leverage if the benefits to the shareholders of maintaining the leveraged position are believed by the Board of Directors to outweigh any current reduced return.

The funds borrowed pursuant to a leverage borrowing program (such as pursuant to the Credit Facility), or obtained through the issuance of preferred stock, constitute a substantial lien and burden by reason of their prior claim against the income of the Fund and against the net assets of the Fund in liquidation. The rights of lenders to receive payments of interest on and repayments of principal on any borrowings made by the Fund under a leverage borrowing program are senior to the rights of holders of the Fund’s Common Shares and the holders of preferred stock with respect to the payment of dividends or upon liquidation. The Fund may not be permitted to declare dividends or other distributions, including dividends and distributions with respect to its Common Shares or preferred stock, including Series A Term Preferred Stock, or to purchase Common Shares or preferred stock, including Series A Term Preferred Stock, unless at the time thereof the Fund meets certain asset coverage requirements and no event of default exists under any leverage program, including under the Credit Agreement or such other credit agreement the Fund may enter into from time to time. In addition, the Fund may not be permitted to pay dividends on Common Shares unless all dividends on its preferred stock and/or accrued interest on borrowings have been paid, or set aside for payment. In an event of default under a leverage borrowing program, the lenders have the right to cause a liquidation of collateral (i.e., sell securities and other assets of the Fund) and, if any such default is not cured, the lenders may be able to control the liquidation as well. The Credit Facility is secured by substantially all of the assets of the Fund.

Certain types of leverage may result in the Fund being subject to covenants relating to asset coverage and Fund composition requirements. Generally, covenants to which the Fund may be subject include affirmative covenants, negative covenants, financial covenants, and investment covenants. See “Use of Leverage.” The Fund may need to liquidate its investments when it may not be advantageous to do so in order to satisfy such obligations or to meet any asset coverage and segregation requirements (pursuant to the 1940 Act or otherwise). As the Fund’s portfolio will be substantially illiquid, any such disposition or liquidation could result in substantial losses to the Fund.

Under the Credit Agreement, the Fund is subject to provisions that, among other things, restrict its ability to take on additional indebtedness, create or permit to be created liens on its assets, or make certain investments without prior consent from The Huntington National Bank. Furthermore, under the Credit Agreement, the Fund may not, without the prior written consent of The Huntington National Bank, (a) declare or make any dividend payment or other distribution of assets on account of any shares of the Fund’s capital stock, including Series A Term Preferred Stock, if payment of such dividend would cause an event of default under the Credit Agreement, or (b) purchase, redeem or otherwise acquire for value any shares of its capital stock, including Series A Term Preferred Stock, if such purchase, redemption or acquisition would cause an event of default under the Credit Agreement; excluding (i) quarterly repurchases of 5% to 25% of the Fund’s Common Shares in accordance with the 1940 Act, and (ii) redemptions of preferred stock, including Series A Term Preferred Stock, necessary to permit the Fund to make such quarterly repurchases of 5% to 25% of its Common Shares in compliance with the asset coverage requirements of Section 18 of the 1940 Act.

Changes in the future direction of interest rates are very difficult to predict accurately. Since the economic downturn that began in 2007, interest rates have remained low. However, because longer-term inflationary pressure may result from the U.S. government's fiscal policies and other challenges, because of the historically low interest rate environment in which the Fund now operates and because the Federal Reserve has currently ceased its quantitative easing program, interest rates may rise, rather than fall, in the future. Any reduction in the level of rate of return on new investments by the Fund relative to the rate of return on the Fund's current investments, and any reduction in the rate of return on the Fund's current investments, could adversely impact the Fund's net investment income, reducing the Fund's ability to service the interest obligations on, and to repay the principal of, the Fund's indebtedness, as well as its capacity to pay distributions. While the Fund may from time to time consider reducing leverage in response to actual or anticipated changes in interest rates in an effort to mitigate the increased volatility of current income and NAV associated with leverage, there can be no assurance that the Fund will actually reduce leverage in the future or that any reduction, if undertaken, will benefit shareholders. If the Fund were to reduce leverage based on a prediction about future increases to interest rates, and that prediction turned out to be incorrect, the reduction in leverage could negatively impact the income and/or total returns to holders of the Common Shares and the ability of the Fund to pay dividends to holders of the Series A Term Preferred Stock relative to the circumstance where the Fund had not reduced leverage. Conversely, in a rising interest rate environment, any leverage that the Fund incurs may bear a higher interest rate than any previously contracted for leverage. There may not, in such circumstances, be a corresponding increase in the Fund's investment income.

The Fund also may be subject to certain restrictions on investments imposed by guidelines of one or more rating agencies, which may issue ratings for preferred stock or other leverage securities issued by the Fund. These guidelines may impose asset coverage or Fund composition requirements that are more stringent than those imposed by the 1940 Act.

As a result of the changes in net assets attributable to Common Shares due in part to the continuous offering of Common Shares and the quarterly repurchases of Common Shares pursuant to the Fund's repurchase policy, the Fund's leverage ratio may fluctuate, sometimes rapidly and unpredictably, and such changes could make it more difficult for the Adviser to manage the Fund's leverage and asset coverage requirements and thereby magnify the risks associated with leverage.

Liquidity Risks. An investment in the Common Shares, unlike an investment in a traditional listed closed-end fund, may be illiquid. Unlike traditional listed closed-end funds, the Fund has not listed the Common Shares for trading on any securities exchange, and the Fund does not expect any secondary market to develop for the Common Shares unless they are listed on a securities exchange, if at all. Even if a secondary market develops, there can be no assurances that such a market will be efficient. In addition, although the Fund will conduct quarterly repurchase offers of its Common Shares, there is no guarantee that all tendered Common Shares will be accepted for repurchase or that shareholders will be able to sell all of the Common Shares they desire in a quarterly repurchase offer. In certain instances, repurchase offers may be suspended or postponed. See "Repurchase Policy for the Common Shares."

An investment in Common Shares is not suitable for investors who need access to the money they invest in the short term or within a specified timeframe. Unlike open-end funds (commonly known as mutual funds) which generally permit redemptions on a daily basis, Common Shares will not be redeemable at an investor's option (other than pursuant to the Fund's repurchase policy, as defined herein). The NAV of the Common Shares may be volatile. As the Common Shares are not traded, investors may not be able to dispose of their investment in the Fund no matter how poorly the Fund performs. The Fund is designed for long-term investors and not as a trading vehicle. Moreover, the Common Shares will not be eligible for "short sale" transactions or other directional hedging products.

The Fund's investments are also subject to liquidity risk, which exists when particular investments of the Fund are difficult to purchase or sell, possibly preventing the Fund from selling such illiquid investments at an advantageous time or price, or possibly requiring the Fund to dispose of other investments at unfavorable times or prices in order to satisfy its obligations.

Management Risk and Reliance on Key Personnel. The Fund is subject to management risk because it is an actively managed portfolio. The Adviser will apply investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these will produce the desired results. The Adviser's judgments about the attractiveness, value and potential appreciation of a marketplace lending platform or individual security in which the Fund invests may prove to be incorrect. In addition, the implementation of the Fund's investment strategies depends upon the continued contributions of certain key employees of the Adviser, some of whom have unique talents and experience and would be difficult to replace. The loss or interruption of the services of a key member of the portfolio management team could have a negative impact on the Fund during the transitional period that would be required for a successor to assume the responsibilities of the position.

Market Risks. Overall stock market risks may affect the value of the Fund. The market price of a security or instrument may decline, sometimes rapidly or unpredictably, due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic or political conditions throughout the world, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. The market value of a security or instrument also may decline because of factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. For example, the financial crisis that began in 2008 caused a significant decline in the value and liquidity of many securities. Such environments could make identifying investment risks and opportunities especially difficult for the Adviser. In response to the crisis, the United States and other governments have taken steps to support financial markets. The withdrawal of this support or failure of efforts in response to the crisis could negatively affect financial markets generally as well as the value and liquidity of certain securities. In addition, policy and legislative changes in the United States and in other countries are changing many aspects of financial regulation. The impact of these changes on the markets, and the practical implications for market participants, may not be fully known for some time.

Non-Diversification Risk. The Fund is classified as non-diversified, which means the Fund may invest a larger percentage of its assets in the securities of a smaller number of issuers than a diversified fund. Investment in securities of a limited number of issuers exposes the Fund to greater market risk and potential losses than if its assets were diversified among the securities of a greater number of issuers.

Not a Complete Investment Program. The Fund is not intended to be a short-term trading vehicle. An investment in the Fund should not be considered a complete investment program. Each investor should take into account the Fund's investment objective and other characteristics, as well as the investor's other investments, when considering an investment in the Fund.

Potential Conflicts of Interest. The Adviser and the portfolio manager of the Fund have interests which may conflict with the interests of the Fund. In particular, the Adviser manages and/or advises, or in the future may manage and/or advise, other investment funds or accounts with the same or substantially similar investment objective and strategies as the Fund. As a result, the Adviser and the Fund's portfolio manager may devote unequal time and attention to the management of the Fund and those other funds and accounts, and may not be able to formulate as complete a strategy or identify equally attractive investment opportunities as might be the case if they were to devote substantially more attention to the management of the Fund. The Adviser and the Fund's portfolio manager may identify a limited investment opportunity that may be suitable for multiple funds and accounts, and the opportunity may be allocated among these several funds and accounts, which may limit the Fund's ability to take full advantage of the investment opportunity. Additionally, transaction orders may be aggregated for multiple accounts for purposes of execution, which may cause the price or brokerage costs to be less favorable to the Fund than if similar transactions were not being executed concurrently for other accounts. At times, a portfolio manager may determine that an investment opportunity may be appropriate for only some of the funds and accounts for which he or she exercises investment responsibility, or may decide that certain of the funds and accounts should take differing positions with respect to a particular security. In these cases, the portfolio manager may place separate transactions for one or more funds or accounts which may affect the market price of the security or the execution of the transaction, or both, to the detriment or benefit of one or more other funds and accounts. For example, a portfolio manager may determine that it would be in the interest of another account to sell a security that the Fund holds, potentially resulting in a decrease in the market value of the security held by the Fund.

The portfolio manager also may engage in cross trades between funds and accounts, may select brokers or dealers to execute securities transactions based in part on brokerage and research services provided to the Adviser which may not benefit all funds and accounts equally and may receive different amounts of financial or other benefits for managing different funds and accounts. Finally, the Adviser and its affiliates may provide more services to some types of funds and accounts than others.

There is no guarantee that the policies and procedures adopted by the Adviser and the Fund will be able to identify or mitigate the conflicts of interest that arise between the Fund and any other investment funds or accounts that the Adviser may manage or advise from time to time. See “Management of the Fund—Investment Adviser” in the SAI.

In addition, while the Fund is using leverage, the amount of the fees paid to the Adviser for investment advisory and management services are higher than if the Fund did not use leverage because the fees paid are calculated based on the Fund’s Managed Assets, which include assets purchased with leverage. Therefore, the Adviser has a financial incentive to leverage the Fund, which creates a conflict of interest between the Adviser on the one hand and the shareholders on the other. See “Risk Factors—Structural and Market-Related Risks—Potential Conflicts of Interest.”

Regulation as Lender Risk. The loan industry is highly regulated and loans made through lending platforms are subject to extensive and complex rules and regulations issued by various federal, state and local government authorities. One or more regulatory authorities or borrowers may assert that the Fund, when acting as a lender under the platforms, is required to comply with certain laws or regulations which govern the consumer or commercial (as applicable) loan industry. If the Fund were required to comply with additional laws or regulations, it would likely result in increased costs for the Fund and may have an adverse effect on its results or operations or its ability to invest in Marketplace Loans and certain Marketplace Lending Instruments. In addition, although in most cases the Fund is not currently required to hold a license in connection with the acquisition and ownership of Marketplace Loans, certain states require (and other states could in the future take a similar position) that lenders under marketplace lending platforms or holders of Marketplace Loans be licensed. Such a licensing requirement could subject the Fund to a greater level of regulatory oversight by state governments as well as result in additional costs for the Fund. If required but unable to obtain such licenses, the Fund may be forced to cease investing in loans issued to borrowers in the states in which licensing may be required.

Under current law, purchasers/assignees of loans made by insured depository institutions do not generally need to be licensed under consumer lending license statutes because the assignee is not extending credit after the time the loan is purchased (with the possible exception of certain consumer loans made in a limited number of states). The federal Truth in Lending Act and its implementing regulation, however, make consumer loan assignees liable for certain disclosure violations apparent on the face of the note. Most, but not all, purchase agreements for whole loans require the originating lender to comply with all applicable laws and provide remedies such as indemnities or repurchase obligations with respect to non-compliant loans. Although the Fund may reduce the risk of the Fund’s exposure to lender regulation risk through appropriate due diligence procedures, there is no assurance that such procedures, or recourse against platforms, would absolve the Fund from any and all claims.

Repurchase Policy Risks. Repurchases of Common Shares will reduce the amount of outstanding Common Shares and, thus, the Fund’s net assets. To the extent that additional Common Shares are not sold, a reduction in the Fund’s net assets may increase the Fund’s expense ratio (subject to the Adviser’s reimbursement of expenses) and limit the investment opportunities of the Fund.

The Fund may find it necessary to hold a portion of its net assets in cash or other liquid assets, including in lieu of interest payments on any borrowings and dividend payments on shares of preferred stock, sell a portion of its portfolio investments or borrow money in order to finance any repurchases of its Common Shares. The Fund may accumulate cash by holding back (i.e., not reinvesting or distributing to shareholders) payments received in connection with the Fund's investments, which could potentially limit the ability of the Fund to generate income. The Fund also may be required to sell its more liquid, higher quality portfolio investments to purchase Common Shares that are tendered, which may increase risks for remaining shareholders and increase Fund expenses. Although most, if not all, of the Fund's investments are expected to be illiquid and the secondary market for such investments is likely to be limited, the Fund believes it would be able to find willing purchasers of its investments if such sales were ever necessary to supplement such cash generated by payments received in connection with the Fund's investments. However, the Fund may be required to sell such investments during times and at prices when it otherwise would not, which may cause the Fund to lose money. The Fund may also borrow money in order to meet its repurchase obligations. There can be no assurance that the Fund will be able to obtain financing for its repurchase offers. If the Fund borrows to finance repurchases, interest on any such borrowings will negatively affect holders of the Fund's Common Shares who do not tender their Common Shares in a repurchase offer by increasing the Fund's expenses (subject to the Adviser's reimbursement of expenses) and reducing any net investment income. The purchase of Common Shares by the Fund in a repurchase offer may limit the Fund's ability to participate in new investment opportunities. See "Repurchase Policy for the Common Shares."

Subsidiary Risk. By investing through a Subsidiary (as defined below), if any, the Fund is exposed to the risks associated with the Subsidiaries' investments (which risks are generally the same as the investment risks described in this prospectus applicable to the Fund). Subsidiaries will not be registered as investment companies under the 1940 Act and will not be subject to all of the investor protections of the 1940 Act. However, the Fund will comply with the applicable requirements of the 1940 Act on a consolidated basis with its Subsidiaries (if any) and each such Subsidiary will be subject to the same investment restrictions and limitations, and will adhere to the same compliance policies and procedures, as the Fund. Changes in the laws of the United States and/or the jurisdiction in which a Subsidiary is organized, including any changes in the interpretations of, or treatment with respect to, applicable federal tax-related matters impacting the Fund and its status as a regulated investment company, could result in the inability of the Fund and/or the Subsidiary to operate as described in this prospectus and could adversely affect the Fund.

Other Investment-Related Risk

The risks listed below are in alphabetical order and specifically apply to the non-Marketplace Lending Instrument investments the Fund may make on a principal basis, and may also apply to the Fund's investments in Marketplace Lending Instruments. See also "Investment Policies and Techniques—Additional Investments and Practices of the Fund" in the SAI for additional discussion of the risks associated with the Fund's investments.

Debt Securities Risk. Debt securities are subject to various risks, including

- **Issuer Risk.** The value of debt securities may decline for a number of reasons which directly relate to the issuer, such as management performance, leverage and reduced demand for the issuer's goods and services. Changes in an issuer's credit rating or the market's perception of an issuer's creditworthiness may also affect the value of the Fund's investment in that issuer.
- **Interest Rate Risk.** Interest rate risk is the risk that debt securities will decline in value because of changes in market interest rates. When market interest rates rise, the market value of fixed rate securities generally will fall. Currently, interest rates are at or near historical lows and, as a result, they are likely to rise over time. Market value generally falls further for fixed rate securities with longer duration. During periods of rising interest rates, the average life of certain types of securities may be extended because of slower than expected prepayments. This may lock in a below-market yield, increase the security's duration and further reduce the value of the security. Investments in debt securities with long-term maturities may experience significant price declines if long-term interest rates increase. Fluctuations in the value of portfolio securities will not affect interest income on existing portfolio securities but will be reflected in the Fund's NAV. Since the magnitude of these fluctuations will generally be greater at times when the Fund's average maturity is longer, under certain market conditions the Fund may, for temporary defensive purposes, accept lower current income from short-term investments rather than investing in higher yielding long-term securities.
- **Liquidity Risk.** Certain debt securities may be substantially less liquid than many other securities, such as common stocks traded on an exchange. Illiquid securities involve the risk that the securities will not be able to be sold at the time desired by the Fund or at prices approximating the value at which the Fund is carrying the securities on its books.
- **Prepayment Risk.** During periods of declining interest rates, the issuer of a security may exercise its option to prepay principal earlier than scheduled, forcing the Fund to reinvest the proceeds from such prepayment in lower yielding securities, which may result in a decline in the Fund's income and distributions to holders of the Fund's Common Shares. This is known as call or prepayment risk. Debt securities frequently have call features that allow the issuer to redeem the security prior to its stated maturity. An issuer may redeem an obligation if the issuer can refinance the debt at a lower cost due to declining interest rates or an improvement in the credit standing of the issuer. If the Fund bought a security at a premium, the premium could be lost in the event of a prepayment.
- **Reinvestment Risk.** Reinvestment risk is the risk that income from the Fund's portfolio will decline if the Fund invests the proceeds from matured, traded or called bonds at market interest rates that are below the Fund portfolio's current earnings rate. A decline in income could affect the Common Shares' market price or the overall return of the Fund.

Distressed and Defaulted Instruments Risks. The Fund may invest in distressed instruments, which may include Marketplace Lending Instruments. Investments in the instruments of financially distressed issuers involve substantial risks. These instruments may present a substantial risk of default or may be in default at the time of investment. The Fund may incur additional expenses to the extent it is required to seek recovery upon a default in the payment of principal or interest on its portfolio holdings. In any reorganization or liquidation proceeding relating to an investment, the Fund may lose its entire investment or may be required to accept cash or securities with a value substantially less than its original investment. Among the risks inherent in investments in a troubled issuer is that it frequently may be difficult to obtain information as to the true financial condition of such issuer. The Adviser's judgments about the credit quality of a financially distressed issuer and the relative value of its instruments may prove to be wrong.

Other risks involved with distressed instruments include legal difficulties and negotiations with creditors and other claimants that are common when dealing with distressed companies. With distressed investing, there may be a time lag between when the Fund makes an investment and when the Fund realizes the value of the investment. In addition, the Fund may incur legal and other monitoring costs in protecting the value of the Fund's claims.

Equity Securities Risks. The value of a particular equity security in which the Fund may invest may decrease. The prices of stocks change in response to many factors, including the historical and prospective earnings of the issuer, the value of its assets, management decisions, decreased demand for an issuer's products or services, increased production costs, general economic conditions, interest rates, currency exchange rates, investor perceptions and market liquidity. Equity securities tend to be more volatile than bonds and money market instruments. Common stocks are subordinate to preferred stocks in a company's capital structure, and if a company is liquidated, the claims of secured and unsecured creditors and owners of bonds and preferred stocks take precedence over the claims of those who own common stocks.

Exchange-Traded Note Risks. The Fund may invest in exchange-traded notes ("ETNs"), which are notes representing unsecured debt of the issuer. ETNs are typically linked to the performance of an index plus a specified rate of interest that could be earned on cash collateral. The value of an ETN may be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in underlying markets, changes in the applicable interest rates, changes in the issuer's credit rating and economic, legal, political or geographic events that affect the referenced index. ETNs typically mature 30 years from the date of issue. There may be restrictions on the Fund's right to liquidate its investment in an ETN prior to maturity (for example, the Fund may only be able to offer its ETN for repurchase by the issuer on a weekly basis), and there may be limited availability of a secondary market.

Investment Company Risks. The Fund will incur higher and additional expenses when it invests in other investment companies such as exchange-traded funds ("ETFs"). There is also the risk that the Fund may suffer losses due to the investment practices or operations of such other investment companies. To the extent that the Fund invests in one or more investment companies that concentrate in a particular industry, the Fund would be vulnerable to factors affecting that industry and the performance of such investment companies, and that of the Fund, may be more volatile than investment companies that do not concentrate in a particular industry.

The investment companies in which the Fund invests are not subject to the Fund's investment policies and restrictions. The Fund generally receives information regarding the portfolio holdings of the investment companies in which it invests only when that information is made available to the public. The Fund cannot dictate how these companies invest their assets. The investment companies in which the Fund may invest may invest their assets in securities and other instruments, and may use investment techniques and strategies, that are not described in this prospectus.

The ETFs (and other index funds) in which the Fund may invest may not be able to replicate exactly the performance of the indices they track due to transactions costs and other expenses of the ETFs. ETFs may not be able to match or outperform their benchmarks.

The Fund may be restricted by provisions of the 1940 Act that generally limit the amount the Fund and its affiliates can invest in any one investment company to 3% of such company's outstanding voting stock. As a result, the Fund may hold a smaller position in an investment company than if it were not subject to this restriction. In addition, to comply with provisions of the 1940 Act, in any matter upon which the stockholders of the investment companies in which the Fund invests are solicited to vote, the Adviser may be required to vote its shares in such companies in the same proportion as shares held by other stockholders of those companies. However, pursuant to exemptive orders issued by the SEC to various ETF fund sponsors, the Fund is permitted to invest in certain ETFs in excess of the limits set forth in the 1940 Act subject to the terms and conditions set forth in such exemptive orders.

Restricted Instruments Risk. Investments in restricted instruments, including Marketplace Lending Instruments and securities that have not been registered under the Securities Act and are subject to restrictions on resale, could have the effect of increasing the amount of the Fund's assets invested in illiquid investments if eligible investors are unwilling to purchase these instruments. Restricted instruments may be difficult to dispose of at the price at which the Fund has valued the instruments and at the times when the Fund believes it is desirable to do so. The market price of illiquid and restricted instruments generally is more volatile than that of more liquid instruments, which may adversely affect the price that the Fund recovers upon the sale of such instruments. Illiquid and restricted instruments are also more difficult to value, especially in challenging markets. Investment of the Fund's assets in illiquid and restricted instruments may restrict the Fund's ability to take advantage of market opportunities. The risks associated with illiquid and restricted instruments may be particularly acute in situations in which the Fund's operations require cash (such as in connection with Common Share repurchases) and could result in the Fund borrowing to meet its short-term needs or incurring losses on the sale of illiquid or restricted instruments. In order to dispose of an unregistered instrument, the Fund, where it has contractual rights to do so, may have to cause such instrument to be registered. A considerable period may elapse between the time the decision is made to sell the instrument and the time the instrument is registered, therefore enabling the Fund to sell it. Contractual restrictions on the resale of instruments vary in length and scope and are generally the result of a negotiation between the issuer and acquirer of the instruments. In either case, the Fund would bear market risks during that period.

THE FUND

RiverNorth Marketplace Lending Corporation (the “Fund”) is a non-diversified, closed-end management investment company that has registered as an investment company under the Investment Company Act of 1940, as amended (the “1940 Act”), and is operated as an interval fund pursuant to Rule 23c-3 under the 1940 Act. As an interval fund, the Fund has adopted a fundamental policy to conduct, subject to certain conditions, quarterly repurchase offers for at least 5% and up to 25% of the outstanding shares of its common stock, \$0.0001 par value per share (the “Common Shares”), at net asset value (the “repurchase policy”). See “Repurchase Policy for the Common Shares.”

The Fund was organized as a Maryland corporation on June 9, 2015, pursuant to the Articles of Incorporation of the Fund and governed by the laws of the State of Maryland. The Fund’s Common Shares are not listed on any securities exchange and will not be listed on an exchange in the foreseeable future, if at all. It is not anticipated that a secondary market for the Common Shares will develop unless the Common Shares are listed on an exchange.

The following provides information about the Fund’s outstanding shares as of September 29, 2017:

Title of Class	Amount Authorized	Amount Held by the Fund or for its Account	Amount Outstanding
Common Stock	40,000,000	0	5,830,681.804
Preferred Stock			
5.875% Series A Term Preferred Stock due 2024	1,656,000	0	0

The Fund’s principal office is located at 325 North LaSalle Street, Suite 645, Chicago, Illinois 60654, and its telephone number is (312) 832-1440. RiverNorth Capital Management LLC (“RiverNorth” or the “Adviser”) is the Fund’s investment adviser. See “Management of the Fund.”

USE OF PROCEEDS

The net proceeds of the offering will be approximately \$34,385,400 (or approximately \$39,543,210 if the underwriters exercise the over-allotment option in full), after payment of the underwriting discounts and commissions and estimated offering costs. The Fund intends to use the net proceeds from the sale of 5.875% Series A Term Preferred Stock due 2024 (“Series A Term Preferred Stock”), with a liquidation preference of \$25 per share (the “Liquidation Preference”), to increase the Fund’s leverage and for general working capital purposes. Although it does not currently anticipate doing so, the Fund also may use a portion of the proceeds to repay borrowings under the Credit Facility. Any net proceeds from the sale of Series A Term Preferred Stock used to increase the Fund’s leverage will be invested in accordance with the Fund’s investment objective and policies as soon as practicable after completion of the offering. The Fund currently anticipates that it will be able to invest substantially all of such net proceeds in investments that meet the Fund’s investment objective and policies within approximately 30 days after completion of the offering. There are no assurances that the Fund will achieve its targeted investment pact, which may negatively impact the Fund’s returns. During this period, the Fund may invest in temporary investments, such as cash, cash equivalents, short-term debt securities or U.S. government securities, which the Fund expects would have returns substantially lower than the returns that it anticipates earning from investments in Marketplace Lending Instruments (as defined below). Investors should expect, therefore, that before the Fund has invested the proceeds of the offering in accordance with its investment objective and policies, assets invested in these temporary investments would earn interest income at a modest rate, which may not exceed the expenses during this period.

DESCRIPTION OF SERIES A TERM PREFERRED STOCK

The following is a summary of the material terms of the Fund's Series A Term Preferred Stock. This is not a complete description and is subject to, and entirely qualified by reference to, the Fund's Charter and Articles Supplementary Establishing and Fixing the Rights and Preferences of Term Preferred Stock (the "Articles"). These documents are filed with the Securities and Exchange Commission (the "SEC") as exhibits to the Fund's registration statement of which this prospectus is a part and the Articles also are attached as Appendix A to the SAI. You may obtain copies of these documents as described under "Available Information."

General

The Fund is authorized to issue 1,656,000 shares of Series A Term Preferred Stock. At the time of issuance, Series A Term Preferred Stock will be fully paid and non-assessable and will have no preemptive, conversion, or exchange rights or rights to cumulative voting.

The rights of any existing and future lenders to receive payments of interest on and repayments of principal of any borrowings under any credit agreements in which the Fund has entered or may enter, including the Credit Agreement (as further described below under "Use of Leverage"), are or will be senior to the rights of holders of Series A Term Preferred Stock with respect to the payment of dividends and other distributions and upon liquidation. Under such borrowing programs, the Fund would not be permitted to declare dividends and other distributions with respect to Series A Term Preferred Stock or redeem Series A Term Preferred Stock unless, at such time, the Fund met certain asset coverage requirements and no event of default or other circumstance existed under the credit agreement that would limit or otherwise block payments in redemption.

The shares of Series A Term Preferred Stock will rank equally with all of the Fund's other preferred stock that might be issued in the future as to payment of dividends and the distribution of Fund assets upon dissolution, liquidation or winding-up of the Fund's affairs. The Series A Term Preferred Stock is, and all other preferred stock that the Fund may issue in the future will be, senior as to dividends and distributions to the Fund's Common Shares. The Fund may issue additional shares of Series A Term Preferred Stock and additional series of preferred stock in the future.

Except in certain limited circumstances, holders of Series A Term Preferred Stock will not receive certificates representing their ownership interest in such shares, and the shares of Series A Term Preferred Stock will be represented by a global certificate to be held by the The Depository Trust Company and its successors and assigns or any other securities depository selected by the Fund that agrees to follow the procedures required to be followed by such securities depository as set forth in the Articles with respect to Series A Term Preferred Stock.

Dividends and Dividend Periods

General. Holders of the Series A Term Preferred Stock will be entitled to receive cumulative cash dividends and distributions on such shares at a fixed annual rate of 5.875% of the Liquidation Preference (the “Fixed Dividend Rate”), or \$1.46875 per share per year (subject to adjustment in certain circumstances as described below) when, as and if declared by, or under authority granted by, the board of directors of the Fund (the “Board of Directors”) out of funds legally available for payment and in preference to dividends and distributions on the Common Shares.

Dividends will be payable quarterly in arrears on February 15, May 15, August 15 and November 15 or, in each case, if such date is not a business day, the next succeeding business day (each, a “Dividend Payment Date”), commencing February 15, 2018. Dividends on Series A Term Preferred Stock will be computed on the basis of a 360-day year consisting of twelve 30-day months. The amount of dividends payable on the Series A Term Preferred Stock on any date prior to the end of a dividend period, and for the initial dividend period, will be computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends so declared and payable will be paid to the extent permitted under state law and the Fund’s Charter, and to the extent available, in preference to and priority over any dividend declared and payable on the Common Shares.

Payment of Dividends and Dividend Periods. The first period for which dividends on the Series A Term Preferred Stock will be calculated (each period, a “Dividend Period”) will commence upon the closing of the offering (the “Date of Original Issue”) to, but excluding, February 15, 2018, and each subsequent Dividend Period will be the period from and including a Dividend Payment Date to, but excluding, the next Dividend Payment Date or the Term Redemption Date, as the case may be. Dividends will be payable quarterly in arrears on the Dividend Payment Date and upon redemption of the Series A Term Preferred Stock. Except for the first Dividend Period, dividends with respect to any quarterly Dividend Period will be declared and paid to holders of record of Series A Term Preferred Stock as their names shall appear on the Fund’s registration books at the close of business on the applicable record date, which shall be such date designated by the Board of Directors that is not more than 20 nor less than 10 calendar days prior to the applicable Dividend Payment Date. The Fund expects that dividends with respect to the first Dividend Period of the Series A Term Preferred Stock will be declared in January 2018 and paid on February 15, 2018 to holders of record of such Series A Term Preferred Stock as their names appear on the Fund’s registration books at the close of business on February 1, 2018.

Only holders of Series A Term Preferred Stock on the record date for a Dividend Period will be entitled to receive dividends and distributions payable with respect to such Dividend Period, and holders of Series A Term Preferred Stock who sell shares before such a record date and purchasers of Series A Term Preferred Stock who purchase shares after such a record date should take the effect of the foregoing provisions into account in evaluating the price to be received or paid for such Series A Term Preferred Stock.

Only holders of Series A Term Preferred Stock on the record date for a Dividend Period will be entitled to receive dividends and other distributions payable with respect to such Dividend Period, and holders of Series A Term Preferred Stock who sell shares before such a record date and purchasers of Series A Term Preferred Stock who purchase shares after such a record date should take the effect of the foregoing provisions into account in evaluating the price to be received or paid for Series A Term Preferred Stock. The record date for holders of Series A Term Preferred Stock entitled to receive dividend payments on February 15, May 15, August 15 and November 15 (or if such date is not a business day, the next succeeding business day) will be February 1, May 1, August 1 and November 1, respectively.

Mechanics of Payment of Dividends. Not later than 12:00 p.m., New York City time, on a Dividend Payment Date, the Fund is required to deposit with the Redemption and Paying Agent (as defined below) sufficient funds for the payment of dividends in the form of Deposit Securities. "Deposit Securities" will generally consist of (1) cash or cash equivalents; (2) direct obligations of the United States or its agencies or instrumentalities that are entitled to the full faith and credit of the United States ("U.S. Government Obligations"); (3) short-term money market instruments; (4) investments in money market funds registered under the 1940 Act that qualify under Rule 2a-7 under the 1940 Act and certain similar investment vehicles that invest principally in U.S. Government Obligations, short-term money market instruments or any combination thereof; or (5) any letter of credit from a bank or other financial institution that has a credit rating from at least one ratings agency that is the highest applicable rating generally ascribed by such ratings agency to bank deposits or short-term debt of similar banks or other financial institutions, in each case either that is a demand obligation payable to the holder on any business day or that has a maturity date, mandatory redemption date or mandatory payment date, preceding the relevant Redemption Date (as defined below), Dividend Payment Date or other payment date. The Fund does not intend to establish any reserves for the payment of dividends.

All Deposit Securities paid to the Redemption and Paying Agent for the payment of dividends will be held in trust for the payment of such dividends to the holders of Series A Term Preferred Stock. Dividends will be paid by the Redemption and Paying Agent to the holders of Series A Term Preferred Stock as their names appear on the Fund's registration books on the applicable record date. Dividends that are in arrears for any past Dividend Period may be declared and paid at any time, without reference to any regular Dividend Payment Date. Such payments are made to holders of Series A Term Preferred Stock as their names appear on the Fund's registration books on such date, not exceeding 20 nor less than 10 calendar days preceding the payment date thereof, as may be fixed by the Board of Directors. Any payment of dividends in arrears will first be credited against the earliest accumulated but unpaid dividends. No interest or sum of money in lieu of interest will be payable in respect of any dividend payment or payments on any Series A Term Preferred Stock which may be in arrears. See "—Adjustment to Fixed Dividend Rate—Default Period."

Upon failure to pay dividends for at least two years, the holders of Series A Term Preferred Stock will acquire certain additional voting rights. See "—Voting Rights" below. Such rights shall be the exclusive remedy of the holders of Series A Term Preferred Stock upon any failure to pay dividends on Series A Term Preferred Stock.

Adjustment to Fixed Dividend Rate—Default Period. Subject to the cure provisions below, a “Default Period” with respect to Series A Term Preferred Stock will commence on a date the Fund fails to deposit the Deposit Securities as required in connection with a Dividend Payment Date or a Redemption Date (as defined below). A Default Period will end on the business day on which, by 12:00 p.m., New York City time, an amount equal to all unpaid dividends and any unpaid redemption price shall have been deposited irrevocably in trust in same-day funds with the Redemption and Paying Agent. The applicable dividend rate for each day during the Default Period will be equal to the Fixed Dividend Rate in effect on such day plus two percent (2%) per annum (the “Default Rate”).

No Default Period will be deemed to commence if the amount of any dividend or any redemption price due (if such default is not solely due to the Fund’s willful failure) is deposited irrevocably in trust, in same-day funds with the Redemption and Paying Agent by 12:00 p.m., New York City time, on a business day that is not later than three business days after the applicable Dividend Payment Date or Redemption Date, together with an amount equal to the Default Rate applied to the amount and period of such non-payment based on the actual number of calendar days comprising such period divided by 360.

Restrictions on Dividend, Redemption, Other Payments and Issuance of Debt

No full dividends and distributions will be declared or paid on shares of the Series A Term Preferred Stock for any Dividend Period, or a part of a Dividend Period, unless the full cumulative dividends and distributions due through the most recent dividend payment dates for all outstanding shares of preferred stock of any series have been, or contemporaneously are, declared and paid through the most recent dividend payment dates for each share of preferred stock. If full cumulative dividends and distributions due have not been paid on all outstanding shares of preferred stock of any series, any dividends and distributions being declared and paid on Series A Term Preferred Stock will be declared and paid as nearly pro rata as possible in proportion to the respective amounts of dividends and distributions accumulated but unpaid on the shares of each such series of preferred stock on the relevant dividend payment date. No holders of Series A Term Preferred Stock will be entitled to any dividends and distributions in excess of full cumulative dividends and distributions as provided in the Articles.

Except as noted below, for so long as any shares of Series A Term Preferred Stock are outstanding, the Fund will not: (x) declare any dividend or other distribution (other than a dividend or distribution paid in common stock) in respect of the common stock, (y) call for redemption, redeem, purchase or otherwise acquire for consideration any such common stock, or (z) pay any proceeds of our liquidation in respect of such common stock, unless, in each case, (A) immediately thereafter, the Fund will be in compliance with the 200% asset coverage limitations set forth under the 1940 Act with respect to a class of senior security which is a stock, after deducting the amount of such dividend or distribution or redemption or purchasing price or liquidation proceeds, as described below, (B) all cumulative dividends and distributions of shares of all series of preferred stock ranking on parity with the Series A Term Preferred Stock due on or prior to the date of the applicable dividend, distribution, redemption, purchase or acquisition shall have been declared and paid (or shall have been declared and sufficient funds or Deposit Securities as permitted by the terms of such preferred stock for the payment thereof shall have been deposited irrevocably with the applicable paying agent) and (C) the Fund has deposited Deposit Securities with the Redemption and Paying Agent in accordance with the requirements described herein and in the Articles with respect to outstanding Series A Term Preferred Stock to be redeemed pursuant to a Term Redemption (as defined below) or asset coverage mandatory redemption resulting from the failure to comply with the asset coverage requirements as described below for which a Notice of Redemption (as defined below) shall have been given or shall have been required to be given in accordance with the terms described herein on or prior to the date of the applicable dividend, distribution, redemption, purchase or acquisition. Notwithstanding the foregoing, the Fund shall not, at any time, be prohibited or otherwise restricted in its ability to call for redemption, redeem, purchase or otherwise acquire for consideration its Common Shares pursuant to its repurchase policy in compliance with the 1940 Act and the Articles.

Except as required by law, the Fund will not redeem any shares of Series A Term Preferred Stock unless all accumulated and unpaid dividends and distributions on all outstanding shares of preferred stock of any series ranking on parity with the Series A Term Preferred Stock with respect to dividends and distributions for all applicable past dividend periods (whether or not earned or declared by the Fund) (x) will have been or are contemporaneously paid or (y) will have been or are contemporaneously declared and Deposit Securities or sufficient funds (in accordance with the terms of such preferred stock) for the payment of such dividends and distributions will have been or are contemporaneously deposited with the Redemption and Paying Agent or other applicable paying agent, provided, however, that the foregoing will not prevent the purchase or acquisition of outstanding shares of Series A Term Preferred Stock pursuant to an otherwise lawful purchase or exchange offer made on the same terms to holders of all outstanding shares of any other series of preferred stock for which all accumulated and unpaid dividends and distributions have not been paid.

The Fund may issue debt in one or more classes or series. Under the 1940 Act, the Fund may not (1) declare any dividend with respect to any preferred stock if, at the time of such declaration (and after giving effect thereto), the Fund's asset coverage with respect to any of its borrowings that are senior securities representing indebtedness (as determined in accordance with Section 18(h) under the 1940 Act), would be less than 200% (or such other percentage as may in the future be specified in or under the 1940 Act as the minimum asset coverage for senior securities representing indebtedness of a closed-end investment company as a condition of declaring dividends on its preferred stock) or (2) declare any other distribution on the preferred stock or purchase or redeem preferred stock if at the time of the declaration or redemption (and after giving effect thereto), asset coverage with respect to such borrowings that are senior securities representing indebtedness would be less than 300% (or such other percentage as may in the future be specified in or under the 1940 Act as a minimum asset coverage for senior securities representing indebtedness of a closed-end investment company as a condition of declaring distributions, purchases or redemptions of its shares). "Senior securities representing indebtedness" generally means any bond, debenture, note or similar obligation or instrument constituting a security (other than shares of capital stock) and evidencing indebtedness and could include the Fund's obligations under any borrowings. For purposes of determining the Fund's asset coverage for senior securities representing indebtedness in connection with the payment of dividends or other distributions on or purchases or redemptions of stock, the term "senior security" does not include any promissory note or other evidence of indebtedness issued in consideration of any loan, extension or renewal thereof, made by a bank or other person and privately arranged, and not intended to be publicly distributed. The term "senior security" also does not include any such promissory note or other evidence of indebtedness in any case where such a loan is for temporary purposes only and in an amount not exceeding 5% of the value of the total assets of the Fund at the time when the loan is made; a loan is presumed under the 1940 Act to be for temporary purposes if it is repaid within 60 calendar days and is not extended or renewed; otherwise such loan is presumed not to be for temporary purposes.

Asset Coverage

If the Fund fails to maintain asset coverage of at least 200% with respect to its preferred stock as of the close of business on the last business day of a calendar quarter, the Series A Term Preferred Stock may become subject to mandatory redemption as provided below. "Asset coverage" means asset coverage of a class of senior security which is a stock, as defined for purposes of Section 18(h) of the 1940 Act as in effect on the date of the Articles. For purposes of this determination, no shares of Series A Term Preferred Stock or other preferred stock, if any, will be deemed to be outstanding for purposes of the computation of asset coverage if, prior to or concurrently with such determination, either sufficient Deposit Securities or other sufficient funds (in accordance with the terms of such preferred stock) to pay the full redemption price for such preferred stock (or the portion thereof to be redeemed) will have been deposited in trust with the paying agent for such preferred stock and the requisite notice of redemption for such preferred stock (or the portion thereof to be redeemed) will have been given or sufficient Deposit Securities or other sufficient funds (in accordance with the terms of such preferred stock) to pay the full redemption price for such preferred stock (or the portion thereof to be redeemed) will have been segregated by the Fund and its custodian from the Fund's assets, by means of appropriate identification on the custodian's books and records or otherwise in accordance with the custodian's normal procedures. In such event, the Deposit Securities or other sufficient funds so deposited or segregated will not be included as our assets for purposes of the computation of asset coverage.

Redemption

Term Redemption. The Fund is required to provide for the mandatory redemption (the "Term Redemption") of all of the shares of Series A Term Preferred Stock on October 31, 2024 (the "Term Redemption Date"), at a redemption price equal to the Liquidation Preference plus an amount equal to accumulated but unpaid dividends thereon (whether or not earned or declared, but excluding interest thereon) to, but excluding, the Term Redemption Date. If the Term Redemption Date occurs after the applicable record date for a dividend but on or prior to the related Dividend Payment Date, the dividend payable on such Dividend Payment Date in respect of such shares of Series A Term Preferred Stock will be payable on such Dividend Payment Date to the holders of record of such shares of Series A Term Preferred Stock at the close of business on the applicable Dividend Record Date, and will not be payable as part of the redemption price for such shares of Series A Term Preferred Stock.

Mandatory Redemption for Asset Coverage

Asset Coverage. If the Fund fails to have asset coverage of at least 200% with respect to its preferred stock (including Series A Term Preferred Stock) as of the close of business on the last business day of each calendar quarter, and such failure is not cured as of the close of business on the date that is 30 calendar days following such business day (the "Asset Coverage Cure Date"), the Fund will fix a redemption date and proceed to redeem the number of shares of preferred stock, including Series A Term Preferred Stock, as described below at (in the case of Series A Term Preferred Stock) a price per share equal to the Liquidation Preference plus accumulated but unpaid dividends and distributions thereon (whether or not earned or declared but excluding interest thereon) to, but excluding, the date fixed for redemption by the Board of Directors. The Fund will redeem out of funds legally available the number of shares of outstanding preferred stock equal to the lesser of (i) the minimum number of shares of preferred stock, the redemption of which, if deemed to have occurred immediately prior to the opening of business on the Asset Coverage Cure Date, would result in the Fund having asset coverage of at least 200% and (ii) the maximum number of shares of preferred stock that can be redeemed out of funds expected to be legally available in accordance with the Articles, the Fund's Charter and applicable law. Notwithstanding the foregoing sentence, in the event that shares of preferred stock are redeemed pursuant to the Articles, the Fund may at its sole option, but is not required to, redeem a sufficient number of shares of Series A Term Preferred Stock that, when aggregated with other shares of preferred stock redeemed by the Fund, permits the Fund to have with respect to shares of its preferred stock (including Series A Term Preferred Stock) remaining outstanding after such redemption, asset coverage on such Asset Coverage Cure Date of as much as 285%. The Fund will effect a redemption on the date fixed by the Fund, which date will not be later than 90 calendar days after the Asset Coverage Cure Date, except that if the Fund does not have funds legally available for the redemption of all of the required number of shares of preferred stock which have been designated to be redeemed or the Fund otherwise is unable to effect such redemption on or prior to 90 calendar days after the Asset Coverage Cure Date, the Fund will redeem those shares of preferred stock which the Fund was unable to redeem on the earliest practicable date on which the Fund is able to effect such redemption.

Interval Fund Redemption. As an interval fund, the Fund may redeem shares of Series A Term Preferred Stock as may be necessary from time to time, either in whole or in part, without penalty or premium, to permit it to repurchase its Common Shares in such amount as the Board of Directors may determine pursuant to the Fund's repurchase policy in compliance with the Fund's asset coverage requirements under the 1940 Act and the Articles. The Fund currently expects to offer to repurchase 5% of the Fund's outstanding shares of common stock on a quarterly basis pursuant to such repurchase policy, subject to approval of the Board of Directors. If shares of Series A Term Preferred Stock are to be redeemed to permit the Fund to repurchase its common stock pursuant to its repurchase policy, such shares will be redeemed at a redemption price equal to the Liquidation Preference plus accumulated but unpaid dividends, if any, on such shares (whether or not declared, but excluding interest on accumulated but unpaid dividends, if any) to, but excluding, the date fixed for such redemption.

Optional Redemption. On or after October 31, 2020 (any such date, an "Optional Redemption Date"), the Fund may redeem in whole or from time to time in part outstanding shares of Series A Term Preferred Stock at a redemption price per share equal to the Liquidation Preference plus an amount equal to all unpaid dividends and distributions accumulated to (but excluding) the Optional Redemption Date (whether or not earned or declared by the Fund, but excluding interest thereon).

Subject to the provisions of the Articles for the Series A Term Preferred Stock and applicable law, the Board of Directors will have the full power and authority to prescribe the terms and conditions upon which shares of Series A Term Preferred Stock will be redeemed from time to time.

The Fund may not on any date deliver a notice of redemption to redeem any shares of Series A Term Preferred Stock pursuant to the optional redemption provisions described above unless on such date the Fund has available Deposit Securities for the redemption contemplated by such notice of redemption having a market value not less than the amount (including any applicable premium) due to holders of shares of Series A Term Preferred Stock by reason of the redemption of such shares of Series A Term Preferred Stock on such Optional Redemption Date.

Redemption Procedures. The Fund will file a notice of its intention to redeem Series A Term Preferred Stock with the SEC so as to provide the 30 calendar day notice period contemplated by Rule 23c-2 under the 1940 Act, or such shorter notice period as may be permitted by the SEC or its staff.

If the Fund shall determine to or be required to redeem, in whole or in part, shares of Series A Term Preferred Stock, it will deliver a notice of redemption (“Notice of Redemption”) by overnight delivery, by first class mail, postage prepaid or by electronic means to the holders of record of such shares of Series A Term Preferred Stock to be redeemed, or request the Redemption and Paying Agent, on the Fund’s behalf, to promptly do so by overnight delivery, by first class mail or by electronic means. A Notice of Redemption will be provided not more than 45 calendar days prior to the date fixed for redemption in such Notice of Redemption (the “Redemption Date”). If fewer than all of the outstanding shares of Series A Term Preferred Stock are to be redeemed pursuant to either the asset coverage mandatory redemption provisions, the redemptions made in connection with the Fund’s repurchase policy, or the optional redemption provisions, the shares of Series A Term Preferred Stock to be redeemed will be selected either (1) pro rata among Series A Term Preferred Stock, (2) by lot or (3) in such other manner as the Board of Directors may determine to be fair and equitable. If fewer than all shares of Series A Term Preferred Stock held by any holder are to be redeemed, the Notice of Redemption mailed to such holder shall also specify the number of shares of Series A Term Preferred Stock to be redeemed from such holder or the method of determining such number. The Fund may provide in any Notice of Redemption relating to a redemption contemplated to be effected pursuant to the Articles for the Series A Term Preferred Stock that such redemption is subject to one or more conditions precedent and that the Fund will not be required to effect such redemption unless each such condition has been satisfied. No defect in any Notice of Redemption or delivery thereof will affect the validity of redemption proceedings except as required by applicable law.

If the Fund gives a Notice of Redemption, then at any time from and after the giving of such Notice of Redemption and prior to 12:00 p.m., New York City time, on the Redemption Date (so long as any conditions precedent to such redemption have been met or waived by the Fund), the Fund will (i) deposit with the Redemption and Paying Agent Deposit Securities having an aggregate market value at the time of deposit not less than the redemption price of the shares of Series A Term Preferred Stock to be redeemed on the Redemption Date and (ii) give the Redemption and Paying Agent irrevocable instructions and authority to pay the applicable redemption price to the holders of shares of Series A Term Preferred Stock called for redemption on the Redemption Date. Notwithstanding the foregoing, if the Redemption Date is the Term Redemption Date, then such deposit of Deposit Securities will be made no later than 15 calendar days prior to the Term Redemption Date.

Upon the date of the deposit of Deposit Securities by the Fund for purposes of redemption of shares of Series A Term Preferred Stock, all rights of the holders of Series A Term Preferred Stock so called for redemption shall cease and terminate except the right of the holders thereof to receive the applicable redemption price and such shares of Series A Term Preferred Stock will no longer be deemed outstanding for any purpose whatsoever (other than the transfer thereof prior to the applicable Redemption Date and other than the accumulation of dividends on such stock in accordance with the terms of the Series A Term Preferred Stock up to, but excluding, the applicable Redemption Date). The Fund will be entitled to receive, promptly after the Redemption Date, any Deposit Securities in excess of the aggregate redemption price of shares of Series A Term Preferred Stock called for redemption on the Redemption Date. Any Deposit Securities so deposited that are unclaimed at the end of 90 calendar days from the Redemption Date will, to the extent permitted by law, be repaid to the Fund, after which the holders of shares of Series A Term Preferred Stock so called for redemption shall look only to the Fund for payment of the Redemption Price. The Fund will be entitled to receive, from time to time after the Redemption Date, any interest on the Deposit Securities so deposited.

If any redemption for which a Notice of Redemption has been provided is not made by reason of the absence of legally available funds in accordance with the Fund's Charter, the Articles and applicable law, such redemption shall be made as soon as practicable to the extent such funds become available. No default will be deemed to have occurred if the Fund has failed to deposit in trust with the Redemption and Paying Agent the applicable redemption price with respect to any shares where (1) the Notice of Redemption relating to such redemption provided that such redemption was subject to one or more conditions precedent and (2) any such condition precedent has not been satisfied at the time or times and in the manner specified in such Notice of Redemption. Notwithstanding the fact that a Notice of Redemption has been provided with respect to any shares of Series A Term Preferred Stock, dividends may be declared and paid on such shares of Series A Term Preferred Stock in accordance with their terms if Deposit Securities for the payment of the redemption price of such shares of Series A Term Preferred Stock shall not have been deposited in trust with the Redemption and Paying Agent for that purpose.

The Fund may, in its sole discretion and without a stockholder vote, modify the redemption procedures with respect to notification of redemption for the Series A Term Preferred Stock, provided that such modification does not materially and adversely affect the holders of Series A Term Preferred Stock or cause the Fund to violate any applicable law, rule or regulation.

Liquidation Rights

In the event of any liquidation, dissolution or winding up of the Fund's affairs, whether voluntary or involuntary, the holders of Series A Term Preferred Stock will be entitled to receive out of the assets of the Fund available for distribution to stockholders, after satisfying claims of creditors but before any distribution or payment will be made in respect of the Common Shares, a liquidation distribution equal to the Liquidation Preference plus an amount equal to all unpaid dividends and distributions accumulated to (but excluding) the date fixed for such distribution or payment (whether or not earned or declared by the Fund, but excluding interest thereon), and such holders will be entitled to no further participation in any distribution or payment in connection with any such liquidation, dissolution or winding up.

If, upon any liquidation, dissolution or winding up of the Fund's affairs, whether voluntary or involuntary, the assets of the Fund available for distribution among the holders of all Series A Term Preferred Stock, and any other outstanding shares of preferred stock, if any, will be insufficient to permit the payment in full to such holders of Series A Term Preferred Stock of the Liquidation Preference plus accumulated and unpaid dividends and distributions and the amounts due upon liquidation with respect to such other shares of preferred stock, then the available assets shall be distributed among the holders of such Series A Term Preferred Stock and such other series of preferred stock ratably in proportion to the respective preferential liquidation amounts to which they are entitled. In connection with any liquidation, dissolution or winding up of the Fund's affairs whether voluntary or involuntary, unless and until the Liquidation Preference on each outstanding share of Series A Term Preferred Stock plus accumulated and unpaid dividends and distributions has been paid in full to the holders of Series A Term Preferred Stock, no dividends, distributions or other payments will be made on, and no redemption, repurchase or other acquisition by the Fund will be made by the Fund in respect of, the Common Shares, except to the extent required under the repurchase policy of the Fund.

Neither the sale of all or substantially all of the property or business of the Fund, nor the merger, consolidation or reorganization of the Fund into or with any other business or statutory trust, corporation or other entity, nor the merger, consolidation or reorganization of any other business or statutory trust, corporation or other entity into or with the Fund will be a dissolution, liquidation or winding up, whether voluntary or involuntary, for purposes of the provisions relating to liquidation set forth in the Articles.

Voting Rights

Except for matters that do not require the vote of holders of Series A Term Preferred Stock under the 1940 Act and except as otherwise provided in the Fund's Charter or Bylaws, the Articles, or as otherwise required by applicable law, each holder of shares of Series A Term Preferred Stock will be entitled to one vote for each share of Series A Term Preferred Stock held by such holder on each matter submitted to a vote of stockholders of the Fund. The holders of outstanding shares of preferred stock, including the Series A Term Preferred Stock, will vote together with holders of the Fund's Common Shares as a single class.

In addition, the holders of the Fund's preferred stock, including the Series A Term Preferred Stock, voting as a separate class, will have the right to elect two members of the Board of Directors (the "Preferred Directors") at all times (regardless of the total number of directors serving on the Board of Directors). The holders of outstanding Common Shares together with the holders of outstanding shares of the Fund's preferred stock, voting together as a single class, will elect the remaining members of the Board of Directors.

Notwithstanding the foregoing, if (i) at the close of business on any Dividend Payment Date for dividends on any outstanding share of any preferred stock, including any outstanding shares of Series A Term Preferred Stock, accumulated dividends (whether or not earned or declared) on the shares of preferred stock, including the Series A Term Preferred Stock, equal to at least two full years' dividends shall be due and unpaid and sufficient cash or specified securities shall not have been deposited with the Redemption and Paying Agent or other applicable paying agent for the payment of such accumulated dividends; or (ii) at any time holders of any shares of Series A Term Preferred Stock are entitled under the 1940 Act to elect a majority of the Fund's directors (a period when either of the foregoing conditions exists, a "Voting Period"), then the number of members constituting the Board of Directors will automatically be increased by the smallest number of directors (each, a "New Preferred Director") that, when added to the two Preferred Directors, would constitute a majority of the Board of Directors as so increased by such smallest number. The terms of office of the persons who are directors at the time of that election will not be affected by the election of the New Preferred Directors. If the Fund thereafter shall pay, or declare and set apart for payment, in full all dividends payable on all outstanding shares of preferred stock, including the Series A Term Preferred Stock, for all past dividend periods, or the Voting Period is otherwise terminated, (i) the voting rights stated above shall cease, subject always, however, to the re-vesting of such voting rights in the holders of shares of Series A Term Preferred Stock upon the further occurrence of any of the events described herein, and (ii) the terms of office of all of the New Preferred Directors will terminate automatically. Any preferred stock, including Series A Term Preferred Stock, issued after the date hereof will vote with the Series A Term Preferred Stock as a single class on the matters described above, and the issuance of any other preferred stock by the Fund may reduce the voting power of the holders of Series A Term Preferred Stock.

As soon as practicable after the accrual of any right of the holders of shares of preferred stock to elect New Preferred Directors, the Fund will call a special meeting of such holders and notify the Redemption and Paying Agent and/or such other person as is specified in the terms of such preferred stock to receive notice, (i) by mailing or delivery by electronic means or (ii) in such other manner and by such other means as are specified in the terms of such preferred stock, a notice of such special meeting to such holders, such meeting to be held not less than 10 nor more than 30 calendar days after the date of the delivery by electronic means or mailing of such notice. If the Fund fails to call such a special meeting, it may be called at the expense of the Fund by any such holder on like notice. The record date for determining the holders of shares of preferred stock entitled to notice of and to vote at such special meeting shall be the close of business on the fifth business day preceding the calendar day on which such notice is mailed or otherwise delivered. At any such special meeting and at each meeting of holders of shares of preferred stock held during a Voting Period at which directors are to be elected, such holders, voting together as a class (to the exclusion of the holders of all other securities and classes of capital stock of the Fund), will be entitled to elect the number of New Preferred Directors prescribed above on a one-vote-per-share basis.

Except as otherwise permitted by the terms of the Articles, so long as any shares of Series A Term Preferred Stock are outstanding, the Fund will not, without the affirmative vote or consent of the holders of at least two-thirds of shares of Series A Term Preferred Stock, voting as a separate class, amend, alter or repeal the provisions of the Fund's Charter or the Articles for the Series A Term Preferred Stock, whether by merger, consolidation or otherwise, so as to materially and adversely affect any preference, right or power of the Series A Term Preferred Stock or the holders thereof; provided, however, that (i) a change in the Fund's capitalization as described under the heading "— Issuance of Additional Preferred Stock" will not be considered to materially and adversely affect the rights and preferences of the Series A Term Preferred Stock, and (ii) a division of a share of the Series A Term Preferred Stock will be deemed to affect such preferences, rights or powers only if the terms of such division materially and adversely affect the holders of Series A Term Preferred Stock. For purposes of the foregoing, no matter shall be deemed to adversely affect any preference, right or power of a share of the Series A Term Preferred Stock of such series or the holder thereof unless such matter (i) alters or abolishes any preferential right of such share of the Series A Term Preferred Stock, or (ii) creates, alters or abolishes any right in respect of redemption of the Series A Term Preferred Stock (other than as a result of a division of the Series A Term Preferred Stock). So long as any shares of preferred stock are outstanding, the Fund will not, without the affirmative vote or consent of the holders of at least two-thirds of the shares of the preferred stock outstanding at the time, voting as a separate class, file a voluntary application for relief under federal bankruptcy law or any similar application under state law for so long as the Fund is solvent and does not foresee becoming insolvent. No vote of the holders of Common Shares will be required to amend, alter or repeal the provisions of the Articles.

Unless a higher percentage is provided for in the Fund's Charter, (i) the affirmative vote of the holders of at least a "majority of the shares of the Fund's preferred stock," including the shares of the Series A Term Preferred Stock outstanding at the time, voting as a separate class, will be required (i) to approve any action requiring a vote of the Fund's security holders pursuant to Section 13(a) of the 1940 Act, or (ii) to approve any plan of "reorganization" (as such term is defined in Section 2(a)(33) of the 1940 Act) adversely affecting such shares of preferred stock. For purposes of the foregoing, the vote of a "majority of the shares of the Fund's preferred stock" means the vote at an annual or special meeting duly called of (i) 67% or more of such shares present at a meeting, if the holders of more than 50% of such outstanding shares are present or represented by proxy at such meeting, or (ii) more than 50% of such outstanding shares, whichever is less.

For purposes of determining any rights of the holders of Series A Term Preferred Stock to vote on any matter, whether such right is created by the Fund's Charter, by the provisions of the Articles for the Series A Term Preferred Stock, by statute or otherwise, no holder of the Series A Term Preferred Stock will be entitled to vote any shares of Series A Term Preferred Stock and no share of the Series A Term Preferred Stock will be deemed to be "outstanding" for the purpose of voting or determining the number of shares required to constitute a quorum if, prior to or concurrently with the time of determination of shares entitled to vote or the time of the actual vote on the matter, as the case may be, the requisite Notice of Redemption with respect to such share of Series A Term Preferred Stock will have been given in accordance with the Articles, and the price for the redemption of such shares of Series A Term Preferred Stock will have been irrevocably deposited with the Redemption and Paying Agent for that purpose. No shares of Series A Term Preferred Stock held by the Fund will have any voting rights or be deemed to be outstanding for voting or for calculating the voting percentage required on any other matter or other purposes.

Unless otherwise required by law or the Fund's Charter, holders of Series A Term Preferred Stock will not have any relative rights or preferences or other special rights with respect to voting other than those specifically set forth in the Articles for the Series A Term Preferred Stock. The holders of shares of Series A Term Preferred Stock will have no rights to cumulative voting. In the event that the Fund fails to declare or pay any dividends on shares of the Series A Term Preferred Stock, the exclusive remedy of the holders will be the right to vote for additional directors as discussed above; provided that the foregoing does not affect the obligation of the Fund to accumulate and, if permitted by applicable law, the Fund's Charter and the Articles for the Series A Term Preferred Stock, pay dividends at the Default Rate as discussed above.

Rating Agencies

The Fund will use commercially reasonable efforts to cause at least one nationally recognized statistical rating organization to issue long term credit ratings with respect to Series A Term Preferred Stock for so long as shares of Series A Term Preferred Stock are outstanding. The Fund will use commercially reasonable efforts to comply with any applicable rating agency guideline, as they may be amended or modified from time to time, compliance with which is required to cause such rating agency to continue to issue a rating with respect to Series A Term Preferred Stock for so long as shares of such preferred stock are outstanding. If a rating agency ceases to rate securities of closed-end management investment companies generally, the Board of Directors will terminate the designation of such rating agency as a rating agency. The Board of Directors may elect to terminate the designation of any rating agency so long as either (i) immediately following such termination, there would be at least one rating agency with respect to the Series A Term Preferred Stock or (ii) it replaces the terminated rating agency with another nationally recognized statistical rating organization and provides notice thereof to the holders of Series A Term Preferred Stock; provided that such replacement will not occur unless such replacement rating agency will have at the time of such replacement (i) published a rating for the Series A Term Preferred Stock and (ii) entered into an agreement with the Fund to continue to publish such rating subject to the rating agency's customary conditions.

The Board of Directors may also elect to designate one or more other nationally recognized statistical rating organization as rating agencies with respect to Series A Term Preferred Stock by notice to the holders of Series A Term Preferred Stock. The rating agency guidelines of any rating agency may be amended by such rating agency without the vote, consent or approval of the Fund, the Board of Directors or any holder of preferred stock of the Fund, including any Series A Term Preferred Stock, or Common Shares.

Issuance of Additional Preferred Stock

So long as any shares of Series A Term Preferred Stock are outstanding, the Fund may, without the vote or consent of the holders thereof, authorize, establish and create and issue and sell shares of additional series of such preferred stock, ranking on parity with the Series A Term Preferred Stock as to payment of dividends and the distribution of assets upon dissolution, liquidation or the winding-up of the Fund's affairs, and authorize, issue and sell additional shares of any such series of preferred stock, including Series A Term Preferred Stock, then outstanding or so established and created, in each case in accordance with applicable law, provided that the Fund will, immediately after giving effect to the issuance of such additional preferred stock and to its receipt and application of the proceeds thereof, including to the redemption of preferred stock with such proceeds, have asset coverage of at least 200%.

Actions on Other than Business Days

Unless otherwise provided in the Articles for the Series A Term Preferred Stock, if the date for making any payment, performing any act or exercising any right is not a business day (i.e., a calendar day on which the New York Stock Exchange is open for trading), such payment will be made, act performed or right exercised on the next succeeding business day, with the same force and effect as if made or done on the nominal date provided therefor, and, with respect to any payment so made, no dividends, interest or other amount will accrue for the period between such nominal date and the date of payment.

Modification

To the extent permitted by applicable law and the Articles, the Board of Directors, without the vote of the holders of Series A Term Preferred Stock, may interpret, supplement or amend the provisions of the Articles to supply any omission, to resolve any inconsistency or ambiguity or to cure, correct or supplement any defective or inconsistent provision, including any provision that becomes defective after the date hereof because of impossibility of performance or any provision that is inconsistent with any provision of any other shares of preferred stock of the Fund.

THE FUND'S INVESTMENTS

Investment Objective

The investment objective of the Fund is to seek a high level of current income. There can be no assurance that the Fund's investment objective will be achieved.

Investment Strategies and Policies

Under normal market conditions, the Fund seeks to achieve its investment objective by investing, directly or indirectly, at least 80% of its Managed Assets (as defined below) in marketplace lending investments. The Fund's marketplace lending investments may be made through a combination of: (i) investing in loans to consumers, small- and mid-sized companies ("SMEs") and other borrowers, including borrowers of student loans, originated through online platforms (or an affiliate) that provide a marketplace for lending ("Marketplace Loans") through purchases of whole loans (either individually or in aggregations); (ii) investing in notes or other pass-through obligations issued by a marketplace lending platform (or an affiliate) representing the right to receive the principal and interest payments on a Marketplace Loan (or fractional portions thereof) originated through the platform ("Pass-Through Notes"); (iii) purchasing asset-backed securities representing ownership in a pool of Marketplace Loans; (iv) investing in private investment funds that purchase Marketplace Loans, (v) acquiring an equity interest in a marketplace lending platform (or an affiliate); and (vi) providing loans, credit lines or other extensions of credit to a marketplace lending platform (or an affiliate) (the foregoing listed investments are collectively referred to herein as the "Marketplace Lending Instruments"). The Fund may invest without limit in any of the foregoing types of Marketplace Lending Instruments, except that the Fund will not invest greater than 45% of its Managed Assets in the securities of, or loans originated by, any single platform (or a group of related platforms) and the Fund's investments in private investment funds will be limited to no more than 10% of the Fund's Managed Assets. See "Risk Factors—Marketplace Lending-Related Risks—Platform Concentration Risk." The Marketplace Loans in which the Fund typically invests are newly issued and/or current as to interest and principal payments at the time of investment, and a substantial portion of the Fund's Marketplace Lending Instrument investments are made through purchases of whole loans. As a fundamental policy (which cannot be changed without the approval of the holders of a majority of the outstanding voting securities of the Fund), the Fund will not invest in Marketplace Loans that are of subprime quality at the time of investment. The Fund considers a consumer Marketplace Loan, and other Marketplace Loans to individual borrowers such as student loans, to be of subprime quality if the individual borrower of such loan has a FICO score of below 640. The Fund considers an SME loan to be of "subprime quality" if the likelihood of repayment on such loan is determined by the Adviser based on its due diligence and the credit underwriting policies of the originating platform to be similar to that of consumer loans that are of subprime quality. The Fund has no intention as of the date of this prospectus to invest in Marketplace Loans originated from lending platforms based outside the United States or made to non-U.S. borrowers. However, the Fund may in the future invest in such Marketplace Loans and, prior to such time, will amend the prospectus to provide additional information on such investments, including the associated risks. For a general discussion of marketplace lending and Marketplace Lending Instruments, see "—Marketplace Lending" below and "Investment Policies and Techniques—Marketplace Lending" in the SAI. Unless the context suggests otherwise, all references to loans generally in this prospectus refer to Marketplace Loans.

Marketplace Lending Instruments are generally not rated by the nationally recognized statistical rating organizations (“NRSROs”). Such unrated instruments, however, are considered to be comparable in quality to securities falling into any of the ratings categories used by such NRSROs to classify “junk” bonds. Accordingly, the Fund’s unrated Marketplace Lending Instrument investments constitute highly risky and speculative investments similar to investments in “junk” bonds, notwithstanding that the Fund is not permitted to invest in loans that are of subprime quality at the time of investment. See “Risk Factors—Marketplace Lending-Related Risks—Credit and Below Investment Grade Securities Risk.” The Marketplace Lending Instruments in which the Fund may invest may have varying degrees of credit risk. There can be no assurance that payments due on underlying Marketplace Loans will be made. At any given time, the Fund’s portfolio may be substantially illiquid and subject to increased credit and default risk. If a borrower is unable to make its payments on a loan, the Fund may be greatly limited in its ability to recover any outstanding principal and interest under such loan. An investment in the Fund therefore should be made only by investors who could afford the loss of the entire amount of their investment. See “Risk Factors—Marketplace Lending-Related Risks.”

The Fund invests substantially all of its Managed Assets in Marketplace Lending Instruments; however, the Fund may invest up to 20% of its Managed Assets in other income-producing securities of any maturity and credit quality, including below investment grade securities (which are commonly referred to as “junk” bonds), and equity securities, including exchange-traded funds. Such income-producing securities in which the Fund may invest may include, without limitation, corporate debt securities, U.S. government debt securities, short-term debt securities, asset-backed securities, exchange-traded notes, loans other than Marketplace Loans, including secured and unsecured senior loans, and cash and cash equivalents. As of September 30, 2017, the Fund invested approximately 6% of its Managed Assets in such non-Marketplace Lending Instruments. See “Risk Factors—Other Investment-Related Risks.” For a general discussion of the foregoing investments and the associated risks, see “Investment Policies and Techniques—Additional Investments and Practices of the Fund” in the SAI.

“Managed Assets” means the total assets of the Fund, including assets attributable to leverage, minus liabilities (other than debt representing leverage and any preferred stock that may be outstanding). Percentage limitations described in this prospectus regarding the Fund’s investment strategies and policies are as of the time of investment by the Fund and may be exceeded on a going-forward basis as a result of market value fluctuations of the Fund’s portfolio investments.

To the extent any affiliate of the Adviser or the Fund (“Affiliated Broker”) receives any fee, payment, commission or other financial incentive of any type (“Broker Fees”) in connection with the purchase and sale of securities by the Fund, such Broker Fees will be subject to policies and procedures adopted by the Board of Directors pursuant to Section 17(e) and Rule 17e-1 of the 1940 Act. These policies and procedures include quarterly review by the Board of Directors of any such payments. Among other things, Section 17(e) and those procedures provide that, when acting as broker for the Fund in connection with the purchase or sale of securities to or by the Fund, an affiliated broker may not receive any compensation exceeding the following limits: (1) if the transaction is effected on a securities exchange, the compensation may not exceed the “usual and customary broker’s commission” (as defined in Rule 17e-1 under the 1940 Act); (2) in the case of the purchase of securities by the Fund in connection with a secondary distribution, the compensation cannot exceed 2% of the sale price; and (3) the compensation for transactions otherwise effected cannot exceed 1% of the purchase or sale price. Rule 17e-1 defines a “usual and customary broker’s commission” as one that is fair compared to the commission received by other brokers in connection with comparable transactions involving similar securities being purchased or sold on an exchange during a comparable period of time. Notwithstanding the foregoing, no Affiliated Broker will receive any undisclosed fees from the Fund in connection with any transaction involving the Fund and such Affiliated Broker, and to the extent any transactions involving the Fund are effected by an Affiliated Broker, such Affiliated Broker’s Broker Fees for such transactions shall be limited in accordance with Section 17(e)(2) of the 1940 Act and the Fund’s policies and procedures concerning Affiliated Brokers.

Investment Philosophy and Process

The Adviser believes that the recent and continuing growth of the online and mobile marketplace lending industry has created a relatively untapped and attractive investment opportunity, with the potential for large returns. The Adviser seeks to capitalize on this opportunity by participating in the evolution of this industry, which has served as an alternative to, and has begun to take market share from, the more traditional lending operations of large commercial banks. The ability of borrowers to obtain loans through marketplace lending with interest rates that may be lower than those otherwise available to them (or to obtain loans that would otherwise be unavailable to them) has contributed to the significant rise of the use of Marketplace Loans. At the same time, marketplace lending has also enabled investors to purchase or invest in loans with interest rates and credit characteristics that can offer attractive returns.

In selecting the Fund's Marketplace Loan investments, the Adviser employs a bottom-up approach to evaluate the expected returns of loans by loan segment (e.g., consumer, SME and student loans) and by platform origination (as discussed below), as well as a top-down approach to seek to identify investment opportunities across the various segments of the marketplace lending industry. In doing so, the Adviser conducts an analysis of each segment's anticipated returns relative to its associated risks, which will take into consideration for each segment duration, scheduled amortization, seniority of the claim of the loan, prepayment terms and prepayment expectations, current coupons and trends in coupon pricing, origination fees, servicing fees and anticipated losses based on historical performance of similar credit instruments. The Adviser then seeks to allocate Fund assets to the segments identified as being the most attractive on a risk-adjusted return basis.

Within each segment, the Adviser conducts a platform-specific analysis, as opposed to a loan-specific analysis, and, as such, the Adviser's investment process does not result in a review of each individual Marketplace Loan to which the Fund has investment exposure. Instead, the Adviser will generally seek loans that have originated from platforms that have met the Adviser's minimum requirements related to, among other things, loan default history and overall borrower credit quality. In this regard, the Adviser engages in a thorough and ongoing due diligence process of each platform to assess, among other things, the viability of the platform to sustain its business for the foreseeable future; whether the platform has the appropriate expertise, ability and operational systems to conduct its business; the financial condition and outlook of the platform; and the platform's ability to manage regulatory, business and operational risk. In addition, the Adviser's due diligence efforts include reviews of the servicing and underwriting functions of a platform (as further described below) and/or funding bank (as applicable), the ability of a platform to attract borrowers and the volume of loan originations, and loan performance relative to model expectations, among other things. In conducting such due diligence, the Adviser has access to, and reviews, the platform's credit models as well. Moreover, the Adviser visits each platform from time to time for on-site reviews of the platform, including discussions with each of the significant business units within the platform (e.g., credit underwriting, customer acquisition and marketing, information technology, communications, servicing and operations).

As part of the foregoing due diligence efforts, the Adviser monitors on an ongoing basis the underwriting quality of each platform through which it invests in Marketplace Loans, including (i) an analysis of the historical and ongoing "loan tapes" that includes loan underwriting data and actual payment experience for all individual loans originated by the platform since inception that are comparable to the loans purchased, or to be purchased, by the Fund, (ii) reviews of the credit model used in the platform's underwriting processes, including with respect to the assignment of credit grades by the platform to its Marketplace Loans and the reconciliation of the underlying data used in the model, (iii) an assessment of any issues identified in the underwriting of the Marketplace Loans and the resulting remediation efforts of the platform to address such issues, and (iv) a validation process to confirm that loans purchased by the Fund conform with the terms and conditions of any applicable purchase agreement entered into with the platform.

Although the Adviser does not review each individual Marketplace Loan prior to investment, it is able to impose minimum quantitative and qualitative criteria on the loans in which it will invest by limiting the Fund's loans to the loan segments and platforms selected by the Adviser, as noted above. In effect, the Adviser adopts the minimum investment criteria inherent in a loan segment or imposed by a platform that it has identified as having the appropriate characteristics for investment. Furthermore, each platform assigns the Marketplace Loans it originates a platform-specific credit grade reflecting the potential risk-adjusted return of the loan, which may be based on various factors such as: (i) the term, interest rate and other characteristics of the loans; (ii) the location of the borrowers; (iii) if applicable, the purpose of the loans within the platform (e.g., consumer, SME or student loan); and (iv) the credit and risk profile of the borrowers, including, without limitation (to the extent applicable based on the type of loan), the borrower's annual income, debt-to-income ratio, credit score (e.g., FICO score), delinquency rate and liens. In purchasing Marketplace Loans from a platform, the Fund will provide the applicable platform with instructions as to which platform credit grades are eligible for purchase (or, conversely, which platform credit grades are ineligible for Fund purchase). The Adviser performs an ongoing analysis of each of the criteria within a platform's credit grades to determine historical and predicted prepayment, charge-off, delinquency and recovery rates acceptable to the Adviser.

While, under normal circumstances, the Adviser does not provide instructions to the platforms as to any individual criterion used to determine platform-specific grades prior to purchasing Marketplace Loans (except as noted below), the Adviser does retain the flexibility to provide more specific instructions (e.g., term; interest rate; geographic location of borrower) if the Adviser believes that investment circumstances dictate any such further instructions. Specifically, the Adviser will instruct platforms that the Fund will not purchase any Marketplace Loans that are of "subprime quality" (as determined at the time of investment). Although there is no specific legal or market definition of subprime quality, it is generally understood in the industry to signify that there is a material likelihood that the loan will not be repaid in full. The Fund considers a consumer Marketplace Loan, and other Marketplace Loans to individual borrowers such as student loans, to be of subprime quality if the individual borrower of such loan has a FICO score of below 640. The Fund considers an SME loan to be of "subprime quality" if the likelihood of repayment on such loan is determined by the Adviser based on its due diligence and the credit underwriting policies of the originating platform to be similar to that of consumer loans that are of subprime quality. In determining whether an SME loan is of subprime quality, the Adviser generally looks to a number of borrower-specific factors, which include the payment history of the borrower and, as available, financial statements, tax returns and sales data.

The Adviser does not invest the Fund's assets in loans originated by platforms for which the Adviser cannot evaluate to its satisfaction the completeness and accuracy of the individual Marketplace Loan data provided by such platform relevant to determining the existence and valuation of such Marketplace Loans and utilized in the accounting of the loans (i.e., in order to select a platform, the Adviser must assess that it believes all relevant loan data for all loans purchased from the platform is included and correct).

The Adviser significantly relies on borrower credit information provided by the platforms through which they will make the Fund's investments. The Adviser depends on the applicable platform to collect, verify and provide information to the Fund about each whole loan and borrower. The Adviser receives updates of such borrower credit information provided by independent third party service providers to the platforms and is therefore be able to monitor the credit profile of its investments on an ongoing basis. See "Determination of Net Asset Value."

The Adviser invests in Marketplace Loans through the use of a web-based service that provides direct access to platforms and facilitates the loan acquisition process by retrieving for the Adviser data such as bidding and listing information. Given the increased reliance on the use of information technology in marketplace lending, the Adviser conducts due diligence on the platforms through which it seeks its Marketplace Loan investments, including a review of each platform's information technology security, fraud protection capabilities and business continuity plan. The Adviser generally requires a platform to have, among other things, industry standard data backup protections, including off-site backup datacenters and state of the art data encryption, and appropriate cybersecurity measures. In addition, the Adviser has adopted various protections for itself, including a business continuity plan which provides procedures related to the recovery and restoration of its business, particularly with respect to any critical functions and systems of the Adviser, following an interruption in service or disaster.

Marketplace Lending

General. Marketplace lending is often referred to as "peer-to-peer" lending, which term originally reflected the initial focus of the industry on individual investors and consumer loan borrowers. In addition, the marketplace lending platforms may retain on their balance sheets a portion of the loan portfolios they originate. In marketplace lending, loans are originated through online platforms that provide a marketplace that matches consumers, SMEs and other borrowers seeking loans with investors willing to provide the funding for such loans. Since its inception, the industry has grown to include substantial involvement of institutional investors. These borrowers may seek such loans for a variety of different purposes, ranging, for example, from loans to fund elective medical procedures to loans for franchise financing. The procedures through which borrowers obtain loans can vary between platforms, and between the types of loans (e.g., consumer versus SME). In the case of consumer platforms, prospective borrowers must disclose or otherwise make available to the platform operator certain financial and other information including, for example, the borrower's credit score (as determined by a credit reporting agency), income, debt-to-income ratio, credit utilization, employment status, homeownership status, number of existing credit lines, intended use of funds and the number and/or amount of recent payment defaults and delinquencies, certain of which information is then made available to prospective lenders. The borrower must satisfy the minimum eligibility requirements set by the operator. The operator uses the information provided by the borrower (along with other relevant data such as the characteristics of the loan) to assign its own credit rating (in the case of most consumer platforms) and the interest rate for the requested loan. Lenders may select which loans to fund based on such borrower-provided information and platform-assigned credit rating (to the extent available) and the yield to the lender, which is the fixed interest rate assigned by the platform to the loan net of any fees charged by the platform, including servicing fees for screening borrowers for their eligibility, managing the supply and demand of the marketplace, and facilitating payments and debt collection, among other things. A typical servicing fee charged to the lender is 1% of the outstanding loan balance. Operators may also charge borrowers an origination fee, which is typically 1% to 5% of the loan balance. The platforms may set limits as to the maximum dollar amount that may be requested by a borrower (whether through one or multiple loans) and the minimum dollar amount that a lender must provide under each loan. The loans originated through the online consumer lending platforms typically have a fixed term ranging between six months and five years in principal amounts with a minimum (e.g., \$1,000) and maximum (e.g., \$100,000), and typically amortize through equal monthly payments to their maturity dates. The Fund intends to hold its Marketplace Loan investments until maturity.

The Fund's Marketplace Loan investments currently originate from lending platforms based in the United States, a substantial portion of which are whole loans. A small number of marketplace lending platforms originate a substantial portion of the Marketplace Loans in the United States (in particular, LendingClub Corporation ("LendingClub") and Prosper Funding LLC ("Prosper") currently originate the large majority of all U.S. consumer Marketplace Loans). As such, a substantial portion of the Fund's Marketplace Loan investments have originated from one of these platforms. The Adviser intends to continue to build relationships and enter into agreements with additional platforms. However, if there are not sufficient qualified loan requests through any platform, the Fund may be unable to deploy its capital in a timely or efficient manner. In such event, the Fund may be forced to invest in cash, cash equivalents, or other assets that fall within its investment policies that are generally expected to offer lower returns than the Fund's target returns from investments in Marketplace Loans. The Fund has entered into purchase agreements with platforms, which outline, among other things, the terms of the loan purchase, loan servicing, the rights of the Fund to assign the loans and the remedies available to the parties. Although the form of these agreements are similar to those typically available to all investors, institutional investors such as the Fund (unlike individual retail investors) have an opportunity to negotiate some of the terms of the agreement. In particular, the Fund has greater negotiating power related to termination provisions and custody of the Fund's account(s) relative to other investors due to the restrictions placed on the Fund by the 1940 Act, of which the platforms are aware. Pursuant to such agreements, the platform or a third-party servicer typically service the loans, collecting payments and distributing them to the Fund, less any servicing fees, and the servicing entity, unless directed by the Fund, typically makes all decisions regarding acceleration or enforcement of the loans following any default by a borrower. The Fund seeks to have a backup servicer in case any platform or third-party servicer ceases or fails to perform the servicing functions, which the Fund expects will mitigate some of the risks associated with a reliance on platforms or third-party servicers for servicing of the Marketplace Loans. See "Risk Factors—Marketplace Lending-Related Risks—Platform Concentration Risk" and "Risk Factors—Marketplace Lending-Related Risks—Servicer Risk."

In the United States, a platform may be subject to extensive regulation, oversight and examination at both the federal and state level, and across multiple jurisdictions if it operates its business nationwide. Accordingly, platforms are generally subject to various securities, lending, licensing and consumer protection laws. Most states limit by statute the maximum rate of interest that lenders may charge on consumer loans. A limited number of states also may have interest rate caps for certain commercial loans. The maximum permitted interest rate can vary substantially between states. Some states impose a fixed maximum rate while others link the maximum rate to a floating rate index. Some platforms obtain state lending licenses and lend directly to borrowers. Other platform operators through a contractual relationship with a bank purchase bank originated loans. In this model, an operator of a platform may be able to (through existing law and legal interpretations) be the beneficiary of the federal preemption available to federally insured banks that preempt the state laws and usury rates applicable under the various state laws where borrowers reside. An operator that is subject to state licensing requirements either as an arranger of loans, lender or servicer must also comply with any associated recordkeeping, financial reporting, disclosure, minimum net worth, surety bond or similar requirements imposed by state law, must observe any limitations that applicable state laws impose on the business activities or practices of licensed entities (including any limits imposed on permitted rates or fees if the operator is also the lender) and will be subject to examination by the applicable state regulators. The federal and state consumer protection laws generally (i) require lenders to provide consumers with specified disclosures regarding the terms of the loans and/or impose substantive restrictions on the terms on which loans are made; (ii) prohibit lenders from discriminating against consumers on the basis of certain protected classes; and (iii) restrict the actions that a lender or debt collector can take to realize on delinquent or defaulted loans. Operators of platforms that are not organized as banks are not subject to direct supervision by federal bank or financial institution regulators such as the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency or the Federal Reserve Bank. However, operators of platforms that are service providers to FDIC insured banks (as described below) may be subject to banking laws and regulations under the Bank Service Company Act. Other platform operators nonetheless may agree (at the request of such banks) to comply with certain banking laws not otherwise applicable to the platforms.

In addition to the foregoing, courts have recently considered the regulatory environment applicable to marketplace lending platforms and purchasers of Marketplace Loans. In light of recent decisions, if upheld and widely applied, certain marketplace lending platforms could be required to restructure their operations and certain loans previously made by them through funding banks may not be enforceable, whether in whole or in part, by investors holding such loans, could be subject to reduced returns or the platform operator subject to fines and penalties. As a result, large amounts of Marketplace Loans purchased by the Fund (directly or indirectly) could become unenforceable, thereby causing losses for Shareholders. As a result of those decisions, some marketplace lending platforms have restructured their programs to avoid the effect of those decisions. However, the effect of those changes have not been litigated. See “Risks—Marketplace Lending-Related Risks—Regulatory and Other Risks Associated with Platforms and Marketplace Loans.”

Marketplace Loans and Pass-Through Notes. As noted above, the underlying Marketplace Loan origination processes employed by each platform may vary significantly. Under one model employed by certain platforms in the United States, the operator of the platform maintains a contractual relationship with a bank and operates a website to help the bank originate loans. The principal amount of each loan is then advanced to the borrower by the same or a different bank (the “funding bank”). The platform operator sometimes purchases the loan from the funding bank at par shortly after its origination and may resell it directly to an investor under a whole loan purchase program. The bank may also sell loans directly to investors and in some cases, retains some of the loans on its balance sheet. Institutional investors, such as the Fund, typically invest in whole loans, and therefore acquire the entire beneficial interest in the loans in which they invest, rather than fractional portions of or participations in such loans. Alternatively, the operator of the platform may purchase the loan from the funding bank at par using the funds of multiple lenders and then issues to each such lender at par a Pass-Through Note of the operator (or an affiliate of the operator) representing the right to receive the lender’s proportionate share of all principal and interest payments received by the operator from the borrower on the loan funded by such lender (net of the platform servicing fees). As a further alternative, certain operators (including most SME lenders) do not engage funding banks but instead extend their loans directly to the borrowers. These lenders similarly may sell the funded loans as whole loans to institutional investors or sell Pass-Through Notes backed by individual loans or engage in other capital market transactions.

The platform operator typically will service the loans it originates and will maintain a separate segregated deposit account into which it will deposit all payments received from the obligors on the loans. Upon identification of the proceeds received with respect to a loan and deduction of applicable fees, the platform operator forwards the amounts owed to the lenders or the holders of any related Pass-Through Notes, as applicable.

A platform operator is not obligated to make any payments due on a Marketplace Loan or Pass-Through Note (except to the extent that the operator actually receives payments from the borrower on the related loan). Accordingly, lenders and investors assume all of the credit risk on the loans they fund through a Pass-Through Note or whole loan purchased from a platform operator and are not entitled to recover any deficiency of principal or interest from the platform operator if the underlying borrower defaults on its payments due with respect to a loan. In addition, a platform operator is generally not required to repurchase Marketplace Loans from a lender or purchaser except under very narrow circumstances, such as in cases of verifiable identity fraud by the borrower or as may otherwise be negotiated by a purchaser of whole loans. As loan servicer, the platform operator or an affiliated entity typically has the ability to refer any delinquent Marketplace Loan to a collection agency (which may impose additional fees and costs that are often as high, or higher in some cases, as 35% of any recovered amounts). The Fund itself will not directly enter into any arrangements or contracts with the collection agencies (and, accordingly, the Fund does not currently anticipate it would have, under current law and existing interpretations, substantial risk of liability for the actions of such collection agencies). At the same time, the relatively low principal amounts of Marketplace Loans often make it impracticable for the platform operator to commence legal proceedings against defaulting borrowers. Marketplace Loans may be secured (generally in the case of SME loans and real estate-related loans) or unsecured (generally in the case of consumer loans). For example, real estate Marketplace Loans may be secured by a deed of trust, mortgage, security agreement or legal title to real estate. There can be no assurance that any collateral pledged to secure a Marketplace Loan can be liquidated quickly or at all or will generate proceeds sufficient to offset any defaults on such loan. See “Risk Factors—Marketplace Lending-Related Risks.”

Generally, the Marketplace Loans in which the Fund intends to invest will fully amortize and will not be interest-only. However, in some sectors (e.g., real estate-related loans), the loans may be interest-only with the principal to be paid at the end of the term.

The documentation for Marketplace Loans is executed electronically. Accordingly, the borrower does not execute a physical loan note and no such note is available for delivery to investors. No Marketplace Loans currently being offered have been registered with the SEC and the only Pass-Through Notes that have been registered with the SEC are those issued by LendingClub and Prosper. In addition, Marketplace Loans are not listed on any securities exchange (although secondary market trading in Pass-Through Notes issued by LendingClub does occur on an electronic “alternative trading system” maintained by FOLIOfn, Inc., a registered broker-dealer). Marketplace Loans are therefore generally illiquid and the issuers provide no assurances as to the liquidity or value of the loans. An active secondary market for the Marketplace Loans does not currently exist and an active market for the Marketplace Loans may not develop in the future. See “The Fund’s Investments—Marketplace Lending—Marketplace Loans and Pass-Through Notes.”

As described above, borrowers of Marketplace Loans electronically execute each of the loan documents prepared in connection with the applicable loan, binding the borrower to the terms of the loan, which include the provision that the loan may be transferred to another party. Each platform requires buyers to open an account with the platform in order to purchase loans. The Fund will direct the custodian to open an account with each platform selected by the Fund. The account will be opened in the name of the custodian as custodian for the Fund. When the Fund directs the purchase of a loan, the custodian receives electronically from the platform the loan documents and evidence of the purchase and ownership by the Fund, thereby obtaining custody of the documentation that creates and represents the Fund’s rights in the loan. In addition to the promissory note, such documentation generally includes (depending on the platform) the borrower agreement, authorization to obtain credit reports for loan listing, truth in lending disclosure, terms of use and consent to electronic transactions and disclosures, credit profile authorization, bank account verification and debit authorization (or equivalents thereof). The Fund’s custodian then wires funds to the platform in payment of the loans. The custodian maintains on its books a custodial account for the Fund through which the custodian holds in custody the platform account, the loan/loan documents, and, if applicable, any cash in the platform account including the interest and principal payments received on the loan. The Fund generally will not have access to personally identifiable information about the individual borrowers (e.g., names or similar identifying information) prior to purchasing loans or other Marketplace Lending Instruments, although the Fund’s custodian will have this information for whole loans owned by the Fund (and the Fund and the Adviser have established procedures with the Fund’s custodian designed to prevent the inadvertent communication of personally identifiable borrower information by the Fund’s custodian to the Fund or the Adviser). As transferee of the platform’s ownership rights in the loan, the Fund obtains all of the platform’s ownership rights in the loan and is able to enforce the Fund’s contractual rights against the platform, as well as enforce the servicing agreements, including the right to direct the servicer to enforce the Fund’s rights against the borrower in accordance with the servicer’s servicing policies and the terms of the servicing agreement, as applicable.

Operators of platforms that have entered into arrangements with funding banks, as described above, may avoid being subject to state usury law limitations in reliance on a federal law preemption that permits banks to “export” their home state interest rates and to not be subject to the borrower’s state usury laws. These arrangements are structured such that the funding bank, and not the operator of the platform, is deemed to be the “true lender.” This model, however, has been brought into question by recent court decisions described above. Under other models employed by various platforms, operators may determine not to engage in any arrangements with a funding bank. In these cases, primarily with respect to business or commercial loans, operators may determine to rely on a single state’s lending license in order to lend to borrowers across multiple states or obtain licenses in multiple states to make loans. See “—Risk Considerations—Marketplace Lending-Related Risks” below for a discussion of the principal risks associated with the Fund’s investments in Marketplace Loans and “Investment Policies and Techniques—Marketplace Lending” in the SAI for additional discussion of marketplace lending, including continued discussion of the regulatory landscape applicable to industry participants.

Asset-Backed Securities. The Fund also may invest in Marketplace Loans through special purpose vehicles (“SPVs”) established solely for the purpose of holding assets (e.g., commercial loans) and issuing securities (“asset-backed securities”) secured only by such underlying assets (which practice is known as securitization). The Fund may invest, for example, in an SPV that holds a pool of loans originated by a particular platform. The SPV may enter into a service agreement with the operator or a related entity to ensure continued collection of payments, pursuit of delinquent borrowers and general interaction with borrowers in much the same manner as if the securitization had not occurred.

The SPV may issue multiple classes of asset-backed securities with different levels of seniority. The more senior classes will be entitled to receive payment before the subordinate classes if the cash flow generated by the underlying assets is not sufficient to allow the SPV to make payments on all of the classes of the asset-backed securities. Accordingly, the senior classes of asset-backed securities receive higher credit ratings (if rated) whereas the subordinated classes have higher interest rates. In general, the Fund may invest in both rated senior classes of asset-backed securities as well as unrated subordinated (residual) classes of asset-backed securities. The subordinated classes of asset-backed securities in which the Fund may invest are typically considered to be an illiquid and highly speculative investment, as losses on the underlying assets are first absorbed by the subordinated classes.

The value of asset-backed securities, like that of traditional fixed-income securities, typically increases when interest rates fall and decreases when interest rates rise. However, asset-backed securities differ from traditional fixed-income securities because they generally will be subject to prepayment based upon prepayments received by the SPV on the loan pool. The price paid by the Fund for such securities, the yield the Fund expects to receive from such securities and the weighted average life of such securities are based on a number of factors, including the anticipated rate of prepayment of the underlying assets. See “Risk Factors—Marketplace Lending-Related Risks—Asset-Backed Securities Risks.”

Private Investment Funds. The Fund may invest up to 10% of its Managed Assets in private investment funds that invest in Marketplace Loans. Under one such fund structure, the platform operator may form (i) an investment fund that offers partnership interests or similar securities to investors on a private placement basis, and (ii) a subsidiary that acts as the investment fund’s general partner and investment manager. The investment fund then applies its investors’ funds to purchase Marketplace Loans originated on the platform (or portions thereof) from the operator. As an investor in an investment fund, the Fund would hold an indirect interest in a pool of Marketplace Loans and would receive distributions on its interest in accordance with the fund’s governing documents. This structure is intended to create diversification and to reduce operator credit risk for the investors in the investment fund by enabling them to invest indirectly in Marketplace Loans through the private investment fund rather than directly from the operator of the platform. See “Risk Factors—Marketplace Lending-Related Risks—Private Investment Funds Risk.”

Other Investments in Marketplace Lending Instruments. The Fund may invest in the equity securities and/or debt obligations of platform operators (or their affiliates), which may provide these platforms and their related entities with the financing needed to support their lending business. An equity interest in a platform or related entity represents ownership in such company, providing voting rights and entitling the Fund, as a shareholder, to a share of the company's success through dividends and/or capital appreciation. A debt investment made by the Fund could take the form of a loan, convertible note, credit line or other extension of credit made by the Fund to a platform operator. The Fund would be entitled to receive interest payments on its investment and repayment of the principal at a set maturity date or otherwise in accordance with the governing documents. See "Risk Factors—Marketplace Lending-Related Risks—Investments in Platforms Risk" and "Risk Factors—Other Investment-Related Risks."

The Fund also may wholly-own or otherwise control certain pooled investment vehicles which hold Marketplace Loans and/or other Marketplace Lending Instruments, which pooled investment vehicle may be formed and managed by the Adviser (a "Subsidiary"). Each Subsidiary may invest in Marketplace Loans and other instruments that the Fund may hold directly. As of September 30, 2017, the Fund did not own any Subsidiaries. See "Risk Factors—Structural and Market-Related Risks—Subsidiary Risk."

USE OF LEVERAGE

The Fund seeks to use leverage for investment and other purposes, such as for financing the repurchase of its Common Shares or to otherwise provide the Fund with liquidity. See "Use of Proceeds" above for the anticipated use of proceeds from the issuance of Series A Term Preferred Stock.

Under the 1940 Act, the Fund may utilize leverage through the issuance of preferred stock in an amount up to 50% of its total assets and/or through borrowings and/or the issuance of notes or debt securities (collectively, "Borrowings") in an aggregate amount of up to 33-1/3% of its total assets. The Fund anticipates that its leverage will vary from time to time, based upon changes in market conditions and variations in the value of the portfolio's holdings; however, the Fund's leverage will not exceed the limitations set forth under the 1940 Act.

On September 5, 2017, the Fund entered into a credit agreement with The Huntington National Bank as lender (the "Credit Agreement"), which provides the Fund with a maximum Borrowing capacity of \$20 million at a borrowing rate equal to 1 month LIBOR, plus 200 basis points per annum (the "Credit Facility"). As of September 30, 2017, the principal amount of Borrowings under the Credit Facility was \$14,500,000, representing approximately 9% of the Fund's total assets. Under current market conditions, after the issuance of Series A Term Preferred Stock, it is expected that the Fund's leverage will be approximately 33% of the Fund's net assets immediately following the issuance of Series A Term Preferred Stock assuming the underwriters exercise their over-allotment option in full. See "Description of Series A Term Preferred Stock" above for further discussion of the Fund's preferred stock offered under this prospectus. The term of the Credit Agreement ends September 5, 2019, unless extended. The Fund has the right to augment or replace the Credit Agreement with a new credit agreement in the future, and any such augmented or replacement credit agreement may contain terms that are materially different than the terms contained in the existing Credit Agreement, including terms that limit payments to holders of the Fund's preferred stock.

As a result of the changes in net assets attributable to Common Shares due in part to the continuous offering of Common Shares and the quarterly repurchases of Common Shares pursuant to the Fund's repurchase policy, the Fund's leverage ratio may fluctuate, sometimes rapidly and unpredictably, and such changes could make it more difficult for the Adviser to manage the Fund's leverage and asset coverage requirements and thereby magnify the risks associated with leverage.

As noted above, the Fund currently utilizes, and intends to continue to utilize, leverage through bank Borrowings or similar term loans, subject to the limitations of the 1940 Act. In general, Borrowings may be at a fixed or floating rate and generally will be based upon short-term rates. The Borrowings in which the Fund may incur may be secured by mortgaging, pledging or otherwise subjecting as security the assets of the Fund, as is the case under the Credit Agreement. So long as the rate of return, net of applicable Fund expenses, on the Fund's portfolio investments exceeds the then-current interest rate on, and other costs of, the Fund's Borrowings (and the Fixed Dividend Rate of, and other costs of, the Series A Term Preferred Stock), the Fund will generate more return or income than will be needed to pay such interest and dividend payments. In this event, the excess will be available to pay higher dividends to holders of the Fund's Common Shares. If the net rate of return on the Fund's investments purchased with Borrowings does not exceed the costs of such Borrowings, the return to holders of the Fund's Common Shares will be less than if leverage had not been used. In the latter case, the Adviser, in its best judgment, nevertheless may determine to maintain the Fund's leveraged position if it expects that the benefits to the shareholders of maintaining the leveraged position will outweigh the current reduced return. Under normal market conditions, the Fund anticipates that it will be able to invest the proceeds from leverage at a higher rate of return than the costs of leverage, which would enhance returns to holders of the Common Shares. In addition, the cost associated with any issuance and use of leverage will be borne by the holders of the Common Shares and result in a reduction of the NAV of the Common Shares. Such costs may include legal fees, audit fees, structuring fees, commitment fees and a usage (borrowing) fee.

Certain types of Borrowings may result in the Fund being subject to covenants in credit agreements relating to asset coverage and portfolio composition requirements. Generally, covenants to which the Fund may be subject include affirmative covenants, negative covenants, financial covenants, and investment covenants. An example of an affirmative covenant would be one that requires the Fund to send its annual audited financial report to the lender. An example of a negative covenant would be one that prohibits the Fund from making any amendments to its fundamental policies. An example of a financial covenant is one that would require the Fund to maintain a 3:1 asset coverage ratio. An example of an investment covenant is one that would require the Fund to limit its investment in a particular asset class. Under the current Credit Agreement, the Fund is subject to, among other things, restrictions with respect to its portfolio composition, including the amount of defaulting Marketplace Loans it may hold. In order to comply with these requirements (as well as those imposed by the 1940 Act), the Fund may be required to take certain actions, such as reducing its Borrowings or redeeming shares of its preferred stock. Similar to its management of the repurchase policy, the Fund may find it necessary to hold a portion of its net assets in cash or other liquid assets or sell a portion of its portfolio investments during times and at prices when it may not be advantageous to do so. Accordingly, such actions could reduce the net earnings or returns to shareholders over time, and such impact would be magnified when preferred stock is outstanding as the Fund would be required to make provision for both the potential need to redeem shares of its preferred stock and its obligation to repurchase Common Shares pursuant to the repurchase policy. As the Fund's portfolio will be substantially illiquid, any such disposition or liquidation could result in substantial losses to the Fund. Moreover, the Fund also may be required to reduce Borrowings or redeem shares of its preferred stock from time to time to permit it to repurchase Shares pursuant to the repurchase policy in compliance with the Fund's asset coverage requirements.

The terms of the Fund's Borrowings may also contain provisions which limit certain activities of the Fund, including the payment of dividends to shareholders in certain circumstances, and the Fund may be required to maintain minimum average balances with the lender or to pay a commitment or other fee to maintain a line of credit. Any such requirements will increase the cost of Borrowing over the stated interest rate. Under the current Credit Agreement, the Fund may not, without the prior written consent of The Huntington National Bank, (a) declare or make any dividend payment or other distribution of assets on account of any shares of the Fund's capital stock, including Series A Term Preferred Stock, if payment of such dividend would cause an event of default under the Credit Agreement, or (b) purchase, redeem or otherwise acquire for value any shares of its capital stock, including Series A Term Preferred Stock, if such purchase, redemption or acquisition would cause an event of default under the Credit Agreement; excluding (i) quarterly repurchases of 5% to 25% of the Fund's Common Shares in accordance with the 1940 Act, and (ii) redemptions of preferred stock, including Series A Term Preferred Stock, necessary to permit the Fund to make such quarterly repurchases of 5% to 25% of its Common Shares in compliance with the asset coverage requirements of Section 18 of the 1940 Act.

In addition, certain types of Borrowings may involve the rehypothecation of the Fund's securities. Furthermore, the Fund may be subject to certain restrictions on investments imposed by guidelines of one or more rating agencies, which may issue ratings for the short-term corporate debt securities or preferred stock issued by the Fund. These guidelines may impose asset coverage or portfolio composition requirements that are more stringent than those imposed by the 1940 Act, as described below. It is not anticipated that these covenants or guidelines will impede the Adviser from managing the Fund's portfolio or repurchase policy in accordance with the Fund's investment objective and policies. Any Borrowing will likely be ranked senior or equal to all other existing and future Borrowings of the Fund. The leverage utilized by the Fund would have complete priority upon distribution of assets over the Common Shares.

Under the requirements of the 1940 Act, the Fund, immediately after any Borrowing, must have an asset coverage of at least 300% (33-1/3% of total assets). With respect to such Borrowing, asset coverage means the ratio which the value of the total assets of the Fund, less all liabilities and indebtedness not represented by senior securities (as defined in the 1940 Act), bears to the aggregate amount of such borrowing represented by senior securities issued by the Fund. Also under the 1940 Act, the Fund is not permitted to issue preferred stock unless immediately after such issuance the value of the Fund's total assets is at least 200% of the liquidation value of the outstanding preferred stock (i.e., the liquidation value may not exceed 50% of the Fund's total assets). In addition, the Fund is not permitted to declare any cash dividend or other distribution on its Common Shares, or repurchase its Common Shares, unless, at the time of such declaration or repurchase, the Borrowings have an asset coverage of at least 300% and the preferred stock has an asset coverage of at least 200% after deducting (in each case) the amount of such dividend, distribution or purchase price (as the case may be). Upon the issuance of preferred stock, the Fund intends, to the extent possible, to purchase or redeem its preferred stock from time to time to the extent necessary in order to maintain the required asset coverage. In addition, as a condition to obtaining ratings on the preferred stock, the terms of any preferred stock issued are expected to include asset coverage maintenance provisions which will require the redemption of the preferred stock in the event of non-compliance by the Fund and also may prohibit dividends and other distributions on the Common Shares in such circumstances. In order to meet redemption requirements, the Fund may have to liquidate portfolio securities. Such liquidations and redemptions would cause the Fund to incur related transaction costs and could result in capital losses to the Fund. Prohibitions on dividends and other distributions on the Common Shares could impair the Fund's ability to qualify as a regulated investment company under the Internal Revenue Code of 1986, as amended (the "Code").

The rights of lenders to the Fund to receive interest on and repayment of principal of any Borrowings will likely be senior to those of the holders of the Fund's Common Shares and of the Fund's preferred stock. Further, the 1940 Act grants, in certain circumstances, to the lenders to the Fund certain voting rights in the event of default in the payment of interest on or repayment of principal. In the event that such provisions would impair the Fund's status as a regulated investment company under the Code, the Fund, subject to its ability to liquidate its portfolio, intends to repay the Borrowings. If the Fund has preferred stock outstanding, two of the Fund's directors will be elected by the holders of preferred stock as a class. The remaining directors of the Fund will be elected by holders of the Common Shares and preferred stock voting together as a single class. In the event the Fund failed to pay dividends on preferred stock for two years, the holders of the preferred stock would be entitled to elect a majority of the directors of the Fund. If preferred stock is issued, it may pay dividends based on short-term interest rates. The adjustment period for preferred stock dividends could be as short as one day or as long as a year or more.

The Fund also may borrow money as a temporary measure for extraordinary or emergency purposes, including the payment of dividends and the settlement of securities transactions which otherwise might require untimely dispositions of Fund securities.

The use of leverage is a speculative technique and investors should note that there are special risks and costs associated with the leveraging of the Common Shares. There can be no assurance that a leveraging strategy will be successful during any period in which it is employed. When leverage is employed, the NAV and the yield to holders of the Common Shares will be more volatile. Leverage creates a greater risk of loss, as well as potential for more gain, for the Common Shares than if leverage is not used. In addition, the Adviser is paid more if the Fund uses leverage, which creates a conflict of interest for the Adviser. See "Risk Factors—Leverage Risks."

Effects of Leverage

Assuming the utilization of leverage through a combination of Borrowings under the Credit Facility and the issuance of Series A Term Preferred Stock by the Fund in the aggregate amount of approximately 33% of the Fund's net assets at a combined interest or payment rate of 4.83% payable on such leverage, the return generated by the Fund's portfolio (net of estimated non-leverage expenses) must exceed 1.20% in order to cover such interest or payment rates and other expenses specifically related to leverage. Of course, these numbers are merely estimates used for illustration. Actual interest or payment rates on the leverage utilized by the Fund from time to time could vary and may be significantly higher or lower than the rate estimated above.

The following table is furnished in response to requirements of the SEC. It is designed to illustrate the effect of leverage on Common Share total return, assuming investment portfolio total returns (comprised of income and changes in the value of securities held in the Fund's portfolio) of -10%, -5%, 0%, 5% and 10%. These assumed investment portfolio returns are hypothetical figures and are not necessarily indicative of the investment portfolio returns experienced or expected to be experienced by the Fund. See "Risk Factors."

Assumed Portfolio Total Return (Net of Expenses)	(10)%	(5)%	0%	5%	10%
Common Share Total Return	-14.90%	-8.25%	-1.60%	5.06%	11.71%

Common Share total return is composed of two elements: the dividends on Common Shares paid by the Fund (the amount of which is largely determined by the Fund's net investment income after paying interest or other payments on its leverage) and gains or losses on the value of the securities the Fund owns. As required by SEC rules, the table above assumes that the Fund is more likely to suffer capital losses than to enjoy capital appreciation. For example, to assume a total return of 0%, the Fund must assume that the interest it receives on its investments is entirely offset by losses in the value of those investments. Figures appearing in the table are hypothetical. Actual returns may be greater or less than those appearing in the table.

REPURCHASE POLICY FOR THE COMMON SHARES

The Fund is operated as an interval fund under Rule 23c-3 of the 1940 Act. As an interval fund, the Fund has adopted a fundamental policy to conduct quarterly repurchase offers for at least 5% and up to 25% of the outstanding Common Shares at NAV, subject to certain conditions, unless such offer is suspended or postponed in accordance with regulatory requirements. Although the repurchase policy permits repurchases of between 5% and 25% of the Fund's outstanding Common Shares, for each quarterly repurchase offer, the Fund currently expects to offer to repurchase 5% of the Fund's outstanding Common Shares at NAV, subject to approval of the Board of Directors. The Fund will not otherwise be required to repurchase or redeem Common Shares at the option of a holder of the Common Shares. It is possible that a repurchase offer may be oversubscribed, in which case holders of the Common Shares may only have a portion of their Common Shares repurchased. If the number of Common Shares tendered for repurchase in any repurchase offer exceeds the number of Common Shares that the Fund has offered to repurchase, the Fund will repurchase Common Shares on a pro-rata basis or may, subject to the approval of the Board of Directors, increase the number of Common Shares to be repurchased.

The Fund may find it necessary to hold a portion of its net assets in cash or other liquid assets, sell a portion of its portfolio investments or borrow money in order to finance any repurchases of its Common Shares. The Fund may accumulate cash by holding back (i.e., not reinvesting or distributing to holders of the Common Shares) payments received in connection with the Fund's investments. The Fund believes payments received in connection with the Fund's investments and any cash or liquid assets held by the Fund will be sufficient to meet the Fund's repurchase offer obligations each quarter. If at any time cash and other liquid assets held by the Fund are not sufficient to meet the Fund's repurchase offer obligations, the Fund may sell its other investments.

Although most, if not all, of the Fund's investments are expected to be illiquid and the secondary market for such investments is likely to be limited, the Fund believes it would be able to find willing purchasers of its investments if such sales were ever necessary to supplement such cash generated by payments received in connection with the Fund's investments. The Fund may also borrow money in order to meet its repurchase obligations. There can be no assurance that the Fund will be able to obtain such financing for its repurchase offers. The Fund reserves the right to conduct a special or additional repurchase offer that is not made pursuant to the repurchase policy under certain circumstances. See "Risk Factors—Structural and Market-Related Risks—Repurchase Policy Risks" above.

Holders of the Fund's Common Shares will be notified in writing of each repurchase offer under the repurchase policy. Shares will be repurchased at the NAV per Share determined as of the close of regular trading on the New York Stock Exchange typically as of the date a repurchase offer ends, but no later than the 14th day after such date, or the next business day if the 14th day is not a business day. As a fundamental policy of the Fund, the repurchase policy may not be changed without the vote of the holders of a majority of the Fund's outstanding voting securities.

As an interval fund, the Fund may redeem shares of Series A Term Preferred Stock as may be necessary from time to time, either in whole or in part, without penalty or premium, to permit it to repurchase its Common Shares in such amount as the Board of Directors may determine pursuant to the Fund's repurchase policy in compliance with the Fund's asset coverage requirements under the 1940 Act and the Articles. The Fund currently expects to offer to repurchase 5% of the Fund's outstanding shares of common stock on a quarterly basis pursuant to such repurchase policy, subject to approval of the Board of Directors. See "Description of Series A Term Preferred Stock—Redemption—Interval Fund Redemption."

MANAGEMENT OF THE FUND

Board of Directors

The Board of Directors has the overall responsibility for the management of the Fund. The Board of Directors generally oversees the actions of the Adviser and other service providers of the Fund. The name and business address of the directors and officers of the Fund, and their principal occupations and other affiliations during the past five years, are set forth under “Board Members and Officers” in the SAI.

Investment Adviser

RiverNorth, a registered investment adviser, is the Fund’s investment adviser and is responsible for the day-to-day management of the Fund’s portfolio, managing the Fund’s business affairs and providing certain administrative services. The Adviser is also responsible for determining the Fund’s overall investment strategy and overseeing its implementation. RiverNorth, founded in 2000, is a wholly-owned subsidiary of RiverNorth Financial Holdings LLC and is located at 325 N. LaSalle Street, Suite 645, Chicago, Illinois 60654. As of August 31, RiverNorth managed approximately \$ 3.63 billion as adviser or subadviser for six registered open-end management investment companies, two registered closed-end management investment companies, three private investment funds and an institutional separately managed account. See “Management of the Fund” in the SAI.

Portfolio Management

Philip K. Bartow and Patrick W. Galley are responsible for implementing portfolio management decisions for the Fund.

Philip K. Bartow is a co-portfolio manager of the Fund. Mr. Bartow joined RiverNorth in 2015 and manages the firm’s Marketplace Lending strategy. Prior to joining RiverNorth, Mr. Bartow was a Principal at Spring Hill Capital, where he focused on analyzing and trading structured credit, commercial mortgage and asset-backed fixed income investments. Mr. Bartow started his career in the Mortgage Department at Lehman Brothers Inc. in New York. Mr. Bartow holds an MBA from Columbia Business School with a concentration in Accounting and Finance. Mr. Bartow is also a graduate of Williams College, where he received a B.A. in Economics.

Patrick W. Galley, CFA is a co-portfolio manager of the Fund. Mr. Galley is the Chief Investment Officer for the Adviser. Mr. Galley heads the firm’s research and investment team and oversees all portfolio management activities at the Adviser. Mr. Galley also serves as the President and Chairman of RiverNorth Funds. Prior to joining the Adviser in 2004, he was most recently a Vice President at Bank of America in the Global Investment Bank’s Portfolio Management group, where he specialized in analyzing and structuring corporate transactions for investment management firms in addition to closed-end and open-end funds, hedge funds, funds of funds, structured investment vehicles and insurance/reinsurance companies. Mr. Galley graduated with honors from Rochester Institute of Technology with a B.S. in Finance. He has received the Chartered Financial Analyst (CFA) designation, is a member of the CFA Institute and is a member of the CFA Society of Chicago.

The Fund's SAI provides information about the compensation received by the portfolio managers, other accounts that they manage and their ownership of the Fund's equity securities.

Investment Advisory Agreement

Pursuant to an Investment Advisory Agreement, the Adviser is responsible for managing the Fund's affairs, subject at all times to the general oversight of the Board of Directors. The Fund has agreed to pay the Adviser a management fee payable on a monthly basis at the annual rate of 1.25% of the Fund's average monthly Managed Assets for the service it provides. The Adviser has agreed to waive a portion of such management fee for the first two years of the Investment Advisory Agreement and, therefore, the Fund will pay a monthly management fee computed at an annual rate of 0.95% of the average monthly Managed Assets for such two year period. See "—Expense Reimbursement" below.

In addition to the fees of the Adviser, the Fund pays all other costs and expenses of its operations, including, but not limited to, compensation of its directors (other than those affiliated with the Adviser), custodial expenses, transfer agency and dividend disbursing expenses, legal fees, expenses of independent auditors, expenses of repurchasing shares, expenses of any leverage, expenses of preparing, printing and distributing prospectuses, shareholder reports, notices, proxy statements and reports to governmental agencies, and taxes, if any.

Because the fees received by the Adviser are based on the Managed Assets of the Fund, the Adviser has a financial incentive for the Fund to use leverage (including through the issuance of Series A Term Preferred Stock), which may create a conflict of interest between the Adviser on the one hand and the shareholders of the Fund on the other. Because leverage costs will be borne by the Fund at a specified rate of return, the Fund's investment management fees and other expenses, including expenses incurred as a result of any leverage, are paid only by the holders of the Fund's Common Shares and not by holders of preferred stock or through borrowings. See "Use of Leverage" above.

A discussion of the basis for the Board of Directors' approval of the Fund's Investment Advisory Agreement is provided in the Fund's semi-annual shareholder report for the period ended December 31, 2016, and the basis for subsequent continuations of these agreements will be provided in annual or semi-annual reports to shareholders for the periods during which such continuations occur.

In addition, under a License Agreement, the Adviser has consented to the use by the Fund of the identifying word or name "RiverNorth" in the name of the Fund, and to use of certain associated trademarks. Such consent is conditioned upon the employment of the Adviser or an affiliate thereof as investment adviser to the Fund. If at any time the Fund ceases to employ the Adviser or an affiliate as investment adviser of the Fund, the Fund may be required to cease using the word or name "RiverNorth" in the name of the Fund, and cease making use of the associated trademarks, as promptly as practicable.

Expense Reimbursement. For a period of two years from the effective date of the Fund's Investment Advisory Agreement, the Adviser has contractually agreed to waive or reimburse expenses of the Fund (excluding brokerage fees and commissions; loan servicing fees; borrowing costs such as (i) interest and (ii) dividends on securities sold short; taxes; indirect expenses incurred by the underlying funds in which the Fund may invest; the cost of leverage; and extraordinary expenses) to ensure that the Fund's total annual operating expenses do not exceed 1.95% of the Fund's average daily Managed Assets for that period. This agreement may only be terminated by the Board of Directors. The Adviser is permitted to seek reimbursement from the Fund, subject to certain limitations, of fees waived or payments made to the Fund for a period of three years from the date of the waiver or payment. The amount of any recovery, taken together with the fees and expenses of the Fund at the time of recovery, will not exceed the lesser of (i) the expense cap in effect at the time the expenses were reimbursed, and (ii) the expense cap in effect at the time the recovery is sought.

DETERMINATION OF NET ASSET VALUE

NAV per Common Share is determined daily. NAV per Common Share is calculated by dividing the value of all of the securities and other assets of the Fund, less the liabilities (including accrued expenses and indebtedness) and the aggregate liquidation value of any outstanding preferred stock, by the total number of Common Shares outstanding.

In determining the NAV of the Common Shares, portfolio instruments generally are valued using prices provided by independent pricing services or obtained from other sources, such as broker-dealer quotations. Exchange-traded instruments generally are valued at the last reported sales price or official closing price on an exchange, if available. Independent pricing services typically value non-exchange traded instruments utilizing a range of market-based inputs and assumptions, including readily available market quotations obtained from broker-dealers making markets in such instruments, cash flows and transactions for comparable instruments. With respect to investments in Marketplace Lending Instruments, the Fund will generally utilize prices provided by Duff & Phelps Corp, subject to review by the Board of Directors or its designee. In pricing certain instruments, particularly less liquid and lower quality securities, the pricing services may consider information about a security, its issuer or market activity provided by the Adviser.

If a price cannot be obtained from a pricing service or other pre-approved source, or if the Adviser deems such price to be unreliable, or if a significant event occurs after the close of the local market but prior to the time at which the Fund's NAV is calculated, a portfolio instrument will be valued at its fair value as determined in good faith by the Board of Directors or persons acting at its direction. The Adviser may determine that a price is unreliable in various circumstances. For example, a price may be deemed unreliable if it has not changed for an identified period of time, or has changed from the previous day's price by more than a threshold amount, and recent transactions and/or broker dealer price quotations differ materially from the price in question. Fair valuation involves subjective judgments and it is possible that the fair value determined for a security may differ materially from the value that could be realized upon the sale of the security. See "Risk Factors—Structural and Market-Related Risks—Valuation Risk."

The Board of Directors has adopted valuation policies and procedures for the Fund and has delegated the day-to-day responsibility for fair value determinations to the Adviser. The Adviser's valuation committee (the "Committee") (comprised of officers of the Adviser and established pursuant to the policies and procedures adopted by the Board of Directors) has the day-to-day responsibility for overseeing the implementation of the Fund's valuation policies and procedures and fair value determinations (subject to review and ratification by the Board of Directors). Pursuant to the Fund's valuation policies and procedures as adopted by the Board of Directors, the Fund's holdings in Marketplace Lending Instruments are fair valued in accordance with such policies and procedures based on evaluated prices provided by a third-party pricing service, Duff & Phelps Corp, and affirmed by the Committee. All fair value determinations are subject to review and ratification by the Board of Directors.

The Fund accounts for whole and fractional loans at the individual loan level for valuation purposes, and whole loans and fractional loans are fair valued using inputs that take into account borrower-level data that is updated as often as the NAV of Common Shares is calculated to reflect new information regarding the borrower or loan. Such borrower-level data will include the borrower's payment history, including the payment, principal and interest amounts of each loan and the current status of each loan, which allows the Adviser to determine, among other things, the historical prepayment rate, charge-off rate, delinquency and performance with respect to such borrower/loan. In addition, borrower-level data may include the following to the extent applicable and available: updated FICO scores of the borrower of a consumer loan or the guarantor of the borrower of an SME loan, the borrower's debt-to-income ratio and employment status (in the case of consumer loans) and financial statements, tax returns and sales data (in the case of SME loans).

The Fund, in accordance with the investment limitations approved by the Fund's Board of Directors, will limit its investments in Marketplace Loans to loans originated by platforms that will provide the Fund with a written commitment to deliver or cause to be delivered individual loan-level data on an ongoing basis throughout the life of each individual loan that is updated periodically as often as the NAV of Common Shares is calculated to reflect new information regarding the borrower or loan.

The Fund will not invest in loans originated by platforms for which the Adviser cannot evaluate to its satisfaction the completeness and accuracy of the individual Marketplace Loan data provided by such platforms relevant to determining the existence and valuation of such Marketplace Loans and utilized in the accounting of the loans.

The processes and procedures described herein are part of the Fund's compliance policies and procedures. Records will be made contemporaneously with all determinations described in this section and these records will be maintained with other records that the Fund is required to maintain under the 1940 Act.

DISTRIBUTIONS

For a discussion of dividends and other distributions applicable to the Series A Term Preferred Stock, see "Description of Series A Term Preferred Stock—Dividends."

The Fund has adopted a distribution policy to provide holders of its Common Shares with a relatively stable cash flow. Under this policy, the Fund intends to declare and pay regular quarterly distributions to holders of the Common Shares at a level rate. However, the amount of actual distributions that the Fund may pay, if any, is uncertain. The distributions will be paid from net investment income (including excess gains taxable as ordinary income), if any, and net capital gains, if any, with the balance (which may comprise the entire distribution) representing return of capital. The Fund's Common Shares are junior in priority of payment of dividends to the Fund's preferred stock, including Series A Term Preferred Stock and, accordingly, distributions on Common Shares will be prohibited at any time dividends on the Fund's preferred stock are in arrears.

Any return of capital should not be considered by shareholders as yield or total return on their investment in the Fund. The Fund may pay distributions in significant part from sources that may not be available in the future and that are unrelated to the Fund's performance, such as the net proceeds from the sale of Common Shares (representing a return of capital originally invested in the Fund by holders of the Common Shares) and Fund borrowings. Shareholders who periodically receive a distribution consisting of a return of capital may be under the impression that they are receiving net profits when they are not. Shareholders should not assume that the source of a distribution from the Fund is net profit. See "Risk Factors—Structural and Market-Related Risks—Distribution Policy Risks." The distribution policy for the Fund's Common Shares may be changed or discontinued without notice.

Dividends and other distributions generally will be taxable to holders of the Common Shares whether they are reinvested in Common Shares or received in cash, although amounts treated as a tax-free return of capital will reduce a shareholder's adjusted basis in its Common Shares, thereby increasing the shareholder's potential gain or reducing its potential loss on the subsequent sale of those Common Shares. To the extent required by the 1940 Act and other applicable laws, a notice normally will accompany each distribution indicating the source(s) of the distribution when it is from a source other than the Fund's accumulated undistributed net income or net income for the current or preceding fiscal year. The Board of Directors reserves the right to change or eliminate the Fund's distribution policy with respect to its Common Shares any time without notice.

If, with respect to any distribution, the sum of previously undistributed net investment income and net realized capital gains is less than the amount of the distribution, the difference, i.e., the return of capital, normally will be charged against the Fund's capital. If, for any taxable year of the Fund, the total distributions exceed the sum of the Fund's net investment income and net realized capital gains, the excess will generally be treated first as ordinary dividend income (up to the amount, if any, of the Fund's current and accumulated earnings and profits, which takes into account taxable distributions) and then as a return of capital (tax-free for a holder of the Common Shares up to the amount of its tax basis in its Common Shares). A return of capital represents a return of a shareholder's original investment in the Common Shares and should not be confused with income or capital gain from this investment.

A return of capital is not taxable, but it reduces a shareholder's tax basis in its Common Shares, thus reducing any loss or increasing any gain on the shareholder's subsequent taxable disposition of the Common Shares. The Fund's final distribution, if any, in each calendar year may include any remaining net investment income undistributed during the year, as well as all undistributed net capital gains realized during the year.

If the Fund's investments do not generate sufficient income, the Fund may be required to liquidate a portion of its portfolio to fund these distributions, and therefore these payments may represent a reduction of the shareholders' principal investment. If the Fund distributes amounts in excess of its net investment income and realized net capital gains, such distributions will decrease the Fund's capital and, therefore, have the potential effect of increasing the Fund's expense ratio. To make such distributions, the Fund may have to sell a portion of its investment portfolio at a time when it would otherwise not do so.

Under the 1940 Act, the Fund may not declare any dividend or other distribution upon any capital stock, or purchase any such capital stock, unless the aggregate indebtedness of the Fund has, at the time of the declaration of any such dividend or other distribution or at the time of any such purchase, an asset coverage of at least 300% after deducting the amount of such dividend, other distribution, or purchase price, as the case may be. In addition, certain lenders may impose additional restrictions on the payment of dividends or other distributions on the Common Shares in the event of a default on the Fund's borrowings. Any limitation on the Fund's ability to make distributions to shareholders could, under certain circumstances, impair its ability to maintain its qualification for taxation as a regulated investment company under the Code. See "U.S. Federal Income Tax Matters" in the SAI.

In addition, under the 1940 Act, the Fund may not declare any dividend or other distribution upon its Common Shares, or purchase any such Common Shares, unless the class of preferred stock of the Fund has, at the time of the declaration of any such dividend or other distribution or at the time of any such purchase, an asset coverage of at least 200% after deducting the amount of such dividend, other distribution, or purchase price, as the case may be.

The Fund may in the future seek to file an exemptive application with the SEC seeking an order under the 1940 Act to exempt the Fund from the requirements of Section 19(b) of the 1940 Act and Rule 19b-1 thereunder, permitting the Fund to make periodic distributions of long-term capital gains, provided that the distribution policy of the Fund with respect to the Common Shares calls for periodic distributions in an amount equal to a fixed percentage of the Fund's average NAV over a specified period of time or market price per Common Share at or about the time of distribution or pay-out of a level dollar amount. There can be no assurance that the staff of the SEC will grant such relief to the Fund.

The level distribution policies described above would result in the payment of approximately the same amount or percentage to holders of the Common Shares each quarter. Section 19(a) of the 1940 Act and Rule 19a-1 thereunder require the Fund to provide a written statement accompanying any such payment that adequately discloses the source or sources of the distributions. Thus, if the source of the dividend or other distribution were the original capital contribution of the shareholder, and the payment amounted to a return of capital, the Fund would be required to provide written disclosure to that effect. Nevertheless, persons who periodically receive the payment of a dividend or other distribution may be under the impression that they are receiving net profits when they are not. Shareholders should read any written disclosure provided pursuant to Section 19(a) and Rule 19a-1 carefully, and should not assume that the source of any distribution from the Fund is net profit. In addition, in cases where the Fund would return capital to shareholders, such distribution may impact the Fund's ability to maintain its asset coverage requirements and to pay the dividends on any shares of preferred stock that the Fund may issue. The Fund's distribution policy may result in the Fund making a significant distribution in December of each year in order to maintain the Fund's status as a regulated investment company.

DESCRIPTION OF THE SHARES

Common Shares

The following summary of the terms of the Common Shares does not purport to be complete and is subject to and qualified in its entirety by reference to the Maryland General Corporation Law, and to the Fund's Charter and the Fund's Bylaws, copies of which have been filed with the SEC.

The Fund's Charter authorizes the issuance of 40,000,000 Common Shares, \$0.0001 par value per share, and authorizes a majority of the Fund's Board of Directors, without approval of the holders of the Common Shares, to increase the number of authorized Common Shares and to classify and reclassify any unissued shares into one or more classes or series of stock and set the terms thereof. The issuance of capital stock or any class or series thereof without approval of the holders of the Common Shares may be used by the Fund's Board of Directors consistent with its duties to deter attempts to gain control of the Fund. Further, the Board of Directors could authorize the issuance of shares of preferred stock with terms and conditions that could have the effect of discouraging a takeover or other transaction that some of the Fund's shareholders might believe to be in their best interests. As of September 30, 2017, the Adviser owned of record and beneficially 41,369 of the Common Shares, constituting 0.71% of the outstanding Common Shares.

In general, shareholders or subscribers for the Common Shares have no personal liability for the debts and obligations of the Fund because of their status as shareholders or subscribers, except to the extent that the subscription price or other agreed consideration for the Common Shares has not been paid.

Under the Fund's Charter, the Board of Directors is authorized to classify and reclassify any unissued Common Shares into other classes or series of stock and authorize the issuance of Common Shares without obtaining shareholder approval.

The Fund's Common Shares have no preemptive, conversion, exchange, appraisal or redemption rights, and each Common Share has equal voting, dividend, distribution and liquidation rights.

The Fund may seek to apply to list the Common Shares on a securities exchange. The Fund intends to hold annual meetings of holders of the Common Shares so long as the Common Shares are listed on a national securities exchange and such meetings are required as a condition to such listing.

Holders of the Common Shares are entitled to receive dividends if and when the Board of Directors declares dividends from funds legally available. Whenever Fund preferred stock or borrowings are outstanding, holders of the Fund's Common Shares will not be entitled to receive any distributions from the Fund unless all accrued dividends on the Fund preferred stock and interest and principal payments on Borrowings have been paid, and unless the applicable asset coverage requirements under the 1940 Act would be satisfied after giving effect to the distribution as described above.

In the event of the Fund's liquidation, dissolution or winding up, the Common Shares would be entitled to share ratably in all of the Fund's assets that are legally available for distribution after the Fund pays all debts and other liabilities and subject to any preferential rights of holders of Fund preferred stock, including Series A Term Preferred Stock.

Shareholders are entitled to one vote per share. All voting rights for the election of directors are noncumulative, which means that, if there is no Fund preferred stock outstanding, the holders of more than 50% of the Common Shares will elect 100% of the directors then nominated for election if they choose to do so and, in such event, the holders of the remaining Common Shares will not be able to elect any directors. However, see "Description of Series A Term Preferred Stock—Voting Rights" above.

The Fund's Charter authorizes the Board of Directors to classify and reclassify any unissued Common Shares into other classes or series of stock. Prior to issuance of shares of each class or series, the Board is required by Maryland law and by the Fund's Charter to set the terms, preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption for each class or series. Thus, the Board could authorize the issuance of Common Shares with terms and conditions that could have the effect of delaying, deferring or preventing a transaction or a change in control that might involve a premium price for holders of the Common Shares or otherwise be in their best interest.

Preferred Stock

The Fund's Charter authorizes the Board of Directors to classify and reclassify any unissued Common Shares into other classes or series of stock, including preferred stock, without the approval of the holders of the Common Shares. Prior to issuance of any shares of preferred stock, the Board of Directors is required by Maryland law and by the Fund's Charter to set the terms, preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption for such shares. Thus, the Board could authorize the issuance of shares of preferred stock with terms and conditions that could have the effect of delaying, deferring or preventing a transaction or a change in control that might involve a premium price for holders of the Common Shares or otherwise be in their best interest.

Any issuance of shares of preferred stock must comply with the requirements of the 1940 Act. Specifically, the Fund is not permitted under the 1940 Act to issue preferred stock unless immediately after such issuance the total asset value of the Fund's portfolio is at least 200% of the liquidation value of the outstanding preferred stock. Among other requirements, including other voting rights, the 1940 Act requires that the holders of any preferred stock, voting separately as a single class, have the right to elect at least two directors at all times. In addition, subject to the prior rights, if any, of the holders of any other class of senior securities outstanding, the holders of any preferred stock would have the right to elect a majority of the Fund's directors at any time two years' dividends on any preferred stock are unpaid.

For a discussion of Series A Term Preferred Stock, see “Description of Series A Term Preferred Stock” above.

CERTAIN PROVISIONS OF THE FUND’S CHARTER AND BY-LAWS AND OF MARYLAND LAW

The following summary of certain provisions of the Maryland General Corporation Law and of the Charter and Bylaws of the Fund does not purport to be complete and is subject to and qualified in its entirety by reference to the Maryland General Corporation Law, and to the Fund’s Charter and the Fund’s Bylaws, copies of which have been filed with the SEC.

General

The Maryland General Corporation Law (the “MGCL”) and the Fund’s Charter and Bylaws contain provisions that could have the effect of limiting the ability of other entities or persons to acquire control of the Fund, to cause it to engage in certain transactions or to modify its structure. These provisions could have the effect of depriving holders of the Common Shares of an opportunity to sell their Common Shares by discouraging a third party from seeking to obtain control of the Fund in a tender offer or similar transaction. On the other hand, these provisions may require persons seeking control of the Fund to negotiate with the Fund’s management regarding the price to be paid for the Common Shares required to obtain such control, promote continuity and stability and enhance the Fund’s ability to pursue long term strategies that are consistent with its investment objective.

The Board of Directors has concluded that the potential benefits of these provisions outweigh their possible disadvantages.

Election of Directors

The MGCL provides that, unless the charter or bylaws of a corporation provide otherwise, which the Fund’s Charter and the Fund’s Bylaws do not, a plurality of all the votes cast at a meeting at which a quorum is present is sufficient to elect a director. Each Common Share may be voted for as many individuals as there are directors to be elected and for whose election the Common Share is entitled to be voted.

Number of Directors; Vacancies

The Fund’s Charter provides that the number of directors will be set only by the Board of Directors in accordance with the Bylaws. The Bylaws provide that a majority of the Fund’s entire Board of Directors may at any time increase or decrease the number of directors, provided that there may be no fewer than three directors and no more than 12 directors.

Removal of Directors

The Fund's Charter provides that, subject to the rights of the holders of one or more class or series of the Fund's preferred stock to elect or remove directors, a director may be removed from office only for cause (as defined in the Charter) and then only by the affirmative vote of the holders of at least two-thirds of the votes entitled to be cast generally in the election of directors.

Absence of Cumulative Voting

There is no cumulative voting in the election of the Fund's directors. Cumulative voting means that holders of stock of a corporation are entitled, in the election of directors, to cast a number of votes equal to the number of shares that they own multiplied by the number of directors to be elected. Because a stockholder entitled to cumulative voting may cast all of his or her votes for one nominee or disperse his or her votes among nominees as he or she chooses, cumulative voting is generally considered to increase the ability of minority shareholders to elect nominees to a corporation's Board of Directors. In general, the absence of cumulative voting means that the holders of a majority of the Fund's shares can elect all of the directors then standing for election and the holders of the remaining shares will not be able to elect any directors.

Approval of Extraordinary Corporate Actions

The Fund's Charter requires the favorable vote of two-thirds of the entire Board of Directors and the favorable vote of the holders of at least two-thirds of the Common Shares and shares of preferred stock entitled to be voted on the matter, voting together as a single class, to advise, approve, adopt or authorize the following:

- a "Business Combination," which includes the following:
 - o a merger, consolidation or statutory share exchange of the Fund with or into another corporation,
 - o an issuance or transfer by the Fund (in one or a series of transactions in any 12 month period) of any securities of the Fund to any person or entity for cash, securities or other property (or combination thereof) having an aggregate fair market value of \$1,000,000 or more, excluding issuances or transfers of debt securities of the Fund, sales of securities of the Fund in connection with a public offering, issuances of securities of the Fund pursuant to a dividend reinvestment plan adopted by the Fund, issuances of securities of the Fund upon the exercise of any stock subscription rights distributed by the Fund and portfolio transactions effected by the Fund in the ordinary course of business, or
 - o a sale, lease, exchange, mortgage, pledge, transfer or other disposition by the Fund (in one or a series of transactions in any 12 month period) to or with any person or entity of any assets of the Fund having an aggregate fair market value of \$1,000,000 or more except for portfolio transactions (including pledges of portfolio securities in connection with borrowings) effected by the Fund in the ordinary course of its business;

- the voluntary liquidation or dissolution of the Fund or charter amendment to terminate the Fund’s existence;
- the conversion of the Fund from a closed-end company to an open-end company, and any amendments necessary to effect the conversion; or
- unless the 1940 Act or federal law requires a lesser vote, any stockholder proposal as to specific investment decisions made or to be made with respect to the Fund’s assets as to which stockholder approval is required under federal or Maryland law.

However, the vote of holders of the Common Shares described above will not be required with respect to the foregoing transactions (other than those as to which shareholder approval is required under federal or Maryland law) if they are approved by a vote of two-thirds of the Continuing Directors (as defined below). In that case, if Maryland law requires approval of the holders of the Common Shares, the affirmative vote of a majority of the votes entitled to be cast thereon by shareholders of the Fund will be required. In addition, if the Fund has any preferred stock outstanding, the holders of a majority of the outstanding shares of the preferred stock, voting separately as a class, would be required under the 1940 Act to adopt any plan of reorganization that would adversely affect the holders of the preferred stock, to convert the Fund to an open-end investment company or to deviate from any of the Fund’s fundamental investment policies.

“Continuing Director” means any member of the Board of Directors who is not an Interested Party (as defined below) or an affiliate of an Interested Party and has been a member of the Board of Directors for a period of at least 12 months, or has been a member of the Board of Directors since September 24, 2015, or is a successor of a Continuing Director who is unaffiliated with an Interested Party and is recommended to succeed a Continuing Director by a majority of the Continuing Directors then on the Board of Directors.

“Interested Party” means any person, other than an investment company advised by the Adviser or any of its affiliates, which enters, or proposes to enter, into a Business Combination with the Fund.

In addition, the Fund’s Charter requires the favorable vote of two-thirds of the entire Board of Directors to advise, approve, adopt or authorize any of the following:

- the election and removal of officers;
- the nomination of candidates to the Board of Directors (including the election of directors to fill vacancies on the Board of Directors resulting from the increase in size of the Board of Directors or the death, resignation or removal of a director, in which case the affirmative vote of two-thirds of the remaining directors in office shall be required);

- the creation of and delegation of authority and appointment of members to committees of the Board of Directors;
- amendments to the Fund's Bylaws (which may only be effected by the Board of Directors, not the holders of the Common Shares);
- Charter amendments and any other action requiring approval of the holders of the Common Shares; and
- entering into, terminating or amending an investment advisory agreement.

The Board of Directors has determined that the foregoing supermajority requirements applicable to certain votes of the directors and the holders of the Common Shares, which are greater than the minimum requirements permitted under Maryland law or the 1940 Act, are in the best interests of the Fund. Reference should be made to the Charter on file with the SEC for the full text of these provisions.

Action by Shareholders

Under the MGCL, action of holders of the Common Shares can be taken only at an annual or special meeting of shareholders or, unless the charter provides for shareholder action by less than unanimous written consent (which is not the case in the Fund's Charter), by unanimous written consent in lieu of a meeting. These provisions, combined with the requirements of the Fund's Bylaws regarding the calling of a shareholder-requested special meeting, as discussed below, may have the effect of delaying consideration of a shareholder proposal until the next annual meeting.

Procedures for Shareholder Nominations and Proposals

The Fund's Bylaws provide that any shareholder desiring to make a nomination for the election of directors or a proposal for new business at a meeting of shareholders must comply with the advance notice provisions of the Bylaws. Nominations and proposals that fail to follow the prescribed procedures will not be considered. The Board of Directors believes that it is in the Fund's best interests to provide sufficient time to enable management to disclose to shareholders information about a slate of nominations for directors or proposals for new business. This advance notice requirement also may give management time to solicit its own proxies in an attempt to defeat any slate of nominations should management determine that doing so is in the best interest of shareholders generally. Similarly, adequate advance notice of shareholder proposals will give management time to study such proposals and to determine whether to recommend to the shareholders that such proposals be adopted. For shareholder proposals to be included in the Fund's proxy materials, the shareholder must comply with all timing and information requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Calling of Special Meetings of Shareholders

The Fund's Bylaws provide that special meetings of holders of the Fund's Common Shares may be called by the Board of Directors or by certain of its officers. Additionally, the Fund's Bylaws provide that, subject to the satisfaction of certain procedural and informational requirements by the shareholders requesting the meeting, a special meeting of shareholders will be called by the Fund's Secretary upon the written request of shareholders entitled to cast not less than a majority of all the votes entitled to be cast at such meeting.

No Appraisal Rights

As permitted by the MGCL, the Fund's Charter provides that holders of the Common Shares will not be entitled to exercise appraisal rights, unless the Fund's Board of Directors determines that such rights apply. The Fund has exempted all of its shares from the application of the MCSAA.

Limitations on Liabilities

The Fund's Charter provides that the personal liability of the Fund's directors and officers for monetary damages is eliminated to the fullest extent permitted by Maryland law. Maryland law currently provides that directors and officers of corporations that have adopted such a provision will generally not be so liable, except to the extent that (i) it is proved that the person actually received an improper benefit or profit in money, property, or services for the amount of the benefit or profit in money, property, or services actually received; and (ii) a judgment or other final adjudication adverse to the person is entered in a proceeding based on a finding in the proceeding that the person's action, or failure to act, was the result of active and deliberate dishonesty and was material to the cause of action adjudicated in the proceeding.

The Fund's Charter delegates the Fund, to the maximum extent permitted by Maryland law, to indemnify and advance expenses to the Fund's directors and officers. The Fund's Bylaws provide that the Fund will indemnify its officers and directors against liabilities to the fullest extent permitted by Maryland law and the 1940 Act, and that it shall advance expenses to such persons prior to a final disposition of an action. The rights of indemnification provided in the Fund's Charter and Bylaws are not exclusive of any other rights which may be available under any insurance or other agreement, by resolution of shareholders or directors or otherwise.

Anti-Takeover Provisions of Maryland Law

Maryland Unsolicited Takeovers Act

Subtitle 8 of Title 3 of the Maryland General Corporation Law permits a Maryland corporation with a class of equity securities registered under the Exchange Act and at least three independent directors to elect to be subject, by provision in its charter or bylaws or a resolution of its board of directors and notwithstanding any contrary provision in the charter or bylaws, to any or all of five provisions:

- a classified board;

- a two-thirds vote requirement for removing a director;
- a requirement that the number of directors be fixed only by vote of directors;
- a requirement that a vacancy on the board be filled only by the remaining directors and for the remainder of the full term of the class of directors in which the vacancy occurred; and
- a majority requirement for the calling of a special meeting of stockholders.

The charter of a corporation may contain a provision or the board of directors may adopt a provision that prohibits the corporation from electing to be subject to any or all of the provisions of Subtitle 8. The Fund's Charter does not contain, and the Board of Directors has not adopted, such a provision.

Maryland Business Combination Act

The provisions of the Maryland Business Combination Act (the "MBCA") do not apply to a closed-end investment company, such as the Fund, unless the Board of Directors has affirmatively elected to be subject to the MBCA by a resolution. To date, the Fund has not made such an election but may make such an election under Maryland law at any time. Any such election, however, could be subject to certain of the 1940 Act limitations discussed below under "Maryland Control Share Acquisition Act" and would not apply to any person who had become an interested stockholder (as defined below) before the time that the resolution was adopted.

Under the MBCA, "business combinations" between a Maryland corporation and an interested stockholder or an affiliate of an interested stockholder are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. These business combinations include a merger, consolidation, share exchange, or, in circumstances specified in the MBCA, an asset transfer or issuance or reclassification of equity securities. An interested stockholder is defined as:

- any person who beneficially owns 10% or more of the voting power of the corporation's shares; or
- an affiliate or associate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10% or more of the voting power of the then outstanding voting stock of the corporation.

A person is not an interested stockholder under the MBCA if the board of directors approved in advance the transaction by which he otherwise would have become an interested stockholder. However, in approving a transaction, the board of directors may provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by the board.

After the five-year prohibition, any business combination between the Maryland corporation and an interested stockholder generally must be recommended by the board of directors of the corporation and approved by the affirmative vote of at least:

- 80% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation; and
- two-thirds of the votes entitled to be cast by holders of voting stock of the corporation other than shares held by the interested stockholder with whom or with whose affiliate the business combination is to be effected or held by an affiliate or associate of the interested stockholder.

These super-majority vote requirements do not apply if the corporation's common stockholders receive a minimum price, as defined in the MBCA, for their shares in the form of cash or other consideration in the same form as previously paid by the interested stockholder for its shares.

The MBCA permits various exemptions from its provisions, including business combinations that are exempted by the board of directors before the time that the interested stockholder becomes an interested stockholder.

Maryland Control Share Acquisition Act

The Fund, in its Charter, has exempted all of its shares from the application of the Maryland Control Share Acquisition Act (the "MCSAA"). In order to avail itself of the provisions of this Act, the Charter would have to be amended (which would require the approval of the holders of at least a majority of the votes entitled to be cast) and the Board of Directors would have to affirmatively elect to be subject to the MCSAA by a resolution. Any such election, however, would be subject to the 1940 Act limitations discussed below and would not apply to any person who had become a holder of control shares (as defined below) before the time that the resolution was adopted.

The MCSAA provides that control shares of a Maryland corporation acquired in a control share acquisition have no voting rights except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter. Shares owned by the acquirer, by officers of the acquirer or by an employee of the acquirer who is also a director of the acquirer are excluded from shares entitled to vote on the matter. Control shares are voting shares of stock which, if aggregated with all other shares of stock owned by the acquirer or in respect of which the acquirer is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquirer to exercise voting power in electing directors within one of the following ranges of voting power:

- one-tenth or more but less than one-third,
- one-third or more but less than a majority, or

- a majority or more of all voting power.

Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval. A control share acquisition means the acquisition of control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition may compel the board of directors of the corporation to call a special meeting of stockholders to be held within 50 days of demand to consider the voting rights of the shares. The right to compel the calling of a special meeting is subject to the satisfaction of certain conditions, including an undertaking to pay the expenses of the meeting. If no request for a meeting is made, the corporation may itself present the question at any stockholders meeting.

If voting rights are not approved at the meeting or if the acquiring person does not deliver an acquiring person statement as required by the MCSAA, then the corporation may redeem for fair value any or all of the control shares, except those for which voting rights have previously been approved. The right of the corporation to redeem control shares is subject to certain conditions and limitations. Fair value is determined, without regard to the absence of voting rights for the control shares, as of the date of the last control share acquisition by the acquirer or of any meeting of stockholders at which the voting rights of the shares are considered and not approved. If voting rights for control shares are approved at a stockholders meeting and the acquirer becomes entitled to vote a majority of the shares entitled to vote, all other stockholders may exercise appraisal rights. The fair value of the shares as determined for purposes of appraisal rights may not be less than the highest price per share paid by the acquirer in the control share acquisition.

Inhibiting a closed-end investment company's ability to utilize the MCSAA is Section 18(i) of the 1940 Act which provides that "every share of stock . . . issued by a registered management company . . . shall be a voting stock and have equal voting rights with every other outstanding voting stock," thereby preventing the Fund from issuing a class of shares with voting rights that vary within that class. There are currently different views, however, on whether or not the MCSAA conflicts with Section 18(i) of the 1940 Act. One view is that implementation of the MCSAA would conflict with the 1940 Act because it would deprive certain shares of their voting rights. Another view is that implementation of the MCSAA would not conflict with the 1940 Act because it would limit the voting rights of stockholders who choose to acquire shares of stock that put them within the specified percentages of ownership rather than limiting the voting rights of the shares themselves. In a November 15, 2010 letter, the staff of the SEC's Division of Investment Management expressed the view that, based on the wording of, and purposes underlying, the 1940 Act generally, and Section 18(i) specifically, a closed-end fund, by opting in to the MCSAA, would be acting in a manner inconsistent with Section 18(i) of the 1940 Act. In light of the foregoing, the Fund has exempted its Common Shares from the MCSAA, thereby disabling the Fund from electing to be subject to the MCSAA. In the absence of a judgment of a federal court of competent jurisdiction or the issuance of a rule or regulation of the SEC or a published interpretation by the SEC or its staff that the provisions of the MCSAA are not inconsistent with the provisions of the 1940 Act, or a change to the provisions of the 1940 Act having the same effect, the Fund does not intend to amend its Charter to remove the exemption or to make any such election.

Additionally, if the Fund were to amend its Charter and subsequently elect to be subject to the MCSAA, it would not apply (a) to shares acquired in a merger, consolidation or share exchange if the Fund is a party to the transaction or (b) to acquisitions approved or exempted by the Fund's Charter or the Fund's Bylaws.

U.S. FEDERAL INCOME TAX MATTERS

The following is a description of certain U.S. federal income tax consequences to a holder of shares of Series A Term Preferred Stock (hereinafter, each, a "Shareholder") that acquires, holds and/or disposes of shares of Series A Term Preferred Stock (hereinafter the "Shares"). This discussion reflects applicable income tax laws of the United States as of the date of this prospectus, which tax laws may be changed or subject to new interpretations by the courts or the IRS possibly with retroactive effect. No attempt is made to present a detailed explanation of U.S. federal income tax concerns affecting the Fund and its Shareholders, and the discussion set forth herein does not constitute tax advice. In addition, no attempt is made to present state, local or foreign tax concerns or tax concerns applicable to an investor with a special tax status such as a financial institution, real estate investment trust, insurance company, regulated investment company, individual retirement account, other tax-exempt entity, dealer in securities or non-U.S. investor. Unless otherwise noted, this discussion assumes the Shares are held by U.S. persons and that such shares are held as capital assets. **Investors are urged to consult their own tax advisors to determine the tax consequences to them before investing in the Fund.**

The Fund has elected to be treated, and intends to qualify each year, as a "regulated investment company" under Subchapter M of the Code, so that it will not pay U.S. federal income tax on income and capital gains timely distributed (or treated as being distributed, as described below) to Shareholders. In order to qualify as a regulated investment company under Subchapter M of the Code, the Fund must, among other things, derive at least 90% of its gross income for each taxable year from dividends, interest, payments with respect to certain securities loans, gains from the sale or other disposition of stock, securities or foreign currencies, other income (including gains from options, futures and forward contracts) derived with respect to its business of investing in such stock, securities or currencies and net income derived from interests in qualified publicly traded partnerships (collectively, the "90% income test"). If the Fund qualifies as a regulated investment company and distributes to its Shareholders at least 90% of the sum of (i) its "investment company taxable income" as that term is defined in the Code (which includes, among other things, dividends, taxable interest, the excess of any net short-term capital gains over net long-term capital losses and certain net foreign exchange gains as reduced by certain deductible expenses) without regard to the deduction for dividends paid, and (ii) the excess of its gross tax-exempt interest, if any, over certain disallowed deductions, the Fund will be relieved of U.S. federal income tax on any income of the Fund, including long-term capital gains, distributed to Shareholders. However, if the Fund retains any investment company taxable income or "net capital gain" (i.e., the excess of net long-term capital gain over net short-term capital loss), it will be subject to U.S. federal income tax at regular corporate federal income tax rates (currently at a maximum rate of 35%) on the amount retained. The Fund intends to distribute at least annually all or substantially all of its investment company taxable income (determined without regard to the deduction for dividends paid), net tax-exempt interest, if any, and net capital gain. Under the Code, the Fund will generally be subject to a nondeductible 4% federal excise tax on the portion of its undistributed ordinary income and capital gains if it fails to meet certain distribution requirements with respect to each calendar year. In order to avoid the 4% federal excise tax, the required minimum distribution is generally equal to the sum of 98% of the Fund's ordinary income (computed on a calendar year basis), plus 98.2% of the Fund's capital gain net income (generally computed for the one-year period ending on October 31) plus undistributed amounts from prior years. The Fund intends to make distributions in a timely manner in an amount at least equal to the required minimum distribution but may be subject to the excise tax from time to time depending upon distribution levels.

In addition to the 90% income test, the Fund must also diversify its holdings (commonly referred to as the “asset test”) so that, at the end of each quarter of its taxable year (i) at least 50% of the value of the Fund’s total assets is represented by cash and cash items, U.S. government securities, securities of other regulated investment companies and other securities, with such other securities of any one issuer limited for the purposes of this calculation to an amount not greater in value than 5% of the value of the Fund’s total assets and to not more than 10% of the outstanding voting securities of such issuer, and (ii) not more than 25% of the value of its total assets is invested in the securities (other than U.S. government securities or securities of other regulated investment companies) of any one issuer or of two or more issuers controlled by the Fund and engaged in the same, similar or related trades or businesses, or the securities of one or more qualified publicly traded partnerships.

The Fund has adopted policies and guidelines that are designed to enable the Fund to meet these tests, which will be tested for compliance on a regular basis for the purposes of being treated as a regulated investment company for federal income tax purposes. However, some issues related to qualification as a regulated investment company are open to interpretation. For example, the Fund intends to primarily invest in whole loans originated by marketplace lending platforms. Chapman and Cutler LLP has given the Fund its opinion that the issuer of such loans will be the identified borrowers in the loan documentation. However, if the IRS were to disagree and successfully assert that the marketplace lending platforms should be viewed as the issuer of the loans, the Fund would not satisfy the regulated investment company diversification tests. In addition, the IRS and court authorities interpreting the identity of the issuer for Marketplace Lending Instruments other than Marketplace Loans in the form of whole loans may be less clear. For example, pass-through obligations (obligations of a marketplace lending platform that only create an obligation to pay a note purchaser to the extent that the lending platform receives cash) could be viewed as an indirect undivided interest in the referenced loans or they could be viewed as a derivative instrument referencing a pool of loans. If the pass-through obligations were characterized as an indirect undivided interest in the referenced loans, the IRS and court authorities would indicate that the issuers of such instruments were the referenced borrowers in the underlying loans. If the pass-through obligations were characterized as a derivative instrument referencing a pool of loans, the IRS and court authorities would indicate that the issuers of such instruments were the marketplace lending platform. The Fund will take the position that the writer of Pass-Through Notes and Marketplace Lending Instruments other than whole consumer and small business loans will be the issuer for the regulated investment company tests even if arguments could be made that the persons and small businesses referenced in such instruments were the persons liable for making payments.

Chapman and Cutler LLP has given its opinion that, if the Fund follows its methods of operation as described in the registration statement and its compliance manual, the Fund will satisfy the regulated investment company diversification tests.

In giving the opinions noted above, Chapman and Cutler LLP has assumed that any of the instruments and documents that have been entered into by the Fund that counsel has deemed pertinent to examine for purposes of providing such opinions (the "Transaction Documents") will conform in all material respects to the form documents provided to Chapman and Cutler LLP. For purposes of the opinions, Chapman and Cutler LLP has assumed that the Fund will be operated in accordance with the Transaction Documents and the registration statement in all material respects and that the parties to the Transaction Documents will comply with the terms of the Transaction Documents in all material respects. Chapman and Cutler LLP has assumed that assets held by the Fund will be treated for federal income tax purposes as debt or interests in debt or derivatives referencing debt. The classification as debt for federal income tax purposes requires not only that the transaction be documented as such but also that the parties treat the transaction as debt. Thus, if each of the parties do not behave in a manner which is materially consistent with the obligations in the Transaction Documents, the assets of the Fund may have a different classification for federal income tax purposes than as described in the opinion of Chapman and Cutler LLP.

If, for any taxable year, the Fund did not qualify as a regulated investment company for U.S. federal income tax purposes, it would be treated as a U.S. corporation subject to U.S. federal income tax, and possibly state and local income tax, and distributions to its Shareholders would not be deductible by the Fund in computing its taxable income. In such event, the Fund's distributions, to the extent derived from the Fund's current or accumulated earnings and profits, would generally constitute ordinary dividends, which would generally be eligible for the dividends received deduction available to corporate shareholders, and non-corporate shareholders would generally be able to treat such distributions as "qualified dividend income" eligible for reduced rates of U.S. federal income taxation, provided in each case that certain holding period and other requirements are satisfied.

For Shareholders subject to U.S. federal income tax, all dividends will generally be taxable regardless of whether the Shareholder takes them in cash or they are reinvested in additional Shares. Distributions of the Fund's investment company taxable income (determined without regard to the deduction for dividends paid) will generally be taxable as ordinary income to the extent of the Fund's current and accumulated earnings and profits. However, a portion of such distributions derived from certain corporate dividends, if any, may qualify for either the dividends received deduction available to corporate shareholders under Section 243 of the Code or the reduced rates of U.S. federal income taxation for "qualified dividend income" available to non-corporate shareholders under Section 1(h)(11) of the Code, provided in each case certain holding period and other requirements are met. Distributions of net capital gain, if any, are generally taxable as long-term capital gain for U.S. federal income tax purposes without regard to the length of time a Shareholder has held Shares. A distribution of an amount in excess of the Fund's current and accumulated earnings and profits, if any, will be treated by a Shareholder as a tax-free return of capital, which is applied against and reduces the Shareholder's basis in his, her or its Shares. To the extent that the amount of any such distribution exceeds the Shareholder's basis in his, her, or its Shares, the excess will be treated by the Shareholder as gain from the sale or exchange of such Shares. The U.S. federal income tax status of all dividends and distributions will be designated by the Fund and reported to Shareholders annually. The Fund does not expect a significant portion of its dividends to qualify for the dividends received deduction or for qualified dividend income treatment.

The Fund intends to distribute all realized net capital gains, if any, at least annually. If, however, the Fund were to retain any net capital gain, the Fund may designate the retained amount as undistributed capital gains in a notice to Shareholders who, if subject to U.S. federal income tax on long-term capital gains, (i) will be required to include in income as long-term capital gain, their proportionate share of such undistributed amount, and (ii) will be entitled to credit their proportionate share of the federal income tax paid by the Fund on the undistributed amount against their U.S. federal income tax liabilities, if any, and to claim refunds to the extent the credit exceeds such liabilities. If such an event occurs, the tax basis of Shares owned by a Shareholder of the Fund will, for U.S. federal income tax purposes, generally be increased by the difference between the amount of undistributed net capital gain included in the Shareholder's gross income and the tax deemed paid by the Shareholder.

Any dividend declared by the Fund in October, November or December with a record date in such a month and paid during the following January will be treated for U.S. federal income tax purposes as paid by the Fund and received by Shareholders on December 31 of the calendar year in which it is declared.

Although the classification of preferred instruments has been subject to some recent litigation, the Fund is taking the position that the Shares are equity for US federal income tax purposes. Because the treatment of a corporate security as debt or equity is determined on the basis of the facts and circumstances of each case, and no controlling precedent exists for the Shares, there can be no assurance that the IRS will not question the Fund's characterization of the Shares as equity. If the IRS were to succeed in such a challenge, holders of the Shares could be characterized as receiving taxable interest income rather than dividends and could be required to recognize such income at different times than when cash is received. If this caused a holder to have underpaid income tax in affected years, this could result in obligations to pay additional tax, interest and penalties.

The repurchase of Shares may give rise to a gain or loss. In general, any gain or loss realized upon a taxable disposition of Shares will be treated as long-term capital gain or loss if the Shares have been held for more than 12 months. Otherwise the gain or loss will generally be treated as short-term capital gain or loss. Any loss realized upon a taxable disposition of Shares held for six months or less will be treated as long-term, rather than short-term, to the extent of any capital gain dividends received by the Shareholder with respect to the Shares. All or a portion of any loss realized upon a taxable disposition of Shares will be disallowed if other substantially identical Shares are purchased within 30 days before or after the disposition. In such a case, the basis of the newly purchased Shares will be adjusted to reflect the disallowed loss.

A repurchase by the Fund of its Shares from a Shareholder generally will be treated as a sale of the Shares by a Shareholder provided that after the repurchase the Shareholder does not own, either directly or by attribution under Section 318 of the Code, any such Shares. If, after a repurchase a Shareholder continues to own, directly or by attribution, any such Shares, it is possible that any amounts received by such Shareholder in the repurchase will be taxable as a dividend to such Shareholder, and there is a risk that Shareholders who do not have any of their Shares repurchased would be treated as having received a dividend distribution as a result of their proportionate increase in the ownership of the Fund. Use of the Fund's cash to repurchase Shares could adversely affect the Fund's ability to satisfy the distribution requirements for qualification as a regulated investment company. The Fund could also recognize income in connection with the liquidation of portfolio securities to fund Share repurchases. Any such income would be taken into account in determining whether the distribution requirements were satisfied.

Certain of the Fund's investment practices are subject to special and complex federal income tax provisions that may, among other things, (i) disallow, suspend or otherwise limit the allowance of certain losses or deductions, (ii) convert tax-advantaged, long-term capital gains and qualified dividend income into higher taxed short-term capital gain or ordinary income, (iii) convert an ordinary loss or a deduction into a capital loss (the deductibility of which is more limited), (iv) cause the Fund to recognize income or gain without a corresponding receipt of cash, (v) adversely affect the timing as to when a purchase or sale of stock or securities is deemed to occur, and (vi) adversely alter the intended characterization of certain complex financial transactions. These rules could therefore affect the character, amount and timing of distributions to Shareholders. The Fund will monitor its investments and transactions and may make certain federal income tax elections where applicable in order to mitigate the effect of these provisions, if possible.

Investments in distressed debt obligations that are at risk of or in default may present special federal income tax issues for the Fund. The federal income tax consequences to a holder of such securities are not entirely certain. If the Fund's characterization of such investments were successfully challenged by the IRS or the IRS issues guidance regarding investments in such securities, it may affect whether the Fund has made sufficient distributions or otherwise satisfied the requirements to maintain its qualification as a regulated investment company and avoid federal income and excise taxes and may affect the character of distributions as capital gain or ordinary income distributions.

The Fund may be subject to withholding and other taxes imposed by foreign countries, including taxes on interest, dividends and capital gains with respect to its investments in those countries, which would, if imposed, reduce the yield on or return from those investments. Tax treaties between certain countries and the U.S. may reduce or eliminate such taxes in some cases. The Fund does not expect to satisfy the requirements for passing through to its Shareholders their pro rata share of qualified foreign taxes paid by the Fund, with the result that Shareholders will not be required to include such taxes in their gross incomes and will not be entitled to a tax deduction or credit for such taxes on their own federal income tax returns.

Sales, exchanges and other dispositions of the Shares generally are taxable events for Shareholders that are subject to U.S. federal income tax. Shareholders should consult their own tax advisors with reference to their individual circumstances to determine whether any particular transaction in the Shares is properly treated as a sale or exchange for federal income tax purposes, as the following discussion assumes, and the tax treatment of any gains or losses recognized in such transactions. Gain or loss will generally be equal to the difference between the amount of cash and the fair market value of other property received and the Shareholder's adjusted tax basis in the Shares sold or exchanged. Such gain or loss will generally be characterized as capital gain or loss and will be long-term if the Shareholder's holding period for the Shares is more than one year and short-term if it is one year or less. However, any loss realized by a Shareholder upon the sale or other disposition of Shares with a tax holding period of six months or less will be treated as a long-term capital loss to the extent of any amounts treated as distributions of long-term capital gain with respect to such Shares. For the purposes of calculating the six-month period, the holding period is suspended for any periods during which the Shareholder's risk of loss is diminished as a result of holding one or more other positions in substantially similar or related property or through certain options, short sales or contractual obligations to sell. The ability to deduct capital losses may be limited. In addition, losses on sales or other dispositions of Shares may be disallowed under the "wash sale" rules in the event that substantially identical stock or securities are acquired (including those made pursuant to reinvestment of dividends) within a period of 61 days beginning 30 days before and ending 30 days after a sale or other disposition of Shares. In such a case, the disallowed portion of any loss generally would be included in the U.S. federal income tax basis of the Shares acquired.

Certain net investment income received by an individual having adjusted gross income in excess of \$200,000 (or \$250,000 for married individuals filing jointly) is subject to a Medicare tax of 3.8%. Undistributed net investment income of trusts and estates in excess of a specified amount is also subject to this tax. Dividends and capital gains distributed by the Fund, and gain realized on the sale of Shares, will constitute investment income of the type subject to this tax.

Because the Fund does not expect to distribute dividends that would give rise to an adjustment to an individual's alternative minimum taxable income, an investment in the Shares should not, by itself, cause the Shareholder to become subject to alternative minimum tax.

The Fund is required in certain circumstances to backup withhold at a current rate of 28% on reportable payments including dividends, capital gain distributions, and proceeds of sales or other dispositions of the Shares paid to certain Shareholders who do not furnish the Fund with their correct social security number or other taxpayer identification number and certain certifications, or who are otherwise subject to backup withholding. Backup withholding is not an additional tax. Any amounts withheld from payments made to a Shareholder may be refunded or credited against such Shareholder's U.S. federal income tax liability, if any, provided that the required information is timely furnished to the IRS.

This prospectus does not address the U.S. federal income tax consequences to a non-U.S. Shareholder of an investment in the Shares. Non-U.S. Shareholders should consult their tax advisers concerning the tax consequences of ownership of Shares of the Fund, including the possibility that distributions may be subject to a 30% U.S. withholding tax (or a reduced rate of withholding provided by an applicable treaty if the investor provides proper certification of such status).

The foregoing is a general and abbreviated summary of the provisions of the Code and the Treasury regulations thereunder currently in effect as they directly govern the taxation of the Fund and its Shareholders. These provisions are subject to change by legislative or administrative action, and any such change may be retroactive. A more complete discussion of the federal income tax rules applicable to the Fund can be found in the SAI, which is incorporated by reference into this prospectus. Shareholders are urged to consult their tax advisors regarding specific questions as to U.S. federal, foreign, state, and local income or other taxes before making an investment in the Fund.

UNDERWRITING

Ladenburg Thalmann & Co. Inc. is acting as representative of the underwriters named below. Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus, each underwriter named below has agreed to purchase, and the Fund has agreed to sell to that underwriter, the number of shares of the Series A Term Preferred Stock set forth opposite the underwriter's name.

Underwriter	Shares of Series A Term Preferred Stock
Ladenburg Thalmann & Co. Inc.	1,127,000
Janney Montgomery Scott LLC	313,000
Total	1,440,000

The underwriting agreement provides that the obligations of the underwriters to purchase the shares of the Series A Term Preferred Stock are subject to approval of legal matters by counsel and to other conditions. The underwriters are obligated to purchase all shares of the Series A Term Preferred Stock (other than those covered by the over-allotment option described below) if they purchase any of the shares of Series A Term Preferred Stock.

The underwriters propose to initially offer some shares of the Series A Term Preferred Stock directly to the public at the public offering price set forth on the cover page of this prospectus and some of the shares of the Series A Term Preferred Stock to certain dealers at the public offering price less a concession not in excess of \$0.50 per share of Series A Term Preferred Stock. The underwriting discount of \$0.78125 per share of Series A Term Preferred Stock is equal to 3.125% of the initial public offering price. If all of the shares of the Series A Term Preferred Stock are not sold at the initial public offering price, the representative may change the public offering price and other selling terms. Investors must pay for any shares purchased in this offering on or before October 25, 2017. The representative has advised the Fund that the underwriters do not intend to confirm any sales to any accounts over which they exercise discretionary authority.

The underwriters hold an option, exercisable for 30 days from the date of this prospectus, to purchase from the Fund up to 216,000 additional shares of the Series A Term Preferred Stock at the public offering price less the underwriting discount. The underwriters may exercise the option solely for the purpose of covering over-allotments, if any, in connection with this offering. To the extent such option is exercised, each underwriter must purchase a number of additional shares approximately proportionate to that underwriter's initial purchase commitment.

The Fund has agreed that, for a period of 90 days from the date of this prospectus, the Fund will not, without the prior written consent of Ladenburg Thalmann & Co. Inc. on behalf of the underwriters, offer, pledge, sell, contract to sell or otherwise dispose of or agree to sell or otherwise dispose of, directly or indirectly or hedge any Series A Term Preferred Stock or any securities convertible into or exchangeable for Series A Term Preferred Stock. Ladenburg Thalmann & Co. Inc. in its sole discretion may release any of the securities subject to this lock-up agreement at any time without notice.

The 90-day period in the preceding paragraph will be extended if (i) during the last 17 days of the 90-day period the Fund issues an earnings release or material news or a material event relating to the Fund occurs or (ii) prior to the expiration of the 90-day period, the Fund announces that it will release earnings results during the 16-day period beginning on the last day of the 90-day period, in which case the restrictions described in the preceding sentence will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the announcement of the material news or the occurrence of the material event.

The Fund has applied to list the shares of the Series A Term Preferred Stock on the NYSE and expects trading to commence thereon within 30 days after the initial delivery of the Series A Term Preferred Stock under the ticker symbol “RMPL”.

The following table shows the underwriting discount to be paid to the underwriters in connection with this offering. These amounts are shown assuming both no exercise and full exercise of the underwriters’ option to purchase additional shares of the Series A Term Preferred Stock. As part of the Fund’s payment of the offering expenses, it has agreed to pay expenses related to the fees and disbursements of counsel to the underwriters, in an amount not to exceed \$25,000 in the aggregate.

	No Exercise	Full Exercise
Per Share of Series A Term Preferred Stock	\$0.78125	\$0.78125
Total	\$1,125,000	\$1,293,750

The Fund, the Adviser and the Administrator have each agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, or to contribute to payments the underwriters may be required to make because of any of those liabilities.

Certain underwriters may make a market in the Series A Term Preferred Stock. No underwriter is, however, obligated to conduct market-making activities and any such activities may be discontinued at any time without notice, at the sole discretion of the underwriter. No assurance can be given as to the liquidity of, or the trading market for, shares of the Series A Term Preferred Stock as a result of any market-making activities undertaken by any underwriter. This prospectus is to be used by any underwriter in connection with the offering and, during the period in which a prospectus must be delivered, with offers and sales of the shares in market-making transactions in the over-the-counter market at negotiated prices related to prevailing market prices at the time of the sale.

In connection with the offering, Ladenburg Thalmann & Co. Inc., on behalf of the underwriters, may purchase and sell share of the Series A Term Preferred Stock in the open market. These transactions may include short sales, syndicate covering transactions and stabilizing transactions. Short sales involve syndicate sales of shares of Series A Term Preferred Stock in excess of the number of shares of Series A Term Preferred Stock to be purchased by the underwriters in the offering, which creates a syndicate short position. “Covered” short sales are sales of shares of Series A Term Preferred Stock made in an amount up to the number of shares of Series A Term Preferred Stock represented by the underwriters’ over-allotment option. In determining the source of shares of Series A Term Preferred Stock to close out the covered syndicate short position, the underwriters will consider, among other things, the price of shares of Series A Term Preferred Stock available for purchase in the open market as compared to the price at which they may purchase shares through the overallotment option. Transactions to close out the covered syndicate short position involve either purchases of shares of Series A Term Preferred Stock in the open market after the distribution has been completed or the exercise of the over-allotment option. The underwriters may also make “naked” short sales of shares of Series A Term Preferred Stock in excess of the over-allotment option. The underwriters must close out any naked short position by purchasing shares of Series A Term Preferred Stock in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of shares of Series A Term Preferred Stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of bids for or purchases of shares of Series A Term Preferred Stock in the open market while the offering is in progress.

The underwriters also may impose a penalty bid. Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when Ladenburg Thalmann & Co. Inc. repurchases of shares of the Series A Term Preferred Stock originally sold by that syndicate member in order to cover syndicate short positions or make stabilizing purchases.

Any of these activities may have the effect of preventing or retarding a decline in the market price of the Series A Term Preferred Stock. They may also cause the price of Series A Term Preferred Stock to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The underwriters may conduct these transactions on the NYSE, or in the over-the-counter market, or otherwise. Trading is expected to commence on the NYSE within 30 days after the date of initial delivery of shares of Series A Term Preferred Stock. If the underwriters commence any of these transactions, they may discontinue them at any time.

We estimate that the total expenses of this offering, excluding the underwriting discounts and commissions, will be approximately \$339,300.

A prospectus in electronic format may be made available on the websites maintained by one or more of the underwriters. The representative may agree to allocate a number of shares of Series A Term Preferred Stock to underwriters for sale to their online brokerage account holders. The representative will allocate shares of Series A Term Preferred Stock to underwriters that may make Internet distributions on the same basis as other allocations. In addition, shares of the Series A Term Preferred Stock may be sold by the underwriters to securities dealers who resell shares to online brokerage account holders.

Potential Conflicts of Interest

We anticipate that, from time to time, certain underwriters may act as brokers or dealers in connection with the execution of our portfolio transactions after they have ceased to be underwriters and, subject to certain restrictions, may act as brokers while they are underwriters.

Millenium Trust Company, LLC and U.S. Bank, N.A. serve as the Fund's custodians. Certain underwriters may have performed investment banking and financial advisory services for the Fund, the Adviser and the Fund's affiliates from time to time, for which they have received customary fees and expenses. Certain underwriters may, from time to time, engage in transactions with or perform services for the Fund, the Fund's investment adviser and the Fund's affiliates in the ordinary course of business.

The principal business addresses of the representative of the underwriters is: 277 Park Avenue 26th Floor, New York, New York 10022.

CUSTODIAN, TRANSFER AGENT, DIVIDEND DISBURSING AGENT AND REDEMPTION AND PAYING AGENT

The Fund places and maintains its Marketplace Loans, securities and cash in the custody of one or more entities meeting the requirements of Section 17(f) of the 1940 Act. For its investments in Marketplace Loans, the Fund has engaged Millennium Trust Company, LLC, 2001 Spring Road #700, Oak Brook, Illinois 60523, a custodian with experience in the custody of loans originated through marketplace lending platforms. For its services, Millennium Trust Company receives a monthly fee based upon, among other things, the average value of the total loans of the Fund. See “The Fund’s Investments—Marketplace Lending—Marketplace Loans and Pass-Through Notes.”

U.S. Bank, N.A. serves as the Fund’s custodian of the cash and securities owned by the Fund. For its services, U.S. Bank, N.A. receives a monthly fee based upon, among other things, the average value of the cash and securities of the Fund.

DST Systems, Inc., located at 333 W. 11th Street, Kansas City, Missouri 64105, serves as the Fund’s transfer agent and registrar and is responsible for coordinating and processing all repurchase offers. The Fund has entered into an amendment to its Agency Agreement with DST Systems, Inc. for the purpose of causing the Fund’s transfer agent and registrar to serve as transfer agent and registrar, dividend disbursing agent, and redemption and paying agent with respect to the Series A Term Preferred Stock.

U.S. Bancorp Fund Services, LLC (“USBFS”) serves as the Fund’s administrator. Under an Administration Servicing Agreement, USBFS is responsible for calculating NAVs, with oversight from the Board of Directors, providing additional fund accounting and tax services, and providing fund administration and compliance-related services. For its services, USBFS will receive a monthly fee at the annual rate of 9 basis points of the Fund’s average net assets on the first \$500 million, 7 basis points of the Fund’s average net assets on the next \$500 million, and 5 basis points of the Fund’s average assets on the assets over \$1.0 billion.

LEGAL OPINIONS

Certain legal matters in connection with Series A Term Preferred Stock will be passed upon for the Fund by Chapman and Cutler LLP, Chicago, Illinois. Certain legal matters in connection with the offering will be passed on by Blank Rome LLP for the underwriter. Chapman and Cutler LLP may rely as to certain matters of Maryland law on the opinion of Shapiro Sher Guinot & Sandler, P.A.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The audited financial statements of the Fund included in this prospectus have been audited by KPMG LLP, an independent registered public accounting firm, and have been so included in reliance upon the report of KPMG LLP given on the authority of such firm as experts in accounting and auditing. The principal business address of KPMG LLP is 200 East Randolph Drive, Suite 5500, Chicago, Illinois 60601.

MISCELLANEOUS

To the extent that a holder of shares of Series A Term Preferred Stock is directly or indirectly a beneficial owner of more than 10% of any class of the Fund's outstanding shares (meaning for purposes of holders of shares of Series A Term Preferred Stock, more than 10% of the Fund's outstanding preferred stock), such a 10% beneficial owner would be subject to the short-swing profit rules that are imposed pursuant to Section 16 of the Exchange Act (and related reporting requirements). These rules generally provide that such a 10% beneficial owner may have to disgorge any profits made on purchases and sales, or sales and purchases, of the Fund's preferred stock (including Series A Term Preferred Stock) within any six month time period. Investors should consult with their own counsel to determine the applicability of these rules.

AVAILABLE INFORMATION

The Fund is subject to the informational requirements of the Exchange Act and the 1940 Act and in accordance therewith files reports and other information with the SEC. Reports, proxy statements and other information filed by the Fund with the SEC pursuant to the informational requirements of such Acts can be inspected and copied at the public reference facilities maintained by the SEC, 100 F Street, N.E., Washington, D.C. 20549. The SEC maintains a web site at <http://www.sec.gov> containing reports, proxy and information statements and other information regarding registrants, including the Fund, that file electronically with the SEC.

This prospectus and the Statement of Additional Information constitute part of a Registration Statement filed by the Fund with the SEC under the 1933 Act and the 1940 Act. This prospectus and the Statement of Additional Information omit certain of the information contained in the Registration Statement, and reference is hereby made to the Registration Statement and related exhibits for further information with respect to the Fund and the shares of Series A Term Preferred Stock offered hereby. Any statements contained herein concerning the provisions of any document are not necessarily complete, and, in each instance, reference is made to the copy of such document filed as an exhibit to the Registration Statement or otherwise filed with the SEC. Each such statement is qualified in its entirety by such reference. The complete Registration Statement may be obtained from the SEC upon payment of the fee prescribed by its rules and regulations or free of charge through the SEC's website (<http://www.sec.gov>).

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ASSETS:	
Investments:	
At cost	\$ 90,407,135
At value	\$ 88,714,814
Cash	6,610,926
Receivable for fund shares sold	2,352,658
Interest income receivable	594,307
Deferred offering costs	201,014
Receivable for principal repayments	170,562
Prepaid expenses and other assets	2,267
Total Assets	98,646,548

LIABILITIES:	
Payable for professional fees	299,780
Payable to Investment Adviser, net	102,388
Accrued loan service fees	69,827
Payable for custodian fees	15,042
Payable for administration and fund accounting fees	14,435
Other accrued expenses	33,877
Total Liabilities	535,349
Net Assets	\$ 98,111,199

NET ASSETS CONSIST OF:	
Paid-in capital	98,492,464
Undistributed net investment income	1,367,844
Accumulated net realized loss on investments	(56,788)
Net unrealized depreciation on investments	(1,692,321)
Net Assets	\$ 98,111,199

PRICING OF SHARES:	
Shares of beneficial interest outstanding (40,000,000 shares authorized, \$0.0001 par value)	3,901,780
Net Asset Value Per Share	\$ 25.15

See Notes to Financial Statements.

Loan Term/Loan Status	Principal Amount	Cost	Market Value
WHOLE LOANS - 90.42%			
Consumer Loans - 70.81%			
Prosper - 29.41%			
36-Month ^(a) , 5.32% - 31.92%, 9/23/2019 - 6/30/2020	\$19,243,182	\$19,243,182	\$ 18,863,646
60-Month ^(a) , 6.90% - 31.24%, 9/23/2021 - 6/30/2022	10,222,470	10,222,470	9,992,931
		29,465,652	28,856,577
SoFi - 16.41%			
36-Month^(a)			
310255, 7.99%, 03/01/2020	92,438	92,438	92,264
305809, 8.88%, 03/01/2020	88,346	88,346	88,179
293939, 5.95%, 02/01/2020	77,917	77,917	77,770
302114, 5.95%, 03/01/2020	75,302	75,302	75,159
295561, 8.88%, 02/01/2020	71,904	71,904	71,768
Remaining 36-Month, 5.95% - 10.24%, 12/1/2018 - 4/1/2020	2,261,520	2,261,520	2,249,259
Total 36-Month		2,667,427	2,654,399
60-Month^(a)			
324800, 9.87%, 04/01/2022	96,189	96,189	96,007
311843, 9.87%, 03/01/2022	95,897	95,897	95,716
294652, 7.32%, 02/01/2022	94,196	94,196	94,018
296771, 9.87%, 02/15/2022	93,360	93,360	93,184
226927, 7.32%, 10/01/2021	88,431	88,431	88,264
227105, 9.87%, 10/01/2021	88,396	88,396	88,229
309065, 9%, 03/01/2022	86,900	86,900	86,737
311901, 9.87%, 03/01/2022	81,512	81,512	81,358
315373, 9.87%, 03/01/2022	81,384	81,384	81,231
301832, 7.32%, 03/01/2022	76,762	76,762	76,617
315052, 7.32%, 03/01/2022	71,667	71,667	71,532
226753, 9%, 10/01/2021	71,058	71,058	70,924
Remaining 60-Month, 7.32% - 11.25%, 11/1/2020 - 4/1/2022	4,021,174	4,021,174	4,008,600
Total 60-Month		5,046,926	5,032,417
84-Month^(a)			
319741, 10.88%, 04/01/2024	98,695	98,695	98,508
304534, 10.88%, 03/01/2024	97,718	97,718	97,533
304825, 10.88%, 03/01/2024	97,718	97,718	97,533

See Notes to Financial Statements.

June 30, 2017

Loan Term/Loan Status	Principal		
	Amount	Cost	Market Value
303810, 9.99%, 03/01/2024	97,648	97,648	97,464
298675, 8.33%, 03/01/2024	97,628	97,628	97,444
301250, 8.33%, 03/01/2024	97,500	97,500	97,316
317206, 10.88%, 03/01/2024	97,155	97,155	96,971
283125, 10.88%, 02/01/2024	97,015	97,015	96,832
283160, 8.33%, 02/01/2024	96,624	96,624	96,442
224565, 9.99%, 10/01/2023	93,038	93,038	92,863
227112, 9.99%, 10/01/2023	92,866	92,866	92,692
300351, 10.88%, 03/01/2024	90,967	90,967	90,795
285258, 10.88%, 02/01/2024	86,450	86,450	86,286
304744, 8.33%, 03/01/2024	73,243	73,243	73,104
311920, 8.33%, 03/01/2024	72,885	72,885	72,747
316818, 8.33%, 03/01/2024	72,756	72,756	72,619
Remaining 84-Month, 8.32% - 12.49%, 11/1/2022 - 4/1/2024	7,013,480	7,013,480	6,955,166
Total 84-Month		8,473,386	8,412,315
		16,187,739	16,099,131
LendingClub - 24.99%			
36-Month^(a) , 5.32% - 30.49%, 1/6/2020 - 7/2/2020	14,871,053	14,871,053	14,750,814
60-Month^(a) , 7.99% - 30.99%, 1/6/2022 - 7/2/2022	9,985,866	9,985,866	9,772,168
		24,856,919	24,522,982
Total Consumer Loans		70,510,310	69,478,690
Small Business Loans - 19.61%			
Square - 17.44%			
18-Month^{(a)(b)}			
666428, 11/17/2018	100,954	95,246	95,327
720496, 12/14/2018	99,046	94,755	94,623
729683, 12/22/2018	94,941	90,653	90,648
663174, 11/13/2018	93,120	87,251	86,817
658463, 11/09/2018	91,685	87,048	86,660
645476, 10/27/2018	89,588	86,185	85,828
723451, 12/16/2018	74,505	71,194	71,161
Remaining 18-Month, 3.15% - 7.29%, 3/20/2018 - 12/27/2018	18,202,232	17,151,508	16,499,967
Total 18-Month		17,763,840	17,111,031

See Notes to Financial Statements.

June 30, 2017

Loan Term/Loan Status	Principal Amount	Cost	Market Value
FundingCircle - 2.17%			
12-Month , 5.49% - 15.79%, 12/12/2017 - 12/22/2017	77,302	77,302	77,082
24-Month^(a)			
0c86b211-cd0c-4f5b-9fe1-4332c63c4abe, 13.09%, 12/23/2018	203,144	203,144	201,794
Remaining 24-Month, 7.99% - 13.09%, 12/15/2018 - 12/22/2018	99,198	99,198	98,715
Total 24-Month		302,342	300,509
36-Month^(a)			
d6bbac89-d83c-42a9-a0c0-b496ef714bb5, 11.19%, 12/22/2019	166,851	166,851	166,687
f59087de-e6f8-4516-8dac-a7b0026275fd, 11.19%, 12/21/2019	154,017	154,017	153,846
997f0a91-50f3-4e9c-9063-a384f0858ec7, 19.29%, 12/15/2019	89,374	89,374	88,284
280cbe47-5690-4d7f-ae0b-e41478843f15, 11.19%, 12/20/2019	85,565	85,565	85,548
Remaining 36-Month, 8.99% - 11.19%, 12/13/2019 - 12/23/2019	176,325	176,325	176,006
Total 36-Month		672,132	670,371
48-Month , 9.79% - 15.09%, 12/13/2020 - 12/22/2020	94,802	94,802	94,542
60-Month^(a)			
83c884cd-af5d-4fe0-ab5a-0506ddbc2159, 16.09%, 12/19/2021	233,003	233,003	232,475
f75477b1-9d52-40aa-a75f-9e60234d8de3, 10.49%, 12/16/2021	184,722	184,722	184,514
1588cc1a-c0e7-41c7-a633-341c525cbea4, 21.29%, 12/20/2021	161,655	161,655	159,904
fe10f7cb-21c0-4296-9c8d-cbd4654d9f86, 21.29%, 12/12/2021	97,819	97,819	97,313
6f2a7fa7-9b7e-4946-a683-9f28ede21285, 21.29%, 12/22/2021	75,245	75,245	75,072
Remaining 60-Month, 12.69% - 16.09%, 12/14/2021 - 12/23/2021	233,963	233,963	233,311
Total 60-Month		986,407	982,589
		2,132,985	2,125,093
Total Small Business Loans		19,896,825	19,236,124
TOTAL WHOLE LOANS		90,407,135	88,714,814
TOTAL INVESTMENTS - 90.42%		90,407,135	88,714,814
OTHER ASSETS IN EXCESS OF LIABILITIES - 9.58%			9,396,385
TOTAL NET ASSETS - 100.00%			98,111,199

See Notes to Financial Statements.

The Summary Schedule of Investments provides information regarding the 50 largest investments and summarized information regarding other investments at June 30, 2017. For individual investments disclosed, the description includes the unique loan identification number.

(a) Category may include one or more past-due loans. A loan is deemed past-due at June 30, 2017, if the loan borrower has not made its required payment as of the most recent due date. The following is a summary of past-due loans as of June 30, 2017:

Whole Loans		
Consumer Loans		
Prosper		
36-Month		\$ 163,150
60-Month		118,781
Total Prosper		281,931
SoFi		
36-Month		25,366
60-Month		13,609
84-Month		3,887
Total SoFi		42,862
LendingClub		
36-Month		23,747
60-Month		69,293
Total LendingClub		93,040
Total Consumer Loans		417,833
Small Business Loans		
Square		
18-Month		189,736
Total Square		189,736
FundingCircle		
24-Month		60,500
36-Month		88,284
60-Month		159,904
Total FundingCircle		308,688
Total Small Business Loans		498,424
Total Whole Loans		\$ 916,257

(b) Loans are issued at discounts and do not have a stated interest rate. Percentage of initial discount to total receivable ranges from 4.55% to 9.95%. Actual yield and maturity is dependent on timing of future payments.

See Notes to Financial Statements.

RiverNorth Marketplace Lending Corporation
Statement of Operations

Period from
September 22, 2016⁽¹⁾
through
June 30, 2017

INVESTMENT INCOME:	
Interest income	\$ 5,011,647
Other income	68,764
Total Investment Income	5,080,411
EXPENSES:	
Offering costs	670,730
Investment Adviser fee	426,407
Loan service fees	349,297
Audit expenses	295,034
Valuation expenses	277,148
Director expenses	73,141
Accounting and administration fee	67,499
Legal expenses	57,018
Custodian expenses	41,999
Printing expenses	41,997
Transfer agency expenses	30,237
Registration expenses	4,774
Other expenses	53,750
Total expenses before Investment Adviser waiver	2,389,031
Expenses waived or reimbursed by Investment Adviser (see Note 4)	(1,372,543)
Net Expenses	1,016,488
Net Investment Income	4,063,923
REALIZED AND UNREALIZED GAIN/(LOSS):	
Net realized loss on investments	(56,788)
Net change in unrealized depreciation on investments	(1,692,321)
Net realized and unrealized loss on investments	\$ (1,749,109)
Net Increase in Net Assets Resulting from Operations	\$ 2,314,814

⁽¹⁾ Commencement of operations.

See Notes to Financial Statements.

RiverNorth Marketplace Lending Corporation
Statement of Changes in Net Assets

	Period from September 22, 2016 ⁽¹⁾ through June 30, 2017
NET INCREASE/(DECREASE) IN NET ASSETS FROM OPERATIONS:	
Net investment income	\$ 4,063,923
Net realized loss on investments	(56,788)
Net change in unrealized depreciation on investments	(1,692,321)
Net increase in net assets resulting from operations	2,314,814
DISTRIBUTIONS TO SHAREHOLDERS:	
From net investment income	(2,696,079)
Net decrease in net assets from distributions to shareholders	(2,696,079)
CAPITAL SHARE TRANSACTIONS:	
Proceeds from issuance of common shares	97,666,366
Reinvestment of distributions	1,111,885
Shares redeemed	(385,787)
Net increase in net assets from capital stock transactions	98,392,464
Net Increase in Net Assets	98,011,199
NET ASSETS:	
Beginning of period	100,000
End of period (including undistributed net investment income of \$1,367,844)	\$ 98,111,199

⁽¹⁾ Commencement of operations.

See Notes to Financial Statements.

RiverNorth Marketplace Lending Corporation
Statement of Cash Flows

Period from
September 22, 2016⁽¹⁾
through
June 30, 2017

CASH FLOWS USED IN OPERATING ACTIVITIES:	
Net increase in net assets resulting from operations	\$ 2,314,814
Adjustments to reconcile the change in net assets from operations to net cash used in operating activities:	
Purchases of long term investments	(115,060,881)
Proceeds from principal paydowns	24,596,958
Deferred offering costs	(871,743)
Amortization of deferred offering costs	670,730
Net realized loss on investments	56,788
Net change in unrealized depreciation on investments	1,692,321
Increase in:	
Interest and other income receivable	(594,307)
Prepaid expenses and other assets	(2,267)
Receivable for principal paydowns	(170,562)
Increase in:	
Payable to Investment Adviser	102,388
Accrued loan services fees	69,827
Other accrued expenses	33,877
Administration, fund accounting and custodian fees payable	29,477
Payable for professional fees	299,780
Net cash used in operating activities	(86,832,800)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES:	
Issuance of common stock	95,313,707
Shares redeemed	(385,787)
Cash dividends paid to common stockholders	(1,584,194)
Net cash provided by financing activities	93,343,726
NET CHANGE IN CASH:	6,510,926
Cash at beginning of period	100,000
Cash at end of period	\$ 6,610,926

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW AND
NON-CASH INFORMATION**

Non-cash financing activities-distributions reinvested	\$ 1,111,885
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⁽¹⁾ Commencement of operations.

See Notes to Financial Statements.

	Period from September 22, 2016 ^(a) through June 30, 2017
Net asset value - beginning of period	\$ 25.00
Income from investment operations:	
Net investment income ^(b)	2.32
Net unrealized loss on investments	(0.93)
Total income from investment operations	1.39
Less distributions:	
From net investment income	(1.24)
Total distributions	(1.24)
Net increase in net asset value	0.15
Net asset value - end of period	\$ 25.15
Total Return^(c)	5.67%
Ratios/Supplemental Data:	
Net assets, end of period (in thousands)	\$ 98,111
Ratio of expenses to average net assets excluding fee waivers and reimbursements ^(d)	6.98%
Ratio of expenses to average net assets including fee waivers and reimbursements ^{(d)(e)}	2.97%
Ratio of net investment income to average net assets excluding fee waivers and reimbursements ^(d)	7.86%
Ratio of net investment income to average net assets including fee waivers and reimbursements ^(d)	11.87%
Portfolio turnover rate ^(f)	62.8%

^(a) Commencement of operations.

^(b) Based on average shares outstanding during the period.

^(c) Not annualized. Total return in the above table represents the rate that the investor would have earned or lost on an investment in the Fund, assuming reinvestment of dividends.

^(d) Annualized.

^(e) Ratio includes loan service fees that are outside the expense limit in the amount of 1.02%.

^(f) Not annualized.

See Notes to Financial Statements.

1. ORGANIZATION

RiverNorth Marketplace Lending Corporation (the "Fund") was organized as a Maryland corporation on June 9, 2015, and is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as a non-diversified closed-end management investment company. The investment adviser to the Fund is RiverNorth Capital Management, LLC (the "Adviser").

Prior to the Fund's commencement of operations on September 22, 2016, the only activities of the Fund were organization matters and the sale and issuance of 4,000 shares for \$100,000 to the Adviser.

The Fund is operated as an interval fund under Rule 23c-3 of the 1940 Act. As an interval fund, the Fund has adopted a fundamental policy to conduct quarterly repurchase offers for at least 5% and up to 25% of the outstanding shares at NAV, subject to certain conditions. The Fund will not otherwise be required to repurchase or redeem shares at the option of a shareholder. It is possible that a repurchase offer may be oversubscribed, in which case shareholders may only have a portion of their shares repurchased.

The investment objective of the Fund is to seek a high level of current income. The Fund will seek to achieve its investment objective by investing, directly or indirectly, at least 80% of its Managed Assets (the total assets of the Fund, including assets attributable to leverage, minus liabilities (other than debt representing leverage and any preferred stock that may be outstanding)) in marketplace lending investments.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Use of Estimates: The preparation of the financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. The Fund believes that these estimates utilized in preparing the financial statements are reasonable and prudent; however, actual results could differ from these estimates. In the normal course of business, the Fund enters into contracts that contain a variety of representations which provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. However, the Fund expects the risk of loss to be remote.

Federal Income Taxes: The Fund intends to elect to be treated as, and to qualify each year for special tax treatment afforded to, a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code ("IRC"). In order to qualify as a RIC, the Fund must, among other things, satisfy income, asset diversification and distribution requirements. As long as it so qualifies, the Fund will not be subject to U.S. federal income tax to the extent that it distributes annually its investment company taxable income (which includes ordinary income and the excess of net short-term capital gain over net long-term capital loss) and its "net capital gain" (i.e., the excess of net long-term capital gain over net short-term capital loss). The Fund intends to distribute at least annually substantially all of such income and gain. If the Fund retains any investment company taxable income or net

capital gain, it will be subject to U.S. federal income tax on the retained amount at regular corporate tax rates. In addition, if the Fund fails to qualify as a RIC for any taxable year, it will be subject to U.S. federal income tax on all of its income and gains at regular corporate tax rates.

Distributions to Shareholders: Distributions to shareholders, which are determined in accordance with income tax regulations, are recorded on the ex-dividend date. The treatment for financial reporting purposes of distributions made to shareholders during the year from net investment income or net realized capital gains may differ from their ultimate treatment for federal income tax purposes. These differences are caused primarily by differences in the timing of recognition of certain components of income, expense or realized capital gain for federal income tax purposes. Where such differences are permanent in nature, they are reclassified in the components of the net assets based on their ultimate characterization for federal income tax purposes. Any such reclassification will have no effect on net assets, results of operations or net asset values per share of the Fund.

Marketplace Lending: Marketplace lending, which is sometimes referred to as peer-to-peer lending, online lending or alternative lending, is a method of financing in which a marketplace lending platform facilitates the borrowing and lending of money while generally not relying on deposits for capital to fund loans. It is considered an alternative to more traditional debt financing done through a bank. There are several different models of marketplace lending but, very generally, a platform typically matches consumers, small or medium-sized businesses or other types of borrowers with investors that are interested in gaining investment exposure to the loans made to such borrowers. Prospective borrowers must disclose or otherwise make available to the platform operator certain financial and other information including, for example, the borrower's credit score (as determined by a credit reporting agency), income, debt-to-income ratio, credit utilization, employment status, homeownership status, number of existing credit lines, intended use of funds and the number and/or amount of recent payment defaults and delinquencies, certain of which information is then made available to prospective lenders. Often, platforms charge fees to borrowers to cover these screening and administrative costs. The platform uses the information provided by the borrower (along with other relevant data such as the characteristics of the loan) to assign its own credit rating (in the case of most consumer platforms) and the interest rate for the requested loan. In some cases, a platform partners with a bank to originate a loan to a borrower, after which the bank sells the loan to the platform; alternatively, some platforms may originate loans themselves.

Platforms may set minimum eligibility standards for borrowers to participate in marketplace lending arrangements and may limit the maximum permitted borrowings. Depending on the purpose and nature of the loan, its term may, for example, be as short as six months or shorter, or as long as five years. Set forth below is additional information about some of the Fund's marketplace lending-related investments.

Whole Loans: When the Fund invests directly or indirectly in whole loans, it will typically purchase all rights, title and interest in the loans pursuant to a loan purchase agreement directly from the platform or its affiliate. The platform or a third-party servicer typically continues to service the loans, collecting payments and distributing them to the Fund, less any servicing fees assessed against the Fund, and the servicing entity typically will make all decisions regarding acceleration or enforcement of the loans following any default by a borrower. The Fund has backup servicers in case any platform or affiliate of the platform ceases or fails to perform these servicing functions. The Fund, as an investor in a whole loan, is entitled to receive payment only from the borrower and/or

any guarantor, and is not able to recover any deficiency from the platform, except under very narrow circumstances, which may include fraud by the borrower in some cases. As described above, the whole loans in which the Fund may invest may be secured or unsecured.

Investment Income: Dividend income is recognized on the ex-dividend date. Other income includes incentive payments received by the Fund with respect to the purchase of loans. Interest income is recognized on an accrual basis to the extent that such amounts are expected to be collected and include amortization/ accretion of premiums or discounts.

Investment Transactions: Investment transactions are recorded on the trade date.

Offering Cost: Offering costs are amortized to expense over a 12 month period on a straight-line basis.

3. SECURITIES VALUATION AND FAIR VALUE MEASUREMENTS

Fair value is defined as the price that a Fund might reasonably expect to receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market for the investment. US GAAP establishes a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes.

Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value including using such a pricing model and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below.

- Level 1 – Unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities that the Fund has the ability to access at the measurement date;
- Level 2 – Quoted prices which are not active, quoted prices for similar assets or liabilities in active markets or inputs other than quoted prices that are observable (either directly or indirectly) for substantially the full term of the asset or liability; and
- Level 3 – Significant unobservable prices or inputs (including the Fund's own assumptions in determining the fair value of investments) where there is little or no market activity for the asset or liability at the measurement date.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Marketplace loans, as an asset class, are not presently traded on a developed secondary market. Therefore, market quotations are not available. Accordingly, all marketplace loans are fair valued as determined in good faith by the Adviser pursuant to policies and procedures approved by the Board of Directors (the "Board") and subject to the Board's oversight. The Fund utilizes a third party valuation specialist to provide market place loan valuations. A discounted cash flow model is used by the third party valuation specialist to arrive at a value for each marketplace loan held in the Fund's portfolio. Discounted cash flow is a valuation technique that provides an estimation of the fair value of an asset based on expectations about cash flows that a marketplace loan would generate over time. A discounted cash flow model begins with an estimation of periodic cash flows expected to be generated over a discrete period of time (generally the time remaining until maturity of the loan). The estimated cash flows for each interval period (generally monthly) are then converted to their present value equivalent using a rate of return appropriate for the risk of achieving projected cash flows. Although not exhaustive, discounted cash flow models factor in borrower level data. Loans made to small businesses may incorporate different factors.

The Board will initially and periodically review the methodology used in determining the values of marketplace loans. The Board will further consider how changes in the markets may affect the factors utilized in the models and the frequency of reevaluation.

The following is a summary of the inputs used at June 30, 2017 to value the Fund's assets and liabilities:

Investments in Securities at Value	Valuation Inputs			Total
	Level 1	Level 2	Level 3	
Whole Loans				
Consumer Loans	\$ -	\$ -	\$69,478,690	\$69,478,690
Small Business Loans	-	-	19,236,124	19,236,124
Total	\$ -	\$ -	\$88,714,814	\$88,714,814

The changes of the fair value of investments for which the Fund has used Level 3 inputs to determine the fair value are as follows:

	Balance as of September 22, 2016 ^(a)	Purchases	Loan Repayments	Net Realized Loss	Change in Unrealized Depreciation	Balance as of June 30, 2017	Change in Unrealized Depreciation Attributable to Level 3 Investments Held at June 30, 2017
Whole Loans							
Consumer Loans	\$ -	\$ 76,956,608	\$ (6,405,187)	\$(41,111)	\$(1,031,620)	\$69,478,690	\$(1,031,620)
Small Business Loans	-	38,104,273	(18,191,771)	(15,677)	(660,701)	19,236,124	(660,701)
Total	\$ -	\$115,060,881	\$ (24,596,958)	\$(56,788)	\$(1,692,321)	\$88,714,814	\$(1,692,321)

^(a) Commencement of operations.

The table below provides additional information about the Level 3 Fair Value Measurements as of June 30, 2017:

Quantitative Information about Level 3 Fair Value Measurements

Type of Security	Industry	Fair Value at June 30, 2017	Valuation Techniques	Unobservable Inputs	Range	Weighted Average
Consumer Loans	Financial	\$69,478,690	Discounted	Loss-Adjusted	3.00%-18.33%;	8.48%;
	Services		Cash Flow	Discount Rate; Projected Loss Rate	0.00%-90.11%	8.45%
Small Business Loans	Financial	\$19,236,124	Discounted	Loss-Adjusted	3.44%-27.26%;	14.20%;
	Services		Cash Flow	Discount Rate; Projected Loss Rate	0.00%-90.77%	4.37%

It is the Fund's policy to recognize transfers into and out of all levels at the end of the reporting period.

There were no transfers into and out of Levels 1, 2, and 3 during the current period presented.

4. INVESTMENT ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES

The Adviser serves as the investment adviser to the Fund. For its services under the Investment Advisory Agreement, the Fund pays the Adviser a monthly management fee computed at the annual rate of 1.25% of the average monthly Managed Assets. The Adviser has agreed to waive a portion of such management fee for the first two years of the Investment Advisory Agreement and, therefore, the Fund will pay a monthly management fee computed at an annual rate of 0.95% of the average monthly Managed Assets for such two year period. "Managed Assets" means the total assets of the Fund, including assets attributable to leverage, minus liabilities (other than debt representing leverage and any preferred stock that may be outstanding). In addition to the monthly advisory fee, the Fund pays all other costs and expenses of its operations, including, but not limited to, compensation of its directors (other than those affiliated with the Adviser), custodial expenses, transfer agency and dividend disbursing expenses, legal fees, expenses of independent

auditors, expenses of repurchasing shares, expenses of any leverage, expenses of preparing, printing and distributing prospectuses, shareholder reports, notices, proxy statements and reports to governmental agencies, and taxes, if any. In addition, the Adviser has agreed to waive or reimburse expenses of the Fund (other than brokerage fees and commissions; loan servicing fees; borrowing costs such as (i) interest and (ii) dividends on securities sold short; taxes; indirect expenses incurred by the underlying funds in which the Fund may invest; the cost of leverage; and extraordinary expenses) to the extent necessary to limit the Fund's total annual operating expenses at 1.95% of the average daily Managed Assets for that period. The Adviser may recover from the Fund expenses reimbursed for three years after the date of the payment or waiver if the Fund's operating expenses, including the recovered expenses, falls below the expense cap. As of June 30, 2017 the Adviser has \$1,550,908 in total organizational and operating expenses subject to recoupment prior to June 30, 2020.

U.S. Bancorp Fund Services, LLC ("USBFS") provides the Fund with fund administration and fund accounting services.

DST Systems, Inc. serves as transfer, dividend paying and shareholder servicing agent for the Fund ("Transfer Agent").

Officers of the Fund and Directors who are "interested persons" of the Fund or the Adviser received no salary or fees from the Fund. Each Director who is not an "interested person" received a fee of \$16,500 per year plus \$1,500 per meeting attended. In addition, the lead Independent Director receives \$250 annually, the Chair of the Audit Committee receives \$500 annually, and the Chair of the Nominating and Corporate Governance Committee receives \$250 annually. The Fund reimburses each Director and Officer for his or her travel and other expenses relating to the attendance at such meetings.

5. FEDERAL INCOME TAXES

It is the Fund's policy to meet the requirements of the Internal Revenue Code applicable to regulated investment companies, and to distribute all of their taxable net income to their shareholders. In addition, the Fund intends to pay distributions as required to avoid imposition of excise tax. Therefore, no federal income tax provision is required.

Tax Basis of Distributions to Shareholders

Tax Basis of Distributions to Shareholders: The character of distributions made during the year from net investment income or net realized gains may differ from its ultimate characterization for federal income tax purposes. Also, due to the timing of dividend distributions, the fiscal year in which amounts are distributed may differ from the fiscal year in which the income or realized gain were recorded by a Fund.

The tax character of distributions paid by the Fund during the fiscal year ended June 30, 2017, was as follows:

Ordinary Income	Net Long Term Capital Gains	Return of Capital	Total
\$2,696,079	\$ -	\$ -	\$2,696,079

Components of Distributable Earnings on a Tax Basis: The tax components of distributable earnings are determined in accordance with income tax regulations which may differ from the composition of net assets reported under GAAP.

At June 30, 2017, the components of distributable earnings on a tax basis for the Funds were as follows:

Undistributed Ordinary Income	Undistributed Long Term Gain	Total
\$1,367,844	\$ –	\$1,367,844

Unrealized Appreciation and Depreciation on Investments: The amount and character of income and capital gain distributions to be paid, if any, are determined in accordance with federal income tax regulations, which may differ from U.S. generally accepted accounting principles.

As of June 30, 2017, net unrealized appreciation (depreciation) of investments based on federal tax costs was as follows:

Gross Appreciation (excess of value over tax)	Gross Depreciation (excess of tax cost over value)	Net Unrealized Appreciation/ (Depreciation)	Cost of Investments for Income Tax Purposes
\$ –	\$1,692,321	\$(1,692,321)	\$90,407,135

The Fund recognizes the tax benefits of uncertain tax positions only where the position is "more likely than not" to be sustained assuming examination by tax authorities. Management has analyzed the Fund's tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on U.S. tax returns and state tax returns filed since inception of the Fund. No income tax returns are currently under examination. All tax years since commencement of operations remain subject to examination by the tax authorities in the United States. The Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next 12 months.

6. INVESTMENT TRANSACTIONS

Investment transactions for the period ended June 30, 2017, excluding U.S. Government Obligations and short-term investments, were as follows:

Purchases of Loans	Proceeds from Principal Repayments on Loans
\$115,060,881	\$24,596,958

7. INDEMNIFICATIONS

Under the Fund's organizational documents, its officers and Directors are indemnified against certain liability arising out of the performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts with service providers that may contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred.

8. REPURCHASE OFFERS

Shares repurchased during the period from September 22, 2016 through June 30, 2017 were as follows:

Commencement Date	Repurchase Request Deadline	Repurchase Pricing Date	NAV on Repurchase Pricing Date	Percentage of Outstanding Shares the Fund Offered to Repurchase	Amount of Shares the Fund Offered to Repurchase	Percentage of Shares Tendered to Outstanding Shares	Number of Shares Tendered
December 12, 2016	January 11, 2017	January 11, 2017	\$25.24	5%	61,604	0.39%	4,765
March 13, 2017	April 12, 2017	April 12, 2017	\$25.18	5%	139,094	0.38%	10,545

For information regarding the repurchase offer with a commencement date of June 12, 2017, see Additional information.

9. CAPITAL SHARE TRANSACTIONS

	Period Ended June 30, 2017 ⁽¹⁾
Shares sold	3,868,767
Shares issued to holders in reinvestment of dividends	44,323
Shares redeemed	(15,310)
Net increase in shares	3,897,780
Shares outstanding:	
Beginning of period	4,000
End of period	3,901,780

⁽¹⁾ The Fund commenced operations on September 22, 2016.

10. RECENT ACCOUNTING PRONOUNCEMENTS

In October 2016, the U.S. Securities and Exchange Commission adopted new rules and amended existing rules (together, "final rules") intended to modernize the reporting and disclosure of information by registered investment companies. In part, the final rules amend Regulation S-X and require standardized, enhanced disclosure about derivatives in investment company financial statements, as well as other amendments. The compliance date for the amendments to Regulation S-X is August 1, 2017. Management is currently evaluating the impact that the adoption of the amendments to Regulation S-X will have on the financial statements and related disclosures.

11. SUBSEQUENT EVENTS

The Fund issued a tender offer on June 12, 2017. Shareholder tenders amounted to \$1,395,316, based on the July 12, 2017 net asset value, paid on July 13, 2017.

The Fund has performed an evaluation of subsequent events through the date the financial statements were issued and has determined that no additional items require recognition or disclosure.

The Board of Directors and Shareholders
RiverNorth Marketplace Lending Corporation:

We have audited the accompanying statement of assets and liabilities of RiverNorth Marketplace Lending Corporation (the "Fund"), including the summary schedule of investments, as of June 30, 2017, and the related statements of operations, changes in net assets and cash flows and the financial highlights for the period from September 22, 2016 (commencement of operations) through June 30, 2017. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of June 30, 2017, by correspondence with the custodians or other appropriate auditing procedures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of RiverNorth Marketplace Lending Corporation as of June 30, 2017, the results of its operations, changes in its net assets, its cash flows and the financial highlights for the period from September 22, 2016 through June 30, 2017, in conformity with U.S. generally accepted accounting principles.

KPMG LLP

Chicago, Illinois
August 29, 2017

RiverNorth Marketplace Lending Corporation

5.875% Series A Term Preferred Shares due 2024

PROSPECTUS

Underwriters
(Joint Book-Running Managers)

Ladenburg Thalmann

Janney Montgomery Scott

October 17, 2017

RIVERNORTH MARKETPLACE LENDING CORPORATION

STATEMENT OF ADDITIONAL INFORMATION

RiverNorth Marketplace Lending Corporation (the “Fund”) is a Maryland corporation that is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as a non-diversified, closed-end management investment company and is operated as an interval fund. The Fund was incorporated on June 9, 2015. The investment objective of the Fund is to seek a high level of current income. RiverNorth Capital Management, LLC, the investment adviser of the Fund (“RiverNorth” or the “Adviser”), attempts to achieve the Fund’s investment objective by investing, directly or indirectly, at least 80% of its Managed Assets in marketplace lending investments. See “The Fund’s Investments” in the Fund’s Prospectus (as defined below). There is no assurance that the Fund will achieve its investment objective.

This Statement of Additional Information (“SAI”) relating to the shares of the Fund’s 5.875% Series A Term Preferred Stock due 2024 (the “Series A Term Preferred Stock”) is not a prospectus, but should be read in conjunction with the prospectus for the Fund dated October 17, 2017 (the “Prospectus”). This SAI does not include all information that a prospective investor should consider before purchasing Series A Term Preferred Stock. Investors should obtain and read the Prospectus prior to purchasing Series A Term Preferred Stock. A copy of the Prospectus, annual and semi-annual reports to shareholders when available, and other information about the Fund may be obtained without charge by calling the Fund at (844) 569-4750.

The Prospectus and this SAI omit certain of the information contained in the registration statement filed with the Securities and Exchange Commission (“SEC”), Washington, D.C. The registration statement may be obtained from the SEC upon payment of the fee prescribed, or inspected at the SEC’s office or via its website (www.sec.gov) at no charge. Capitalized terms used but not defined herein have the meanings ascribed to them in the Prospectus.

This Statement of Additional Information is dated October 17, 2017.

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INVESTMENT RESTRICTIONS

Except as otherwise indicated, the Fund's investment policies are not fundamental and may be changed without a vote of shareholders. Except as otherwise indicated, any percentage limitations described in this SAI are as of the time of investment by the Fund and may be exceeded on a going-forward basis as a result of market value fluctuations of the Fund's portfolio or other events.

As a matter of fundamental policy, the Fund may not:

- (1) borrow money, except as permitted under the 1940 Act, and as interpreted or modified by regulatory authority having jurisdiction, from time to time;
- (2) issue senior securities, except as permitted under the 1940 Act and as interpreted or modified by regulatory authority having jurisdiction, from time to time;
- (3) purchase any security if, as a result of such purchase, 25% or more of the Fund's total assets (taken at current value) would be invested in the securities of borrowers and other issuers having their principal business activities in the same industry or group of industries; *provided, however*, that such limitation shall not apply to obligations issued or guaranteed by the United States government or by its agencies or instrumentalities; and *provided further* that the Fund will invest more than 25% of its assets in diversified financials;
- (4) engage in the business of underwriting securities issued by others, except to the extent that the Fund may be deemed to be an underwriter within the meaning of the Securities Act of 1933, as amended, in connection with the purchase and sale of portfolio securities;
- (5) purchase or sell real estate, which term does not include securities of companies that deal in real estate or are engaged in the real estate business, including real estate investment trusts, and mortgages or investments secured by real estate or interests therein, except that the Fund reserves freedom of action to hold and to sell real estate or mortgages on real estate acquired as a result of the Fund's ownership of securities;
- (6) purchase or sell physical commodities unless acquired as a result of ownership of securities or other instruments (but this shall not prevent the Fund from purchasing or selling options, futures contracts or other derivative instruments or from investing in securities or other instruments backed by physical commodities);
- (7) make loans, except as permitted under the 1940 Act, and as interpreted, modified or otherwise permitted by regulatory authority having jurisdiction, from time to time; and
- (8) invest in loans that are of subprime quality at the time of investment, as determined by the Adviser pursuant to guidelines approved by the Board of Directors.

The Fund has also adopted the following fundamental policies in order to repurchase shares of its outstanding common stock (the "Common Shares"):

The Fund will make an offer to repurchase, on a quarterly basis, a designated percentage of the outstanding Common Shares from shareholders (each, a "Repurchase Offer") pursuant to Rule 23c-3 under the 1940 Act, as it may be amended from time to time.

The Fund will repurchase Common Shares that are tendered by a specific date occurring every three months (each, a "Repurchase Request Deadline"). The Fund's Board of Directors will establish the Repurchase Request Deadline for each Repurchase Offer. The time between the notification to shareholders of each Repurchase Offer and the Repurchase Request Deadline may vary from no more than 42 days to no less than 21 days, and is expected to be approximately 30 days but may be revised by the Adviser, in its sole discretion, based on factors such as market conditions, the level of the Fund's assets and shareholder servicing considerations provided that the Board of Directors is notified of this change and the reasons for the change.

Common Shares will be repurchased at the NAV per share determined as of the close of regular trading on the New York Stock Exchange typically as of the Repurchase Request Deadline, but no later than the 14th day after such date, or the next business day if the 14th day is not a business day.

See "Repurchase Policy for the Common Shares" in the Prospectus.

For purposes of fundamental policy (3) above, investments in diversified financials shall include, among other things, investments in borrowers of Marketplace Loans and issuers of Pass-Through Notes, as well as any direct investments in marketplace lending platforms.

For purposes of fundamental policy (7) above, Section 21 of the 1940 Act makes it unlawful for a registered investment company, like the Fund, to lend money or other property if (i) the investment company's policies set forth in its registration statement do not permit such a loan or (ii) the borrower controls or is under common control with the investment company. The Fund has not applied for, and currently does not intend to apply for, any exemptive relief that would allow it to make loans outside of the limits of the 1940 Act.

For purposes of fundamental policy (8) above, the Adviser will determine whether loans offered to the Fund are of subprime quality at the time of investment pursuant to guidelines approved by the Board of Directors from time to time. Although there is no specific legal or market definition of subprime quality, it is generally understood in the industry to signify that there is a material likelihood that the loan will not be repaid in full. The Fund considers a consumer Marketplace Loan to be of subprime quality if the individual borrower of such loan has a FICO score below 640. The Fund considers an SME (as defined below) loan to be of “subprime quality” if the likelihood of repayment on such loan is determined by the Adviser based on its due diligence and the credit underwriting policies of the originating platform to be similar to that of consumer loans that are of subprime quality. In determining whether an SME loan is of subprime quality, the Adviser will generally look to a number of borrower-specific factors, which will include the payment history of the borrower and, as available, financial statements, tax returns and sales data.

The Fund may incur borrowings and/or issue series of notes or other senior securities in an amount up to 33-1/3% of its total assets (including the amount borrowed) less all liabilities other than borrowings. The Fund does not anticipate it will enter into reverse repurchase agreements to incur any borrowings. For a further discussion of the limitations imposed on borrowing by the 1940 Act, please see the section entitled “Use of Leverage” in the Prospectus.

The foregoing fundamental investment policies may not be changed without the approval of the holders of a “majority of the outstanding voting securities” of the Fund, which includes the Common Shares and the shares of preferred stock of the Fund, including Series A Term Preferred Stock, voting together as a single class, and the holders of the outstanding shares of preferred stock of the Fund, including Series A Term Preferred Stock, voting as a single class. The Fund’s investment objective and the remainder of the Fund’s investment policies and limitations (as disclosed in the Prospectus), including its investment strategy, are not considered to be fundamental and can be changed without a vote of the shareholders. However, the Fund’s policy of investing at least 80% of its Managed Assets in Marketplace Loans and other investments in marketplace lending (as further described in the Prospectus and this SAI) may only be changed by the Board of Directors of the Fund (the “Board of Directors”) following the provision of 60 days’ prior written notice to the shareholders. When used with respect to particular shares of the Fund, a “majority of the outstanding voting securities” means (i) 67% or more of the shares present at a meeting, if the holders of more than 50% of the shares are present or represented by proxy, or (ii) more than 50% of the shares, whichever is less.

Where applicable, the foregoing fundamental investment policies shall be interpreted based on the applicable rules, regulations and pronouncements of the SEC and its staff.

INVESTMENT POLICIES AND TECHNIQUES

Marketplace Lending

The Fund’s investments in marketplace lending may be made through a combination of: (i) investing in loans to consumers, small- and mid-sized companies (“SMEs”) and other borrowers, including borrowers of student and real estate-related loans, originated through online platforms (or an affiliate) that provide a marketplace for lending (“Marketplace Loans”) through purchases of whole loans (either individually or in aggregations); (ii) investing in notes or other pass-through obligations issued by a marketplace lending platform (or an affiliate) representing the right to receive the principal and interest payments on a Marketplace Loan (or fractional portions thereof) originated through the platform; (iii) purchasing asset-backed securities representing ownership in a pool of Marketplace Loans; (iv) investing in private investment funds that purchase Marketplace Loans, (v) acquiring an equity interest in a marketplace lending platform (or an affiliate); and (vi) providing loans, credit lines or other extensions of credit to a marketplace lending platform (or an affiliate) (the foregoing listed investments are collectively referred to herein as the “Marketplace Lending Instruments”). The Fund may invest without limit in any of the foregoing types of Marketplace Lending Instruments, except that the Fund will not invest greater than 45% of its Managed Assets in the securities of, or loans originated by, any single platform (or a group of related platforms) and the Fund’s investments in private investment funds will be limited to no more than 10% of the Fund’s Managed Assets. The Marketplace Loans in which the Fund typically invests are newly issued and/or current as to interest and principal payments at the time of investment, and a substantial portion of the Fund’s Marketplace Lending Instrument investments are made through purchases of whole loans. The Fund does not invest in Marketplace Loans that are of subprime quality at the time of investment. The Fund has no intention as of the date of this SAI to invest in Marketplace Loans originated from lending platforms based outside the United States or made to non-U.S. borrowers (collectively, “non-U.S. Marketplace Loans”). The Fund also has no intention as of the date of this SAI to invest in receivables or merchant cash advances that are originated from lending platforms (collectively, “Marketplace Receivables”). However, the Fund may in the future invest in such non-U.S. Marketplace Loans and/or Marketplace Receivables and, prior to such time, will amend the Prospectus and the SAI (as applicable) to provide additional information on such investments, including the associated risks. See “Additional Investments and Practices of the Fund—Additional Risks of Investing in the Fund.”

The following supplements the discussion of marketplace lending and Marketplace Loans contained in the Prospectus and includes additional considerations and risks associated with the Fund’s investments in Marketplace Loans. See “Investment Objective, Strategies and Policies—Marketplace Lending” and “Risk Factors—Marketplace Lending-Related Risks” in the Prospectus.

Regulatory Considerations

The following highlights various laws and regulations impacting marketplace lending and its participants. Most of these laws apply to consumer loans and some also apply to business loans.

Fair Debt Collection Practices Act. The Fair Debt Collection Practices Act (the “FDCPA”) along with similar state laws, provides guidelines and limitations on the conduct of third-party debt servicers in connection with the collection of consumer debts. In order to ensure compliance with the FDCPA, platforms may contract with professional third-party servicers and debt collection agencies to engage in debt collection activities. As a loan purchaser and assignee, the FDCPA would not be applicable to loans collected in the Fund’s name as owner and, under any scenario, vicarious liability for the actions of debt collectors could only be found if the Fund were directing and controlling the debt collectors, which will not be the case.

The Equal Credit Opportunity Act. This law prohibits discrimination in the extension of all credit (consumer or business) on the basis of certain protected classes including on the basis of age, race, color, sex, religion, marital status, national origin, receipt of public assistance or the exercise of any right under the Consumer Credit Protection Act. It also requires notice of adverse action to be given to applicants who are denied credit.

The Fair Credit Reporting Act. This law regulates the use and reporting of information related to each consumer applicant’s credit history, including the need for having a permissible purpose to obtain a credit report from a credit reporting agency and creditor reporting of borrower information and resolution of credit reporting disputes. This law also proscribes requirements for pre-screened solicitations for credit often used to generate leads for marketplace lenders.

Truth-In-Lending Act. All Marketplace Loans to consumers for personal, family or household purposes are subject to certain borrower disclosure requirements under this law. Platform operators are also subject to the advertising requirements stated in this law. Some Marketplace Loans may also be subject to certain other provisions of the Truth-In-Lending Act and other applicable laws and rules particularly concerning home equity and student loans. These provisions impose additional disclosure and other requirements on creditors with respect to certain loans either secured by the borrower’s principal dwelling including those with high interest rates or high up-front fees and charges where the loan funds are primarily used for personal, household or consumer purposes or which are private education loans. In general, home equity loans or other mortgage secured loans that have annual percentage rates over eight percent greater than the yield on U.S. Treasury securities of comparable maturity and/or fees and points which exceed the greater of six percent of the total loan amount are subject to additional requirements. Student loans are subject to special disclosure requirements. These provisions can impose specific statutory liabilities upon creditors who fail to comply with such provisions and may affect the enforceability of the related loans. In addition, any assignee of the creditor would generally be subject to all claims and defenses that the consumer could assert against the creditor, including, without limitation, the right to rescind the home equity loan and for disclosure violations apparent on the face of the lending documents.

The Gramm-Leach-Bliley Act. The Gramm-Leach-Bliley Act (the “GLBA”) limits the disclosure of non-public personal information about a consumer to non-affiliated third parties and requires financial institutions to disclose certain privacy policies and practices with respect to its information sharing with both affiliates and non-affiliated third parties. A number of states have enacted privacy and data security laws requiring safeguards on the privacy and security of consumers’ personally identifiable information. Other federal and state statutes deal with obligations to safeguard and dispose of private information in a manner designed to avoid its dissemination. Privacy rules adopted by the Federal Trade Commission implement the GLBA and other requirements and govern the disclosure of consumer financial information by certain financial institutions, ranging from banks to private investment funds. Platforms employing certain consumer lending models generally have privacy policies that conform to these GLBA and other requirements. In addition, such platforms have policies and procedures intended to maintain platform participants’ personal information securely and dispose of it properly. The platforms do not sell or rent such information to third parties for marketing purposes. Through their participation in the platforms, the Fund may obtain non-public personal information about loan applicants, as defined in GLBA, and intends to conduct itself in compliance with such law, as if it were subject to the same limitations on disclosure and obligations of safeguarding and proper disposal of non-public personal information. In addition, the Fund could be subject to state data security laws, depending on whether the information obtained is considered non-public personally identifiable information under those state laws. Any violations of state data security laws by the Fund could subject it to fines, penalties, or other regulatory action on a state-by-state basis, which, individually or in the aggregate, could have a material adverse effect on the Fund due to the compliance costs related to any violations as well as costs to ensure compliance with such laws on an on-going basis. Additionally, any violations of the GLBA by the Fund could subject it to regulatory action by the Federal Trade Commission, which could require the Fund to, *inter alia*, implement a comprehensive information security and reporting program and to be subject to audits on an on-going basis.

OFAC, USA Patriot Act and Bank Secrecy Act. Certain participants in marketplace lending, including the platforms through which the Fund may invest in Marketplace Loans, may be required to comply with various anti-money laundering and related regulations. The Fund is not able to control or monitor such compliance. Moreover, in the Fund’s participation with the platforms, it is subject to compliance with OFAC (Office of Foreign Assets Control), the USA PATRIOT Act and Bank Secrecy Act regulations applicable to all businesses, which, for the Fund, generally involves cooperation with authorities in investigating any purported improprieties. Any material failure to comply with OFAC and other similar anti-money laundering restrictions or any investigation relating thereto could result in fines or penalties. Such fines or penalties could have a material adverse effect on the Fund directly for amounts owed for fines or penalties or indirectly as a negative consequence of the decreased demand for Marketplace Loans from the platforms in violation of such requirements resulting from the adverse publicity and other reputation risks associated with any such fines and penalties assessed against the platforms or other industry participants.

Service Members Civil Relief Act. Federal law provides borrowers in active military service with rights that may delay or impair a platform's ability to collect on a Marketplace Loan to such borrower. The Service Members Civil Relief Act ("SCRA") requires that the interest rate on pre-existing debts be set at no more than six percent while the qualified service member or reservist is on active duty. The holder of any such Marketplace Loan may not receive the difference between six percent and the original stated interest rate under the loan during any such period. This law also permits courts to stay proceedings and execution of judgments against service members and reservists on active duty, which may delay recovery on any such Marketplace Loans in default. If there are any amounts under such a Marketplace Loan still due and owing to a platform (or an affiliate thereof) after the final maturity of the Pass-Through Notes that correspond to such loan, the platform (or affiliate) may not have any further obligation to make payments on such Pass-Through Notes, even if the platform (or affiliate) later receives payments after the final maturity of the Pass-Through Notes.

Platforms may not take military service into account in assigning loan grades to borrower loan requests. In addition, as part of the borrower registration process, platforms may not request borrowers to confirm if they are a qualified service member or reservists within the meaning of the SCRA.

Military Lending Act. This law entitles "covered borrowers" to certain protections when becoming obligated on a consumer credit transaction, including a limit on the Military Annual Percentage Rate of 36%, certain required disclosures to be made prior to loan origination including providing a toll free telephone number to be read the disclosure and a prohibition on certain practices such as charging prepayment penalties and prohibition on arbitration agreements with covered borrowers.

Telephone Consumer Protection Act. This law prohibits among other things the use of automated telephone dialing systems to contact cellphones of consumers without the prior express consent of the called party. Significant litigation has emerged concerning this law due to its liberal damage provisions. This would apply to platform operators and their servicers who use telephones to contact borrowers in connection with the servicing and collection of accounts.

Federal Trade Commission Act. Section 5 of this law (as well as analogous state laws) prohibits unfair and deceptive acts or practices in or affecting commerce. The FTC's Holder in Due Course Rule allows borrowers in certain circumstances to assert any claim or defense they have against a seller of goods or services obtained with the proceeds of a loan against the originator or subsequent purchaser of the loan.

CAN-SPAM Act and Telemarketing Sales Rule. These laws and analogous state laws govern the marketing of credit and other products and services by use of email or telephone marketing and would affect programs of marketplace platforms marketing by these means.

Electronic Funds Transfer Act. This law, along with the rules of payment networks and the National Automated Clearing House Association require separate customer authorization for a loan servicer to use electronic transfers for customer payments (including pre-authorized debits from the customer's bank account) and provides certain disclosure and other requirements relating to electronic transfer of funds to and from consumers' bank accounts.

Electronic Signatures in Global and National Commerce Act. This law, along with analogous state laws including the Uniform Electronic Transactions Acts, which authorize the creation of legally binding and enforceable agreements electronically and utilizing electronic records and signatures govern the circumstances in which a person may electronically provide disclosures otherwise required to be in writing. Marketplace Lenders must obtain consent to conduct business electronically from applicants and borrowers.

Bankruptcy Code. This law limits the extent to which creditors may seek to enforce debts against borrowers who have filed for bankruptcy protection.

In addition, funding banks are subject to banking laws and regulations and the supervision by federal and/or state banking agencies and such laws and regulators could impose restrictions on the funding bank, including the ability to continue to originate consumer loans.

Marketplace lenders may not always be in compliance with these laws and borrowers may make counterclaims regarding the enforceability of their obligations under borrower or consumer protection laws after collection actions have been commenced or otherwise seek damages under these laws.

Registration with the SEC. Pass-Through Notes are typically offered through private offerings and thus may not be registered under the Securities Act of 1933, as amended (the "1933 Act"). In addition, platforms are not registered as investment companies under the 1940 Act. If a platform (or an affiliate thereof) were to fail to comply with a private offering exemption under the 1933 Act, or if it were fail to maintain an exemption from registration as an investment company under the 1940 Act, it (or such affiliate) could become subject to regulatory actions and/or significant civil liabilities. Although a platform (or its affiliate) may intend to operate in compliance with all applicable securities laws, these laws are complex and sometimes subject to alternative interpretations and any failure by a platform (or such affiliate) to comply with applicable securities laws could adversely affect its (or such affiliate's) ability to make payments on the Pass-Through Notes.

Trust Indenture Act of 1939. Any Pass-Through Note offering made in reliance on an exemption from registration pursuant to Section 4(a)(2) of the 1933 Act will not be subject to the Trust Indenture Act of 1939. Consequently, holders of Pass-Through Notes will not have the protection of an indenture setting forth obligations of the Pass-Through Note issuers for the protection of the Pass-Through Note holders or a trustee appointed to represent their interests.

State Usury Laws. Some platforms (or their affiliates) may attempt to take advantage of policies in certain states that allow lenders to make Marketplace Loans at advantageous interest rates by incorporating choice of law provisions into Marketplace Loan agreements that hold that the agreements are to be governed by the laws of those lender-friendly states. This is sometimes the case in the origination of business as opposed to consumer loans. In the event that a borrower or state regulator successfully invalidates such choice-of-law clause, platforms (or their affiliates) may not be able to collect some or all of the interest and principal due on such Marketplace Loans, such loans may not be found to be enforceable or the platforms (or their affiliates) could become subject to penalties and damages. Other platforms may engage in arrangements with funding banks where the platform assists the bank in originating loans that are funded by the bank. In some cases, the loans are sold to the platforms and the platforms as assignees of the bank under applicable law and precedent utilize the bank's rate and fee exportation authority. At least one federal circuit has cast doubt upon this theory and other litigation challenges the ability of assignees to utilize a bank's exportation authority as an assignee of the bank's loans. Legislation is also pending in Congress that would validate an assignee's ability to utilize the rates and fees of the originating lender.

Dodd-Frank Act. In response to the recent financial crisis, Congress passed the Dodd-Frank Act in July of 2010. As a result of its passage, significant new regulation has been enacted or is anticipated in many areas of consumer financial products and services. This includes private education loans. Under the Dodd-Frank Act, entities in the consumer loan sector are subject to regulations developed by the Consumer Financial Protection Bureau (the "CFPB") and also to the enforcement authority of the CFPB. The CFPB is an independent agency that is housed within the Federal Reserve Board, but is not subject to Federal Reserve Board jurisdiction or to the congressional appropriations process. It has substantial power to regulate financial products and services received by consumers from both banks and non-bank lenders, including rulemaking authority in enumerated areas of federal law traditionally applicable to consumer lending such as truth-in-lending, fair credit reporting and fair debt collection. In addition, the Dodd-Frank Act provides for significant new enforcement authority, including authorization of the CFPB under Section 1036 of that law to prosecute unfair, deceptive or abusive acts or practices in connection with any consumer financial product or service and authorization of state attorneys general to bring lawsuits under federal consumer protection laws with the consent of the CFPB.

In addition, on December 6, 2013, the CFPB adopted a rule that enables it to supervise certain non-bank student loan servicers that service more than one million borrower accounts, to ensure that bank and non-bank servicers follow the same rules in the student loan servicing market. The rule covers servicers of both federal and private student loans. The CFPB has also promulgated a rule to become effective in March, 2018 (unless overturned by Congress) that will significantly impair the use of arbitration provisions on consumer financial services lending arrangements.

The Dodd-Frank Act also affects student loan portfolio securitization financing transactions which result in the issuance of asset-backed securities. Under the Dodd-Frank Act, the SEC and federal banking agencies were directed to adopt regulations requiring issuers of asset-backed securities or persons who organize and initiate asset-backed securities transactions to retain a portion of the credit risk of the underlying assets, new disclosure and reporting requirement for each tranche of asset-backed securities, including new loan-level data, and new disclosure requirements relating to representations, warranties and enforcement mechanisms available to investors in asset-backed securities.

Tax Treatment of Pass-Through Notes. There are no statutory provisions, regulations, published rulings or judicial decisions that address the characterization of Pass-Through Notes or other Marketplace Lending Instruments substantially similar to Pass-Through Notes for U.S. federal income tax purposes and the proper tax characterization of Pass-Through Notes for U.S. federal income tax purposes is uncertain. To address this concern, some Pass-Through Note issuers require investors to agree to treat the Pass-Through Notes as debt of the Pass-Through Note issuer for federal, state and local income and franchise tax purposes. Further, prospective Pass-Through Note holders should be aware that a Pass-Through Note issuer may intend to treat (and report) the Pass-Through Notes as debt instruments that have original issue discount ("OID") for U.S. federal income tax purposes. As a result, Pass-Through Note holders will be required to include OID in income as it accrues under a constant yield method, regardless of such note holder's regular method of tax accounting, and so may be required to include OID in income in advance of the receipt of cash attributable to the related Note interest or principal.

Pass-Through Note holders also should be aware that the Internal Revenue Service ("IRS") and the courts are not bound by the Pass-Through Note issuer's characterization of the Pass-Through Notes, and may take a different position with respect to the Pass-Through Notes' proper characterization. For example, if the Pass-Through Notes were treated as equity in the Pass-Through Note issuer, (i) the issuer would be subject to U.S. federal income tax on income, including interest, accrued on the underlying loans but would not be entitled to deduct interest or OID on the Pass-Through Notes, and (ii) payments on the Pass-Through Notes would be treated by the Pass-Through Note holder as dividends (that may be ineligible for reduced rates of U.S. federal income taxation or the dividends received deduction) for U.S. federal income tax purposes to the extent of the issuer's earnings and profits. Alternatively, the IRS could determine that, in substance, each Pass-Through Note holder owns a proportionate interest in the underlying loans for U.S. federal income tax purposes, or it could instead seek to treat the Pass-Through Notes as some other financial instrument or contract (including a derivative financial instrument). Such different characterizations could significantly reduce the amount available to the Pass-Through Note issuer to pay interest on the Pass-Through Notes, and could significantly affect the amount, timing, and character of income, gain or loss recognized in respect of a Pass-Through Note.

Risk of Including Foreign Investors. An issuer of Pass-Through Notes may accept investors who are non-U.S. persons, in which case interest payments made to such an investor by the issuer could be subject to withholding taxes. In the event that the issuer fails to properly withhold on such payments, it could remain liable for a non-U.S. person's individual tax liabilities. There is a further risk that a non-U.S. person investor could be named on the Department of the Treasury's list of "Specially Designated Nationals," "Blocked Persons," or "Sanctioned Countries or Individuals," which, if undiscovered, could result in an enforcement action against the issuer.

Additional Risk Considerations

Bankruptcy Risk. In the event that a platform (or its affiliate) or its service providers become subject to a bankruptcy, the Fund's investments in Pass-Through Notes issued by such platform (or affiliate) may be negatively impacted.

Although many of the platforms (or their affiliates) through which the Fund invests may have been organized and operated in a manner that is intended to minimize the likelihood that such platforms (or affiliates) will become subject to a bankruptcy or similar proceeding, if the platforms (or their affiliates) were to become subject to bankruptcy proceedings, payments on the Pass-Through Notes issued by such platforms (or their affiliates) could be substantially delayed or reduced, and any interest accrued on those obligations may never be paid.

Platforms (or their affiliates) may have arrangements with servicers who monitor payments by the borrowers of the Marketplace Loans and take action to enforce the platforms' (or affiliates') rights to payment. Arrangements for back-up servicing are limited. If a platform's (or affiliate's) servicer fails to maintain operations or the agreement between the platform (or affiliate) and the servicer is rejected or terminated in a bankruptcy of the servicer, the Fund may experience delays in the distribution of loan proceeds and increased costs in connection with its investments through such platform (or its affiliate). In some instances, the platform operator and its affiliates may be unable to collect and process payments from underlying borrowers and thus the Fund may not realize its expected return on investment on those instruments.

Platforms (or their affiliates) may have arrangements with administrators who manage the daily operations of the platforms (and/or their affiliates). Among other duties, an administrator may calculate the amounts payable by the platform operator or its affiliates on any outstanding Pass-Through Notes and supervise the platform's (or affiliate's) payment of such amounts. If the administrator were to become subject to bankruptcy proceedings and its agreement with the platform operator or its affiliates were terminated for any reason, the platform (or affiliate) would endeavor to locate a replacement administrator but there is no assurance that it would be able to do so. Accordingly, any termination of an administration agreement that occurs in connection with a bankruptcy of the administrator may impair the platform's (or affiliate's) ability to continue to make timely payments on the Pass-Through Notes. This could also prevent the platform operator or its affiliates from issuing any additional Pass-Through Notes until another administrator was located.

Chargeback Risk. The Fund may invest in Marketplace Lending Instruments through securities issued by private investment funds that operate accounts with an independent bank whereby investors, such as the Fund, may deposit funds for the purchase of such securities and receive the proceeds from borrower payments on the underlying loans. These accounts may be affected by "borrower chargebacks." A borrower chargeback is a process by which a borrower who has made a payment on an underlying loan has its bank cancel the payment or request a refund of that payment. If a borrower successfully processes a chargeback on a loan payment after proceeds have been distributed to such accounts, the issuer will deduct the amount of that payment from each account where the proceeds were deposited. To offset this risk, issuers utilizing this system may refrain from distributing borrower loan proceeds to these accounts for a period of time after a borrower payment on a loan. In the event that a borrower chargeback is executed after the proceeds of that payment have been distributed to investor accounts and an account holder has withdrawn those distributed proceeds, a negative cash balance may result. Amounts that would otherwise be credited to an investor's account (including amounts deposited or that are payable on other notes) are subject to set-off against any such negative cash balance.

Market and Economic Conditions Risk. The ability of borrowers to make payments on Marketplace Loans, as well as the prepayment experience thereon, may be affected by a variety of social and economic factors. Social factors include changes in consumer confidence levels and attitudes toward incurring debt and changing attitudes regarding the stigma of personal bankruptcy. Economic factors include interest rates, unemployment levels, gasoline prices, upward adjustments in monthly mortgage payments, the rate of inflation and consumer perceptions of economic conditions generally. Economic conditions may also be impacted by localized weather events and environmental disasters. For example, following the financial crisis that began in 2008, the United States experienced an extended period of economic weakness or recession. This period was marked by high unemployment, decreases in home values, increased mortgage and consumer loan delinquencies and a lack of available consumer credit that has generally resulted in increased delinquencies, increased volatility in financial markets, general deleveraging of consumer balance sheets, and defaults and losses on consumer loans. Additionally, unstable real estate values, resets of adjustable rate mortgages to higher interest rates, political gridlock on United States federal budget matters, the downgrade of the United States sovereign debt credit rating below "AAA" by Standard & Poor's, the sovereign debt crisis in the European Union, general economic malaise in the United States, Europe and Japan, and other factors recently have impaired consumer confidence and disposable income in the United States, and may affect delinquencies and defaults on Marketplace Loans, although the severity or duration of this effect is unknown.

Risk of Inadequate Resources Devoted to the Collection of Marketplace Loans. A substantial amount, if not all, of a platform operator's revenues may be derived from origination fees or loan rate "spreads" generated through making and arranging Marketplace Loans and offering related Pass-Through Notes. As a result, it has an incentive to originate as many loans as possible to maximize the amount of origination fees it is able to generate. Increased loan volumes increases the demands on a platform's management resources and its ability to devote adequate attention and resources to the collection of corresponding Marketplace Loans. The ability of a platform and its affiliates to collect the payments due from borrowers and/or to make timely payments on their Pass-Through Notes may be adversely affected in the event that they take on loan volumes that exceed their ability to service outstanding Marketplace Loans.

Risk of Platform Failure to Meet Certain Obligations. Platforms might incur indemnification and repurchase obligations with respect to the Marketplace Loans they originate that exceed their projections, in which case they might not have sufficient capital to meet such obligations. There can be no assurances that platforms can meet their repurchase and indemnification obligations and, if they are unable to do so, the Fund may incur losses related to payments on the affected Marketplace Lending Instruments in which it invests.

Risks Associated With “Balloon” Payments. Some of the Marketplace Loans may be interest-only loans providing for relatively small monthly payments with a large “balloon” payment of principal due at the end of the term. Borrowers may be unable to repay such balloon payments out of their own funds and will be compelled to refinance or sell their property. Fluctuations in real estate values, interest rates and the unavailability of mortgage funds could adversely affect the ability of borrowers to refinance their loans at maturity or successfully sell the property for enough money to pay off the corresponding Marketplace Loan.

Servicer Autonomy. A platform (or its affiliate) may have an arrangement with a servicer that authorizes the servicer to waive or modify any non-material term of a Marketplace Loan or consent to the postponement of strict compliance with any such term or in any manner grant a non-material indulgence to any borrower. In addition, if a Marketplace Loan is in default, or the servicer determines that default is reasonably foreseeable or otherwise determines that such action is consistent with its servicing obligation, the servicer may be permitted to waive or modify any material term of a Marketplace Loan, to accept payment of an amount less than the principal balance in final satisfaction of a Marketplace Loan and to grant any indulgence to a borrower, *provided* that the servicer has reasonably determined that such action will not be materially adverse to the interests of the holder of such Marketplace Loan or of the holders of any corresponding Pass-Through Note.

Subprime Borrower Risk. Although the Fund will not invest in Marketplace Loans that are of subprime quality at the time of investment, loans held by the Fund may, subsequent to their purchase, become of subprime quality. The risks associated with an investment in Marketplace Loans (as disclosed in the Prospectus and this SAI) are heightened for such loans that have been made to subprime borrowers, particularly with respect to the risk of default. In addition, loans to subprime borrowers could be subject to increased regulatory scrutiny.

Tax Considerations. The ability of a platform (or its affiliate) to pay principal and interest on a Pass-Through Note may be affected by its ability, for U.S. federal income tax purposes, to match the timing of income it receives from an underlying Marketplace Loan that it holds and the timing of deductions that it may be entitled to in respect of payments made on the Pass-Through Notes that it issues. For example, if the Pass-Through Notes are treated as contingent payment debt instruments for U.S. federal income tax purposes but the corresponding Marketplace Loans are not, there could be a potential mismatch in the timing of the Pass-Through Note issuer’s income and deductions for U.S. federal income tax purposes, and the Pass-Through Note issuer’s resulting tax liabilities could affect its ability to make payments on the Pass-Through Notes.

Additional Considerations with Regard to Real Estate Marketplace Lending Instruments

Construction, Rehabilitation, Home Improvement and Entitlement Loans. Real estate-related loans may include construction, rehabilitation, home improvement and entitlement loans for various types of properties, including single family residential, condominiums, multi-family residential, industrial, small commercial, foreclosed (REO), unimproved land with entitlements and small tract properties. The loan underwriting for construction, rehabilitation and unimproved land with entitlement loans is typically based upon a determined “as completed” value, *i.e.*, the projected value of the property after the completion of the construction or rehabilitation of a property. Special builder’s risk insurance, or “course of construction” insurance, may be required by the platform operator and its affiliates in these cases. This specialized insurance is intended to insure structures while they are under construction. Materials, fixtures and appliances that are intended to become an integral part of the structure being built are also insured. The insurance is provided for loss resulting from accidental direct physical damage to the structure under construction. The policies generally include broad coverage, but exclude earthquake, flood and damage caused by earth movement. Some builder’s risk policies limit coverage to physical damage caused by specifically named perils, such as fire and theft. These perils would be specifically listed in the policy.

Risk of Inadequate Revenues from a Property. The payment schedules with respect to many real estate-related loans are based on projected revenues generated by the property over the term of the loan. These projections are based on factors such as expected vacancy rates, expense rates and other projected income and expense figures relating to the property. The actual revenues generated by a property could fall short of projections due to factors such as lower-than-expected rental revenues, or greater-than-expected vacancy rates or property management expenses. In such event, the borrower’s cash flow could be inadequate to repay its loan in full.

Risk of Rising Insurance Costs or Unavailability of Insurance. Real estate properties are typically insured against risk of fire damage and other property casualties, but are sometimes not covered by severe weather or natural disaster events such as landslides, earthquakes, or floods. Changes in the conditions affecting the economic environment in which insurance companies do business could affect the borrower’s ability to continue insuring the property at a reasonable cost or could result in insurance being unavailable altogether. Moreover, any hazard losses not then covered by the borrower’s insurance policy would result in the Marketplace Loan related to the affected property becoming significantly under secured, which could result in a loss to the investors of any corresponding Pass-Through Note.

Environmental Risks. If toxic environmental contamination is discovered to exist on a property underlying a Marketplace Loan, it might affect the borrower's ability to repay the Marketplace Loan. To the extent that the platform operator and/or its affiliates are forced to foreclose and/or operate such a property, potential additional liabilities and responsibilities include reporting requirements, remediation costs, fines, penalties and damages. Of particular concern may be those properties that are, or have been, the site of manufacturing, industrial or disposal activity. These environmental risks may give rise to a diminution in value of the security property or liability for clean-up costs or other remedial actions. This liability could exceed the value of the real property or the principal balance of the related loan. For this reason, the platform operator and its affiliates may choose not to foreclose on contaminated property rather than risk incurring liability for remedial actions.

Under the laws of certain states, an owner's failure to perform remedial actions required under environmental laws may give rise to a lien on mortgaged property to ensure the reimbursement of remedial costs. In some states this lien has priority over the lien of an existing mortgage against the real property. Because the costs of remedial action could be substantial, the value of a mortgaged property as collateral for a real estate-related loan could be adversely affected by the existence of an environmental condition giving rise to a lien.

The state of law is currently unclear as to whether and under what circumstances clean-up costs, or the obligation to take remedial actions, can be imposed on a secured lender. If a lender does become liable for cleanup costs, it may bring an action for contribution against the current owners or operators, the owners or operators at the time of on-site disposal activity or any other party who contributed to the environmental hazard, but these persons or entities may be bankrupt or otherwise judgment-proof. Furthermore, an action against the borrower may be adversely affected by the limitations on recourse in the loan documents.

Risk of Declining Property Value. The value of the real property security for a Marketplace Loan will be subject to the risks generally incident to the ownership of improved and unimproved real estate, including changes in general or local economic conditions, increases in interest rates for real estate financing, physical damage that is not covered by insurance, zoning, entitlements, and other risks. Many borrowers expect to use resale proceeds to repay their borrower loan. A decline in property values could result in a borrower loan amount being greater than the property value, which could increase the likelihood of borrower default. The maximum permissible loan-to-value ratio of the Fund's real estate-related investments is 80% (determined at the time of investment).

Risks of Construction and Rehabilitation Loans. Construction and rehabilitation loans involve a number of particular risks, involving, among other things, the timeliness of the project's completion, the integrity of appraisal values, whether or not the completed property can be sold for the amount anticipated, and the length of the sale process. If construction work is not completed (due to contractor abandonment, unsatisfactory work performance, or various other factors) and all the Marketplace Loan funds have already been expended, then, in the event of a default, the platform operator and its affiliates may have to invest significant additional funds to complete the construction work. Any such investment would be recuperated by the platform operator and its affiliates prior to any payment on any corresponding Pass-Through Notes. Default risk also exists where it takes a borrower longer than anticipated either to construct or then resell the property, or if the borrower does not receive sufficient proceeds from the sale to repay the corresponding Marketplace Loan in full.

Certain Risks Associated With Foreclosure. Different property types involve different types of risks in terms of realizing on the collateral in the event that the borrower defaults. These risks include completion costs in the case of an incomplete project, partial resale for condominiums and tracts and lease-up (finding tenants) for multi-family residential, small commercial and industrial properties. The platform operator and its affiliates may not be able to sell a foreclosed commercial property, for example, before expending efforts to find tenants to make the property more fully leased and more attractive to potential buyers.

Moreover, foreclosure statutes vary widely from state to state. Properties underlying defaulted loans will need to be foreclosed upon in compliance with the laws of the state where such property is located. Many states require lengthy processing periods or the obtaining of a court decree before a mortgaged property may be sold or otherwise foreclosed upon. Further, statutory rights to redemption and the effects of anti-deficiency and other laws may limit the ability for a platform operator (and its affiliates) to timely recover the value of a loan in the event of borrower default.

Certain Risks Associated With Bankruptcy. If a borrower enters bankruptcy, an automatic stay of all proceedings against the borrower's property will be granted. This stay will prevent platforms and their affiliates from foreclosing on such property unless relief from the stay can be obtained from the bankruptcy court, and there is no guarantee that any such relief will be obtained. Significant legal fees and costs may be incurred in attempting to obtain relief from a bankruptcy stay from the bankruptcy court and, even if such relief is ultimately granted, it may take several months or more to obtain. In such event, the platform operator and its affiliates will be unable to promptly exercise their foreclosure remedy and realize any proceeds from a property sale.

In addition, bankruptcy courts have broad powers to permit the sale of any real property free of any lien that a platform operator or its affiliate may have, to compel the platform operator and its affiliates to accept an amount less than the balance due under a loan and to permit the borrower to repay the loan over a term which may be substantially longer than the original term of the loan.

Additional Investments and Practices of the Fund

The Fund invests substantially all of its Managed Assets in Marketplace Lending Instruments; however, the Fund may invest up to 20% of its Managed Assets in other income-producing securities of any maturity and credit quality, including below investment grade securities (which are commonly referred to as “junk” bonds). Such income-producing securities in which the Fund may invest may include, without limitation, corporate debt securities, U.S. government debt securities, short-term debt securities, asset-backed securities, exchange-traded notes, loans other than Marketplace Loans, including secured and unsecured senior loans, and cash and cash equivalents. The Fund also may invest up to 20% of its Managed Assets in equity securities, including exchange-traded funds. The following describes these instruments in which the Fund may, but is not required to, invest, and certain of the risks associated with an investment in such instruments, and supplements the discussion from the Prospectus. See “Risk Factors—Other Investment-Related Risks” in the Prospectus. It is possible that certain types of financial instruments or investment techniques described herein may not be available, permissible, economically feasible or effective for their intended purposes in all markets. Certain practices, techniques or instruments may not be principal activities of the Fund but, to the extent employed, could from time to time have a material impact on the Fund’s performance.

Asset-Backed Securities. Asset-backed securities represent direct or indirect participations in, or are secured by and payable from, pools of assets such as, among other things, motor vehicle installment sales contracts, installment loan contracts, leases of various types of real and personal property, and receivables from revolving credit (credit card) agreements or a combination of the foregoing. These assets are securitized through the use of trusts and special purpose entities. Credit enhancements, such as various forms of cash collateral accounts or letters of credit, may support payments of principal and interest on asset-backed securities. Although these securities may be supported by letters of credit or other credit enhancements, payment of interest and principal ultimately depends upon individuals paying the underlying loans or accounts, which payment may be adversely affected by general downturns in the economy. Asset-backed securities are subject to prepayment risk. There is risk that recovery on repossessed collateral might be unavailable or inadequate to support payments on the underlying investments.

Below Investment Grade Securities. The Fund may invest in securities of any credit quality, including securities that are rated below investment grade. Below investment grade securities are rated below “BBB-“ by Standard & Poor’s Ratings Group, a division of The McGraw-Hill Companies, or Fitch Ratings, Inc., below “Baa” by Moody’s Investors Service, Inc. or comparably rated by another nationally recognized statistical rating organization (“NRSRO”) or, if unrated, determined by the Adviser to be of comparable credit quality at the time of purchase. Below investment grade securities are commonly referred to as “junk” or “high yield” securities and are considered speculative with respect to the issuer’s capacity to pay interest and repay principal. Ratings assigned by an NRSRO are not absolute standards of credit quality and do not evaluate market risk or the liquidity of securities. Consequently, securities with the same maturity, duration, coupon and rating may have different yields. Any shortcomings or inefficiencies in an NRSRO’s processes for determining credit ratings may adversely affect the credit ratings of securities held by the Fund and, as a result, may adversely affect those securities’ perceived or actual credit risk. See “Additional Risks of Investing in the Fund—Below Investment Grade Securities Risk.”

Commercial Paper. Commercial paper represents short-term unsecured promissory notes issued in bearer form by corporations such as banks or bank holding companies and finance companies. The rate of return on commercial paper may be linked or indexed to the level of exchange rates between the U.S. dollar and a foreign currency or currencies.

Corporate Debt Securities. Corporate debt securities are debt obligations issued by U.S. and foreign corporations and other business entities to borrow money from investors. Corporate debt securities may be either secured or unsecured. Collateral used for secured debt includes, but is not limited to, real property, machinery, equipment, accounts receivable, stocks, bonds, or notes. If a bond is unsecured, it is known as a debenture. Holders of corporate debt securities, as creditors, have a prior legal claim over common and preferred stockholders as to both income and assets of the corporation for the principal and interest due them and may have a prior claim over other creditors if liens or mortgages are involved. Interest on corporate debt securities may be fixed rate, floating rate, adjustable rate, zero coupon, contingent, deferred, or have payment-in-kind features. Interest on corporate debt securities is typically paid semi-annually and is fully taxable to the holder of such securities. Corporate debt securities contain elements of both interest rate risk and credit risk. The market value of a corporate debt security generally may be expected to rise and fall inversely with interest rates and may also be affected by the credit rating of the corporation, the corporation’s performance, and perceptions of the corporation in the marketplace. Corporate debt securities usually yield more than government or agency securities due to the presence of credit risk. See “Additional Risks of Investing in the Fund—Fixed Income Securities Risk.”

Equity Securities. The Fund may invest in equity securities, including but not limited to common stock, preferred stock and shares of exchange-traded funds (“ETFs”).

Common stock represents an equity ownership interest in a company, providing voting rights and entitling the holder to a share of the company’s success through dividends and/or capital appreciation. In the event of liquidation, common stockholders have rights to a company’s remaining assets after bondholders, other debt holders and preferred stockholders have been paid in full. Typically, common stockholders are entitled to one vote per share to elect the company’s board of directors (although the number of votes is not always directly proportional to the number of shares owned). Common stockholders also receive voting rights regarding other company matters such as mergers and certain important company policies such as issuing securities to management. Common stock fluctuates in price in response to many factors, including historical and prospective earnings of the issuer, the value of its assets, general economic conditions, interest rates, investor perceptions and market liquidity. See “Additional Risks of Investing in the Fund—Common Stock Risk.”

Preferred stock represents an equity ownership interest in an issuer, but generally entitles the holder to receive, in preference to the holders of other stocks such as common stock, dividends and a fixed share of the proceeds resulting from the liquidation of the issuer. Some preferred stock also entitles their holders to receive additional liquidation proceeds on the same basis as holders of the issuer's common stock. Some preferred stock offers a fixed rate of return with no maturity date. Preferred stock with no maturity may perform similarly to long term bonds, and can be more volatile than other types of preferred stock with heightened sensitivity to changes in interest rates. Other preferred stock has a variable dividend, generally determined on a quarterly or other periodic basis. Because preferred stock represents an equity ownership interest in a company, its value usually will react more strongly than bonds and other debt instruments to actual or perceived changes in an issuer's financial condition or prospects or to fluctuations in the equity markets. Unlike common stock, preferred stock does not usually have voting rights absent the occurrence of specified events; preferred stock, in some instances, is convertible into common stock. In order to be payable, dividends on preferred stock must be declared by the issuer's board of directors. There is, however, no assurance that dividends will be declared by the boards of directors of issuers of the preferred stocks in which the Fund invests. See "Additional Risks of Investing in the Fund—Preferred Stock Risk" below.

ETFs are funds whose shares are traded on securities exchanges and generally seek to approximate the investment performance of their respective benchmarks by investing in a variety of U.S. and foreign equity, debt, commodities, money market securities, futures and other instruments. The shares of an ETF may be assembled in a block (typically 50,000 shares) known as a creation unit and redeemed in-kind for a portfolio of the underlying securities (based on the ETF's net asset value ("NAV")) together with a cash payment generally equal to accumulated dividends as of the date of redemption. Conversely, a creation unit may be purchased from the ETF by depositing a specified portfolio of the ETF's underlying securities, as well as a cash payment generally equal to accumulated dividends of the securities (net of expenses) up to the time of deposit. See "Additional Risks of Investing in the Fund—ETFs Risk."

Exchange-Traded Notes. The Fund may invest in exchange-traded notes ("ETNs"), which are a type of unsecured, unsubordinated debt security. ETNs combine certain aspects of bonds and ETFs. Similar to ETFs, ETNs are traded on a major exchange (*e.g.*, the New York Stock Exchange (the "NYSE")) during normal trading hours, although trading volume can be limited. However, investors can also hold the ETN until maturity. At maturity, the issuer pays to the investor a cash amount equal to the principal amount, subject to the day's index factor. ETN returns are based upon the performance of a market index minus applicable fees. ETNs do not make periodic coupon payments and provide no principal protection. The value of an ETN may be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in underlying markets, changes in the applicable interest rates, changes in the issuer's credit rating and economic, legal, political or geographic events that affect the referenced index. The value of the ETN may drop due to a downgrade in the issuer's credit rating, despite the underlying index remaining unchanged. See "Additional Risks of Investing in the Fund—ETNs Risk."

Government Debt Securities. The Fund may invest in government debt securities, which are debt securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities. Obligations issued or guaranteed by the U.S. Government, its agencies and instrumentalities include bills, notes and bonds issued by the U.S. Treasury, as well as "stripped" or "zero coupon" U.S. Treasury obligations representing future interest or principal payments on U.S. Treasury notes or bonds. Stripped securities are sold at a discount to their "face value," and may exhibit greater price volatility than interest-bearing securities because investors receive no payment until maturity. Other obligations of certain agencies and instrumentalities of the U.S. Government are supported only by the credit of the instrumentality. The U.S. Government may choose not to provide financial support to U.S. Government-sponsored agencies or instrumentalities if it is not legally obligated to do so, in which case, if the issuer were to default, the Fund might not be able to recover its investment from the U.S. Government.

Loans. In addition to Marketplace Lending Instruments, the Fund may invest in loans other than Marketplace Loans that are senior and secured loans as well as unsecured or subordinated loans. In addition, the Fund may invest in secured and unsecured participations in loans. While the loans purchased by the Fund may be secured by a first-priority security interest in most tangible and intangible assets of the issuer, they are not required to be and the Fund will not be subject to any limit on purchasing loans with lower-priority security interests or loans whose security interests exclude material assets of the issuer.

The Fund may invest in term loans and other types of loans, including those that are attached to a term loan tranche or otherwise required to be purchased along with the purchase of a term loan tranche. The loans purchased by the Fund may be negotiated and structured by a syndicate of lenders consisting of commercial banks, investment banks, thrift institutions, insurance companies, finance companies or other financial institutions, one or more of which will administer the loan on behalf of all the lenders. The Fund may purchase assignments of these loans, in which case it will typically become a lender for purposes of the relevant loan agreement with direct contractual rights against the borrower, including the right to receive payments of principal and interest. However, the Fund may also purchase participation interests, in which case it will not have any direct relationship with the borrower and will instead rely on the lender or participant that sold the participation interest for enforcement of rights against the borrower and to receive and process payments of interest, principal and other amounts due to the Fund. See "Additional Risks of Investing in the Fund—Loan Risk."

Additional Risks of Investing in the Fund

Below Investment Grade Securities Risk. The Fund may invest in below investment grade securities, which are commonly referred to as “junk” or “high yield” securities. These securities are considered to be high-risk investments. The risks include the following:

These securities are regarded as predominately speculative. There is a greater risk that issuers of lower rated securities will default than issuers of higher rated securities. Issuers of lower-rated securities generally are less creditworthy and may be highly indebted, financially distressed or bankrupt. These issuers are more vulnerable to real or perceived economic changes, political changes or adverse industry developments. In addition, below investment grade securities are frequently subordinated to the prior payment of senior indebtedness. If an issuer fails to pay principal or interest, the Fund would experience a decrease in income and a decline in the market value of its investments. The Fund also may incur additional expenses in seeking recovery from the issuer.

The income and market value of lower-rated securities may fluctuate more than higher-rated securities. Although certain below investment grade securities may be less sensitive to interest rate changes than investment grade securities, below investment grade securities generally are more sensitive to short-term corporate, economic and market developments. During periods of economic uncertainty and change, the market price of the investments in lower-rated securities may be volatile. The default rate for high yield bonds tends to be cyclical, with defaults rising in periods of economic downturn.

It is often more difficult to value lower-rated securities than higher-rated securities. If an issuer’s financial condition deteriorates, accurate financial and business information may be limited or unavailable. In addition, the lower-rated investments may be thinly traded and there may be no established secondary market. Because of the lack of market pricing and current information for investments in lower-rated securities, valuation of such investments is much more dependent on judgment than is the case with higher-rated securities.

There may be no established secondary or public market for investments in lower-rated securities. Such securities are frequently traded in markets that may be relatively less liquid than the market for higher-rated securities. In addition, relatively few institutional purchasers may hold a major portion of an issue of lower-rated securities at times. As a result, lower-rated securities may be required to be sold at substantial losses or retained indefinitely even where an issuer’s financial condition is deteriorating.

Credit quality of below investment grade securities can change suddenly and unexpectedly, and even recently-issued credit ratings may not fully reflect the actual risks posed by a particular below investment grade security.

Future legislation may have a possible negative impact on the market for below investment grade securities.

Common Stock Risk. Common stock risk is the risk that the value of the common stock held by the Fund will fall, sometimes rapidly and unpredictably, due to general market and economic conditions, perceptions regarding the industries in which the issuers of common stock held by the Fund participate or factors relating to specific companies in which the Fund invests. Common stock of an issuer in the Fund’s portfolio may decline in price if the issuer fails to make anticipated dividend payments because, among other reasons, the issuer of the common stock experiences a decline in its financial condition. Common stock in which the Fund may invest is structurally subordinated to preferred stock, bonds and other debt instruments in a company’s capital structure, in terms of priority to corporate income and liquidation payments, and therefore will be subject to greater dividend risk than preferred stock or debt instruments of such issuers. In addition, while common stock has historically generated higher average returns than debt securities over the long term, common stock has also experienced significantly more volatility in those returns. An adverse event, such as an unfavorable earnings report, may depress the value of common stock of an issuer held by the Fund. Also, the price of common stock of an issuer is sensitive to general movements in the stock market, changes in investors’ perceptions of the financial condition of the issuer and the occurrence of political or economic events affecting issuers. A drop in the stock market may depress the price of most or all of the common stock to which the Fund has investment exposure. In addition, common stock prices may be sensitive to rising interest rates as the costs of capital rise and borrowing costs increase.

The Fund may invest in common stock of companies of any market capitalization. Accordingly, the Fund may invest in common stock of companies having smaller market capitalizations, including mid-cap and small-cap common stocks. The common stock of these companies often have less liquidity than the common stock of larger companies and these companies frequently have less management depth, narrower market penetrations, less diverse product lines and fewer resources than larger companies. Due to these and other factors, common stock of smaller companies may be more susceptible to market downturns and other events, and their prices may be more volatile than the common stock of larger companies. Larger, more established companies in which the Fund may invest may be unable to attain the high growth rates of successful, smaller companies during periods of economic expansion.

Currency Risk. The value of securities denominated or quoted in foreign currencies may be adversely affected by fluctuations in the relative currency exchange rates and by exchange control regulations. The Fund’s investment performance may be negatively affected by a devaluation of a currency in which the Fund’s investments are denominated or quoted. Further, the Fund’s investment performance may be significantly affected, either positively or negatively, by currency exchange rates because the U.S. dollar value of securities denominated or quoted in another currency will increase or decrease in response to changes in the value of such currency in relation to the U.S. dollar.

Deflation Risk. Deflation risk is the risk that prices throughout the economy decline over time, which may have an adverse effect on the market valuation of companies, their assets and revenues. In addition, deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of the Fund's portfolio.

ETFs Risk. To the extent the Fund invests a portion of its Managed Assets in ETFs, those assets will be subject to the risks of the purchased funds' portfolio securities, and a Shareholder in the Fund will bear not only his or her proportionate share of the Fund's expenses, but also indirectly the expenses of the purchased funds. Shareholders would therefore be subject to duplicative expenses to the extent the Fund invests in other funds. The Fund's investments in other funds also are subject to the ability of the managers of those funds to achieve the funds' investment objective(s).

Risks associated with investments in ETFs may generally include the risks described in the Prospectus associated with the Fund's structure as a closed-end fund, including market risk. Most ETFs are investment companies that aim to track or replicate a desired index, such as a sector, market or global segment. Most ETFs are passively managed and their shares are traded on a national exchange. ETFs do not sell individual shares directly to investors and only issue their shares in large blocks known as "creation units." The investor purchasing a creation unit may sell the individual shares on a secondary market. Therefore, the liquidity of ETFs depends on the adequacy of the secondary market. There can be no assurance that an ETF's investment objective(s) will be achieved, as ETFs based on an index may not replicate and maintain exactly the composition and relative weightings of securities in the index. ETFs are subject to the risks of investing in the underlying securities. ETF shares may trade at a premium or discount to their NAV. As ETFs trade on an exchange, they are subject to the risks of any exchange-traded instrument, including: (i) an active trading market for its shares may not develop or be maintained, (ii) trading of its shares may be halted by the exchange, and (iii) its shares may be delisted from the exchange. Some ETFs are highly leveraged and therefore will expose the Fund to risks posed by leverage, including the risk that the use of leverage by an ETF can magnify the effect of any of its losses.

ETNs Risk. The Fund may invest in ETNs, which are notes representing unsecured debt of the issuer. ETNs are typically linked to the performance of an index plus a specified rate of interest that could be earned on cash collateral. The value of an ETN may be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in underlying markets, changes in the applicable interest rates, changes in the issuer's credit rating and economic, legal, political or geographic events that affect the referenced index. ETNs typically mature 30 years from the date of issue. There may be restrictions on the Fund's right to liquidate its investment in an ETN prior to maturity (for example, the Fund may only be able to offer its ETN for repurchase by the issuer on a weekly basis), and there may be limited availability of a secondary market.

Fixed Income Securities Risk. In addition to the risks described elsewhere in this prospectus, such as below investment grade securities risk, fixed income securities in which the Fund may invest are subject to certain other risks, including the following. These risks may also pertain to the loans in which the Fund may invest.

Issuer Risk. The value of fixed income securities may decline for a number of reasons which directly relate to the issuer, such as management performance, leverage and reduced demand for the issuer's goods and services, historical and projected earnings, and the value of its assets. Changes in an issuer's credit rating or the market's perception of an issuer's creditworthiness may also affect the value of the Fund's investment in that issuer.

Interest Rate Risk. Interest rate risk is the risk that income securities will decline in value because of changes in market interest rates. When market interest rates rise, the market value of fixed income securities generally will fall. These risks may be greater in the current market environment because interest rates are near historically low levels. Market value generally falls further for fixed rate securities with longer duration. During periods of rising interest rates, the average life of certain types of securities may be extended because of slower than expected prepayments. This may lock in a below-market yield, increase the security's duration and further reduce the value of the security. Investments in fixed income securities with long-term maturities may experience significant price declines if long-term interest rates increase. Fluctuations in the value of portfolio securities will not affect interest income on existing portfolio securities but will be reflected in the Fund's NAV. Since the magnitude of these fluctuations will generally be greater at times when the Fund's average maturity is longer, under certain market conditions the Fund may, for temporary defensive purposes, accept lower current income from short-term investments rather than investing in higher yielding long-term securities.

Liquidity Risk. Certain fixed income securities may be substantially less liquid than many other securities, such as common stocks traded on an exchange. Illiquid securities involve the risk that the securities will not be able to be sold at the time desired by the Fund or at prices approximating the value at which the Fund is carrying the securities on its books.

Prepayment Risk. During periods of declining interest rates, the issuer of a security may exercise its option to prepay principal earlier than scheduled, forcing the Fund to reinvest the proceeds from such prepayment in lower yielding securities, which may result in a decline in the Fund's income and distributions to shareholders. This is known as call or prepayment risk. Certain fixed income securities frequently have call features that allow the issuer to redeem the security prior to its stated maturity. An issuer may redeem an obligation if the issuer can refinance the debt at a lower cost due to declining interest rates or an improvement in the credit standing of the issuer. If the Fund bought a security at a premium, the premium could be lost in the event of a prepayment.

Reinvestment Risk. Reinvestment risk is the risk that income from the Fund’s portfolio will decline if the Fund invests the proceeds from matured, traded or called securities at market interest rates that are below the Fund portfolio’s current earnings rate. A decline in income could affect the market price of the Common Shares or the overall return of the Fund.

Inflation Risk. Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of the Common Shares and distributions can decline.

Interest Rate Risk. Interest rate risk is the risk that the value of the debt securities held by the Fund will decline because of rising market interest rates. Interest rate risk is generally lower for shorter-term investments and higher for longer-term investments. Duration is a common measure of interest rate risk, which measures a bond’s expected life on a present value basis, taking into account the bond’s yield, interest payments and final maturity. Duration is a reasonably accurate measure of a bond’s price sensitivity to changes in interest rates. The longer the duration of a bond, the greater the bond’s price sensitivity is to changes in interest rates.

Loan Risk. The Fund’s investments in loans may create substantial risk. The Fund may invest in senior and secured loans and in unsecured or subordinated loans. In addition, the Fund may invest in secured and unsecured participations in loans. These loans will generally be rated below investment grade. See “—Below Investment Grade Securities Risk” above. In making investments in such loans, which are made by banks or other financial intermediaries to borrowers, the Adviser will depend primarily upon the creditworthiness of the borrower for payment of principal and interest which will expose the Fund to the credit risk of the underlying borrower. If the Fund invests in a loan through a participation, the Fund will also be exposed to the credit risk of the financial institution selling the participation to the Fund as well as the credit risk of the underlying borrower. The market for loans may not be liquid and the Fund may have difficulty selling them. Loans have similar risks to high yield bonds and are speculative, involve greater risks of default, downgrade, or price declines and are more volatile and tend to be less liquid than investment grade securities. Companies issuing loans may be less financially strong, more likely to encounter financial difficulties, and more vulnerable to adverse market events and negative sentiments than companies with higher credit ratings.

Senior loans hold the most senior position in the capital structure of a business entity, are typically secured with specific collateral and have a claim on the assets and/or stock of the borrower that is senior to that held by subordinated debt holders and stockholders of the borrower. Senior loans that the Fund may invest in may be rated below investment grade, and share the same risks of other below investment grade debt instruments. Although the Fund may invest in senior loans that are secured by specific collateral, there can be no assurance the liquidation of such collateral would satisfy a borrower’s obligation to the Fund in the event of borrower default or that such collateral could be readily liquidated under such circumstances. If the terms of a senior loan do not require the borrower to pledge additional collateral in the event of a decline in the value of the already pledged collateral, the Fund will be exposed to the risk that the value of the collateral will not at all times equal or exceed the amount of the borrower’s obligations under the senior loan. In the event of bankruptcy of a borrower, the Fund could also experience delays or limitations with respect to its ability to realize the benefits of any collateral securing a senior loan. Some senior loans are subject to the risk that a court, pursuant to fraudulent conveyance or other similar laws, could subordinate the senior loans to presently existing or future indebtedness of the borrower or take other action detrimental to lenders, including the Fund. Such court action could under certain circumstances include invalidation of senior loans.

Second lien loans and unsecured loans generally are subject to the same risks associated with investments in senior loans, as discussed above. Because second lien loans and unsecured loans are lower in priority of payment to senior loans, they are subject to the additional risk that the cash flow of the borrower and property securing the loan, if any, may be insufficient to meet scheduled payments after giving effect to the senior secured obligations of the borrower. This risk is generally higher for unsecured loans, which are not backed by a security interest in any specific collateral. Second lien loans and unsecured loans are expected to have greater price volatility than senior loans and may be less liquid. Second lien loans and unsecured loans of below investment grade quality also share the same risks of other below investment grade debt instruments.

Preferred Stock Risk. Preferred stocks are unique securities that combine some of the characteristics of both common stocks and bonds. See “—Common Stock Risk” and “—Fixed Income Securities Risk” above. In addition to the risks described elsewhere in this section, such as those described for common stock and fixed income securities, including interest rate risk, preferred stocks are subject to certain other risks, including:

Deferral and Omission Risk. Preferred stocks may include provisions that permit the issuer, at its discretion, to defer or omit distributions for a stated period without any adverse consequences to the issuer.

Subordination Risk. Preferred stocks are generally subordinated to bonds and other debt instruments in a company’s capital structure in terms of having priority to corporate income, claims to corporate assets and liquidation payments, and therefore will be subject to greater credit risk than more senior debt instruments.

Floating Rate and Fixed-to-Floating Rate Securities Risk. The market value of floating rate securities is a reflection of discounted expected cash flows based on expectations for future interest rate resets. The market value of such securities may fall in a declining interest rate environment and may also fall in a rising interest rate environment if there is a lag between the rise in interest rates and the reset. This risk may also be present with respect to fixed-to-floating rate securities in which the Fund may invest. A secondary risk associated with declining interest rates is the risk that income earned by the Fund on floating rate and fixed-to-floating rate securities may decline due to lower coupon payments on floating-rate securities.

Call and Reinvestment Risk. During periods of declining interest rates or certain varying circumstances, an issuer may be able to exercise an option to redeem its issue at par earlier than scheduled, which is generally known as call risk. If this occurs, the Fund may be forced to reinvest in lower yielding securities.

Limited Voting Rights Risk. Generally, traditional preferred stock offers no voting rights with respect to the issuer unless preferred dividends have been in arrears for a specified number of periods, at which time the preferred stockholders may have the ability to elect a director or directors to the issuer's board. Generally, once all the arrearages have been paid, the preferred stockholders no longer have voting rights.

Special Redemption Rights. In certain varying circumstances, an issuer of preferred stock may redeem the securities prior to their scheduled call or maturity date. As with call provisions, a redemption by the issuer may negatively impact the return of the security held by the Fund.

MANAGEMENT OF THE FUND

Investment Adviser

RiverNorth Capital Management, LLC is the investment adviser for the Fund pursuant to an Investment Advisory Agreement. RiverNorth is headquartered at 325 North LaSalle Street, Suite 645, Chicago, Illinois 60654. Under the oversight of the Board of Directors, the Adviser is responsible for the day-to-day management of the Fund's portfolio, managing the Fund's business affairs and providing certain clerical, bookkeeping and other administrative services. The Adviser is also responsible for determining the Fund's overall investment strategy and overseeing its implementation. Founded in 2000, RiverNorth is registered with the SEC and as of August 31, 2017 managed approximately \$3.63 billion as adviser or subadviser for six registered open-end management investment companies, two registered closed-end management investment companies, three private investment funds and an institutional separately managed account. Patrick W. Galley, a portfolio manager of the Fund, and Brian H. Schmucker own, directly or indirectly, more than 25% of RiverNorth Financial Holdings LLC, the parent company of the Adviser and is deemed to control the Adviser.

Investment Advisory Agreement

For its services under the Investment Advisory Agreement, the Fund pays the Adviser a monthly management fee computed at the annual rate of 1.25% of the average monthly Managed Assets. The Adviser has agreed to waive a portion of such management fee for the first two years of the Investment Advisory Agreement and, therefore, the Fund pays a monthly management fee computed at an annual rate of 0.95% of the average monthly Managed Assets for such two year period. "Managed Assets" means the total assets of the Fund, including assets attributable to leverage, minus liabilities (other than debt representing leverage and any preferred stock that may be outstanding). In addition to the monthly advisory fee, the Fund pays all other costs and expenses of its operations, including, but not limited to, compensation of its directors (other than those affiliated with the Adviser), custodial expenses, transfer agency and dividend disbursing expenses, legal fees, expenses of independent auditors, expenses of repurchasing shares, expenses of any leverage, expenses of preparing, printing and distributing prospectuses, shareholder reports, notices, proxy statements and reports to governmental agencies, and taxes, if any.

When the Fund determines to use leverage, as is the case with the issuance of Series A Term Preferred Stock, the fees paid to the Adviser for investment management services are higher than if the Fund did not use leverage because the fees paid are calculated based on Managed Assets, which includes assets attributable to leverage. Because the fees paid to the Adviser are determined on the basis of Managed Assets, this creates a conflict of interest for the Adviser. The Board of Directors monitors the Fund's use of leverage and in doing so monitors this potential conflict.

The Investment Advisory Agreement provides that the Adviser shall not be liable for any act or omission in the course of, connected with or arising out of any services to be rendered under such agreement, except by reason of willful misfeasance, bad faith or gross negligence on the part of the Adviser in the performance of its duties or from reckless disregard by the Adviser of its obligations and duties under such agreement.

The Adviser makes available, without additional expense to the Fund, the services of such of its officers, directors and employees as may be duly elected as officers or directors of the Fund, subject to the individual consent of such persons to serve and to any limitations imposed by law. The Adviser pays all expenses incurred in performing its services under the Investment Advisory Agreement, including compensation of and office space for directors, officers and employees of the Adviser connected with management of the Fund. The Fund is required to pay brokerage and other expenses of executing the Fund's portfolio transactions; taxes or governmental fees; interest charges and other costs of borrowing funds; litigation and indemnification expenses and other extraordinary expenses not incurred in the ordinary course of the Fund's business.

The Investment Advisory Agreement will remain in effect for an initial term ending August 19, 2018 (unless sooner terminated), and shall remain in effect from year to year thereafter if approved annually (i) by a majority of the outstanding voting securities of the Fund or by a vote of the Fund's Board of Directors, cast in person at a meeting called for the purpose of voting on such approval, and (ii) by vote of a majority of the Board of Directors who are not parties to the Investment Advisory Agreement or "interested persons" of any party to the Investment Advisory Agreement, cast in person at a meeting called for the purpose of voting on such approval. In addition, the Fund's Charter requires the favorable vote of two-thirds of the entire Board of Directors to advise, approve, adopt or authorize entering into, terminating or amending the Investment Advisory Agreement, which supermajority voting requirement is greater than the minimum voting requirement under the 1940 Act. Information regarding the Board of Directors' approval of the Investment Advisory Agreement is available in the Fund's annual report to shareholders for the period ended December 31, 2016. The Investment Advisory Agreement will terminate upon assignment by any party and is terminable, without penalty, on 60 days' written notice by the Board of Directors or by vote of a majority of the outstanding voting securities (as defined in the 1940 Act) of the Fund or upon 60 days' written notice by the Adviser.

The Fund commenced operations on September 22, 2016. From such date through the end of its first fiscal year on June 30, 2017, the advisory fee paid by the Fund to the Adviser was \$426,407, before a waiver of \$102,338 by the Adviser pursuant to the two year arrangement noted above.

Portfolio Managers

Philip K. Bartow and Patrick W. Galley will be responsible for implementing portfolio management decisions for the Fund.

Philip K. Bartow is a co-portfolio manager of the Fund. Mr. Bartow joined RiverNorth in 2015 and manages the firm's Marketplace Lending strategy. Prior to joining RiverNorth, Mr. Bartow was a Principal at Spring Hill Capital, where he focused on analyzing and trading structured credit, commercial mortgage and asset-backed fixed income investments. Mr. Bartow started his career in the Mortgage Department at Lehman Brothers Inc. in New York. Mr. Bartow holds an MBA from Columbia Business School with a concentration in Accounting and Finance. Mr. Bartow is also a graduate of Williams College, where he received a B.A. in Economics.

Patrick W. Galley, CFA is a portfolio manager of the Fund. Mr. Galley is the Chief Investment Officer for the Adviser. Mr. Galley heads the firm's research and investment team and oversees all portfolio management activities at the Adviser. Mr. Galley also serves as the President and Chairman of RiverNorth Funds. Prior to joining the Adviser in 2004, he was most recently a Vice President at Bank of America in the Global Investment Bank's Portfolio Management group, where he specialized in analyzing and structuring corporate transactions for investment management firms in addition to closed-end and open-end funds, hedge funds, funds of funds, structured investment vehicles and insurance/reinsurance companies. Mr. Galley graduated with honors from Rochester Institute of Technology with a B.S. in Finance. He has received the Chartered Financial Analyst (CFA) designation, is a member of the CFA Institute and is a member of the CFA Society of Chicago.

Compensation of Portfolio Managers

Mr. Bartow's and Mr. Galley's total compensation includes a base salary fixed from year to year and a variable performance bonus consisting of cash incentives. The amounts paid to Mr. Galley may include compensation based on a percentage of the fees earned by the Adviser from managing the Fund and other investment accounts. The performance bonus reflects individual performance and the performance of the Adviser's business as a whole. Mr. Bartow and Mr. Galley also participate in a 401K program on the same basis as other employees of the Adviser.

Portfolio Manager Ownership of Fund Shares

The following table shows the dollar range of equity securities of the Fund beneficially owned by the portfolio managers of the Fund as of June 30, 2017.

Name of Portfolio Manager	Dollar Range of Equity Securities of the Fund
Philip K. Bartow	\$100,001 - \$500,000
Patrick W. Galley	\$500,001 - \$1,000,000

Conflicts of Interest

Actual or apparent conflicts of interest may arise when a portfolio manager has day-to-day management responsibilities with respect to more than one fund or other accounts. More specifically, portfolio managers who manage multiple funds are presented with the following potential conflicts:

The management of multiple accounts may result in a portfolio manager devoting unequal time and attention to the management of each account. The management of multiple funds and accounts also may give rise to potential conflicts of interest if the funds and accounts have different objectives, benchmarks, time horizons and fees as the portfolio manager must allocate his time and investment ideas across multiple funds and accounts. Another potential conflict of interest may arise where another account has the same investment objective as the Fund, whereby the portfolio manager could favor one account over another.

With respect to securities transactions for the Fund, the Adviser determines which broker to use to execute each order, consistent with the duty to seek best execution of the transaction. A portfolio manager may execute transactions for another fund or account that may adversely impact the value of securities held by the Fund. Securities selected for funds or accounts other than the Fund may outperform the securities selected for the Fund. Further, a potential conflict could include a portfolio manager's knowledge about the size, timing and possible market impact of Fund trades, whereby they could use this information to the advantage of other accounts and to the disadvantage of the Fund. These potential conflicts of interest could create the appearance that a portfolio manager is favoring one investment vehicle over another.

The management of personal accounts also may give rise to potential conflicts of interest. Although the portfolio manager generally does not trade securities in his or her own personal account, the Adviser and the Fund have each adopted a code of ethics that, among other things, permits personal trading by employees (including trading in securities that can be purchased, sold or held by the Fund) under conditions where it has been determined that such trades would not adversely impact client accounts. Nevertheless, the management of personal accounts may give rise to potential conflicts of interest, and there is no assurance that these codes of ethics will adequately address such conflicts.

The Adviser has adopted certain compliance procedures which are designed to address these types of conflicts. However, there is no guarantee that such procedures will detect each and every situation in which a conflict arises.

Other Accounts Managed

As of June 30, 2017, the portfolio managers of the Fund were responsible for the management of the following other accounts (in addition to the Fund):

**NUMBER OF OTHER ACCOUNTS MANAGED AND ASSETS BY ACCOUNT TYPE
AS OF JUNE 30, 2017**

PORTFOLIO MANAGER	REGISTERED INVESTMENT COMPANIES (OTHER THAN THE FUND)	REGISTERED INVESTMENT COMPANIES SUBJECT TO PERFORMANCE- BASED ADVISORY FEES	OTHER POOLED INVESTMENT VEHICLES	OTHER POOLED INVESTMENT VEHICLES SUBJECT TO PERFORMANCE- BASED ADVISORY FEES	OTHER ACCOUNTS	OTHER ACCOUNTS SUBJECT TO PERFORMANCE- BASED ADVISORY FEES
Philip K. Bartow	Number: 0 Assets: \$0	Number: 0 Assets: \$0	Number: 1 Assets: \$6.8 billion	Number: 1 Assets: \$6.8 billion	Number: 0 Assets: \$0	Number: 0 Assets: \$0
Patrick W. Galley	Number: 8 Assets: \$3.164 billion	Number: 0 Assets: \$0	Number: 4 Assets: \$428 million	Number: 4 Assets: \$428 million	Number: 2 Assets: \$51.84 million	Number: 1 Assets: \$34.5 million

Administrator

Under an Administration Servicing Agreement (the “Administration Agreement”), subject to the supervision of the Board of Directors, U.S. Bancorp Fund Services, LLC (“USBFS”) is responsible for calculating NAVs, providing additional fund accounting and tax services, and providing fund administration and compliance-related services. USBFS will bear all expenses in connection with the performance of its services under the Administration Agreement, except for certain out of pocket expenses described therein. USBFS will not bear any expenses incurred by the Fund, including but not limited to litigation expenses; costs of preferred stock, including Series A Term Preferred Stock; expenses of conducting repurchase offers pursuant to the Fund’s repurchase policy; transfer agency and custodial expenses; taxes; interest; Fund directors’ fees; compensation and expenses of Fund officers who are not associated with USBFS or its affiliates; brokerage fees and commissions; state and federal registration fees; advisory fees; insurance premiums; fidelity bond premiums; Fund legal and audit fees and expenses; costs of maintenance of Fund existence; printing and delivery of materials in connection with meetings of the Fund’s directors; printing and mailing shareholder reports, offering documents, and proxy materials; securities pricing and data services; and expenses in connection with electronic filings with the SEC.

Codes of Ethics

The Fund and the Adviser have each adopted a code of ethics under Rule 17j-1 under the 1940 Act. These codes permit personnel subject to the code to invest in securities, including securities that may be purchased or held by the Fund. These codes can be reviewed and copied at the SEC’s Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling the SEC at (202) 942-8090. The codes of ethics are available on the EDGAR Database on the SEC’s web site (<http://www.sec.gov>), and copies of these codes may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov, or by writing the SEC Public Reference Section, Washington, D.C. 20549-0102.

FUND SERVICE PROVIDERS

Independent Registered Public Accounting Firm

KPMG LLP, 200 E. Randolph Drive, Suite 5500, Chicago, Illinois 60601, has been appointed as the independent registered public accounting firm for the Fund.

Legal Counsel

Certain legal matters in connection with Series A Term Preferred Stock will be passed upon for the Fund by Chapman and Cutler LLP. Chapman and Cutler LLP may rely as to certain matters of Maryland law on the opinion of Shapiro Sher Guinot & Sandler, P.A. Drinker Biddle & Reath LLP serves as legal counsel to the independent directors of the Fund.

Custodians, Transfer Agent and Redemption and Paying Agent

Millennium Trust Company, located at 2001 Spring Road #700, Oak Brook, Illinois 60523, serves as the Fund’s loan custodian and maintains custody of the loans held by the Fund pursuant to a Custody Agreement. Under the Custody Agreement, the custodian holds the Fund’s loans in compliance with the 1940 Act.

U.S. Bank, N.A., located at 1555 N. RiverCenter Drive, Suite 302, Milwaukee, Wisconsin 53212, serves as the Fund's custodian of the Fund's cash and other securities pursuant to a Custody Agreement. Under the Custody Agreement, the custodian holds the Fund's cash and securities in compliance with the 1940 Act.

DST Systems, Inc., located at 333 W. 11th Street, Kansas City, Missouri 64105, serves as the transfer agent and registrar for the Fund. DST Systems, Inc. also will serve as redemption and paying agent with respect to the Series A Term Preferred Stock.

PORTFOLIO TRANSACTIONS

The Adviser is responsible for the Fund's portfolio decisions and the placing of the Fund's portfolio transactions. In placing portfolio transactions, the Adviser seeks the best qualitative execution for the Fund, taking into account such factors as price (including the applicable brokerage commission or dealer spread), the execution capability, financial responsibility and responsiveness of the broker or dealer and the brokerage and research services provided by the broker or dealer. The Adviser generally seeks favorable prices and commission rates that are reasonable in relation to the benefits received.

The Adviser is specifically authorized to select brokers or dealers who also provide brokerage and research services to the Fund and/or the other accounts over which the Adviser exercises investment discretion, and to pay such brokers or dealers a commission in excess of the commission another broker or dealer would charge if the Adviser determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services provided. The determination may be viewed in terms of a particular transaction or the Adviser's overall responsibilities with respect to the Fund and to other accounts over which it exercises investment discretion. The Adviser may not give consideration to sales of the Fund's shares as a factor in the selection of brokers and dealers to execute portfolio transactions. However, the Adviser may place portfolio transactions with brokers or dealers that promote or sell the Fund shares so long as such placements are made pursuant to policies approved by the Board of Directors that are designed to ensure that the selection is based on the quality of the broker's execution and not on its sales efforts.

Research services include supplemental research, securities and economic analyses, statistical services and information with respect to the availability of securities or purchasers or sellers of securities, and analyses of reports concerning performance of accounts. The research services and other information furnished by brokers through whom the Fund effects securities transactions may also be used by the Adviser in servicing all of its accounts. Similarly, research and information provided by brokers or dealers serving other clients may be useful to the Adviser in connection with its services to the Fund. Although research services and other information are useful to the Fund and the Adviser, it may not be possible to place a dollar value on the research and other information received. It is the opinion of the Adviser that the review and study of the research and other information will not reduce the overall cost to the Adviser of performing its duties to the Fund under the Agreement.

Over-the-counter transactions will be placed either directly with principal market makers or with broker-dealers, if the same or a better price, including commissions and executions, is available. Fixed income securities are normally purchased directly from the issuer, an underwriter or a market maker. Purchases include a concession paid by the issuer to the underwriter and the purchase price paid to a market maker may include the spread between the bid and ask prices.

When the Fund and another of the Adviser's clients seek to purchase or sell the same security at or about the same time, the Adviser may execute the transaction on a combined ("blocked") basis. Blocked transactions can produce better execution for the Fund because of the increased volume of the transaction. If the entire blocked order is not filled, the Fund may not be able to acquire as large a position in such security as it desires or it may have to pay a higher price for the security. Similarly, the Fund may not be able to obtain as large an execution of an order to sell or as high a price for any particular portfolio security if the other client desires to sell the same portfolio security at the same time. In the event that the entire blocked order is not filled, the purchase or sale will normally be allocated on a pro rata basis. The Adviser may adjust the allocation when, taking into account such factors as the size of the individual orders and transaction costs, the Adviser believes an adjustment is reasonable.

The Fund has no obligation to deal with any particular broker or dealer in the execution of its transactions, but has no present intention of using affiliated broker-dealers for Fund portfolio trades.

The following table sets forth the aggregate amount of brokerage commissions paid by the Fund for the specified periods

Fiscal Period Ended	Brokerage Commissions Paid
Fiscal Year ended June 30, 2015	N/A ¹
Fiscal Year ended June 30, 2016	N/A ¹
Fiscal Year ended June 30, 2017	\$0

¹ The Fund commenced operations on September 22, 2016.

During the fiscal year ended June 30, 2017, the Fund did not pay commissions to brokers in return for research services. During the fiscal year ended June 30, 2017, the Fund has not acquired any securities of its regular brokers or dealers as defined in Rule 10b-1 under the 1940 Act or the parents of the brokers or dealers.

U.S. FEDERAL INCOME TAX MATTERS

The following is a summary discussion of certain U.S. federal income tax consequences that may be relevant to a Shareholder that acquires, holds and/or disposes of Shares. This discussion only addresses U.S. federal income tax consequences to U.S. Shareholders who hold their Shares as capital assets and does not address all of the U.S. federal income tax consequences that may be relevant to particular Shareholders in light of their individual circumstances. This discussion also does not address the tax consequences to Shareholders who are subject to special rules, including, without limitation, banks and financial institutions, insurance companies, dealers in securities or foreign currencies, foreign holders, persons who hold their Shares as or in a hedge against currency risk, a constructive sale, or conversion transaction, or tax-exempt or tax-deferred plans, accounts, or entities. In addition, the discussion does not address any state, local, or foreign tax consequences. The discussion reflects applicable income tax laws of the United States as of the date hereof, which tax laws may be changed or subject to new interpretations by the courts or the Internal Revenue Service (“IRS”) retroactively or prospectively and could affect the continued validity of this summary. No attempt is made to present a detailed explanation of all U.S. federal income tax concerns affecting the Fund and its Shareholders, and the discussion set forth herein does not constitute tax advice. **Investors are urged to consult their own tax advisers before making an investment in the Fund to determine the specific tax consequences to them of investing in the Fund, including the applicable federal, state, local and foreign tax consequences as well as the effect of possible changes in tax laws.**

Fund Taxation

The Fund elects to be treated, and intends to qualify each year, as a “regulated investment company” under Subchapter M of the Code, so that it will not pay U.S. federal income tax on income and capital gains timely distributed (or treated as being distributed as described below) to Shareholders. In order to qualify as a regulated investment company under Subchapter M of the Code, the Fund must, among other things, derive at least 90% of its gross income for each taxable year from dividends, interest, payments with respect to certain securities loans, gains from the sale or other disposition of stock, securities or foreign currencies, other income (including gains from options, futures and forward contracts) derived with respect to its business of investing in such stock, securities or currencies and net income derived from interests in qualified publicly traded partnerships (collectively, the “90% income test”). In addition to the 90% income test, the Fund must also diversify its holdings (commonly referred to as the “diversification test”) so that, at the end of each quarter of its taxable year (i) at least 50% of the value of the Fund’s total assets is represented by cash and cash items, U.S. government securities, securities of other regulated investment companies and other securities, with such other securities of any one issuer limited for the purposes of this calculation to an amount not greater in value than 5% of the value of the Fund’s total assets and to not more than 10% of the outstanding voting securities of such issuer, and (ii) not more than 25% of the value of its total assets is invested in the securities (other than U.S. government securities or securities of other regulated investment companies) of any one issuer or of two or more issuers controlled by the Fund and engaged in the same, similar or related trades or businesses, or the securities of one or more qualified publicly traded partnerships.

As described above, the Fund purchases and holds consumer and small business loans. Historically, the IRS has viewed the person who is liable for making payments on an instrument as the issuer of the instrument. In the present situation, neither the lending bank nor the platform have guaranteed the performance or payment of the underlying consumer and small business loans. Even if the platforms are still the servicers, if the consumer or small business borrower fails to pay, the platform is not responsible for making up the short fall to the Fund.

This increases the risk in the portfolio to the Fund, but also means that the IRS is likely to view the underlying consumers and small businesses as the issuers for the purposes of the regulated investment company qualification tests.

Chapman and Cutler LLP, special tax counsel to the Fund, has given the Fund its opinion that the underlying consumers and small businesses will be treated as the issuers for the purposes of the regulated investment company qualifications tests. As to the Pass-Through Notes and Marketplace Lending Instruments other than whole consumer and small business loans, the identity of the issuer for purposes of the regulated investment company tests may be less clear, so the Fund will take the position that the writer of such instrument held by the Fund will be the issuer for the regulated investment company tests even if arguments could be made that the consumers and small businesses referenced in such instruments were the persons liable for making payments.

If the IRS were to take the position that the original lenders or the servicers were the issuers of the consumer and small business loans, it is possible that the Fund would fail the regulated investment company diversification tests and be taxed as a corporation. If, for any taxable year, the Fund did not qualify as a regulated investment company for U.S. federal income tax purposes, it would be treated as a U.S. corporation subject to U.S. federal income tax, and possibly state and local income tax, and distributions to its Shareholders would not be deductible by the Fund in computing its taxable income. In such event, the Fund’s distributions, to the extent derived from the Fund’s current or accumulated earnings and profits, would generally constitute ordinary dividends, which would generally be eligible for the dividends received deduction available to corporate Shareholders, and non-corporate Shareholders would generally be able to treat such distributions as “qualified dividend income” eligible for reduced rates of U.S. federal income taxation, provided in each case that certain holding period and other requirements are satisfied.

If the Fund qualifies as a regulated investment company and distributes to its Shareholders at least 90% of the sum of (i) its “investment company taxable income” as that term is defined in the Code (which includes, among other things, dividends, taxable interest, the excess of any net short-term capital gains over net long-term capital losses and certain net foreign exchange gains as reduced by certain deductible expenses) without regard to the deduction for dividends paid and (ii) the excess of its gross tax-exempt interest, if any, over certain disallowed deductions, the Fund will be relieved of U.S. federal income tax on any income of the Fund, including long-term capital gains, distributed to Shareholders. However, if the Fund retains any investment company taxable income or “net capital gain” (*i.e.*, the excess of net long-term capital gains over net short-term capital losses), it will be subject to U.S. federal income tax at regular corporate federal income tax rates (currently a maximum rate of 35%) on the amount retained. The Fund intends to distribute at least annually all or substantially all of its investment company taxable income (determined without regard to the deduction for dividends paid), net tax-exempt interest, if any, and net capital gain. Under the Code, the Fund will generally be subject to a nondeductible 4% federal excise tax on its undistributed ordinary income and capital gains if it fails to meet certain distribution requirements with respect to a calendar year. In order to avoid the 4% federal excise tax, the required minimum distribution is generally equal to the sum of 98% of the Fund’s ordinary income (computed on a calendar year basis), plus 98.2% of the Fund’s capital gain net income (generally computed for the one-year period ending on October 31), plus undistributed amounts from prior years. The Fund has made make distributions in a timely manner in an amount at least equal to the required minimum distribution but may be subject to the excise tax from time to time depending upon distribution levels.

If for any taxable year the Fund does not qualify as a regulated investment company for U.S. federal income tax purposes, it would be treated as a U.S. corporation subject to U.S. federal income tax, and possibly state and local income tax, and distributions to its Shareholders would not be deductible by the Fund in computing its taxable income. In such event, the Fund’s distributions, to the extent derived from the Fund’s current or accumulated earnings and profits, would generally constitute ordinary dividends, which generally would be eligible for the dividends received deduction available to corporate Shareholders under Section 243 of the Code, discussed below, and non-corporate Shareholders of the Fund generally would be able to treat such distributions as qualified dividend income eligible for reduced rates of U.S. federal income taxation, as discussed below, provided in each case that certain holding period and other requirements are satisfied.

If the Fund invests in certain positions such as pay-in-kind securities, zero coupon securities, deferred interest securities or, in general, any other securities with original issue discount (or with market discount if the Fund elects to include market discount in income currently), the Fund must accrue income on such investments for each taxable year, which generally will be prior to the receipt of the corresponding cash payments. However, the Fund must distribute, at least annually, all or substantially all of its net investment income, including such accrued income, to Shareholders to avoid U.S. federal income and excise taxes. Therefore, the Fund may have to dispose of its portfolio securities under disadvantageous circumstances to generate cash, or may have to leverage itself by borrowing the cash, to satisfy distribution requirements.

The Fund may also acquire market discount bonds. A market discount bond is a security acquired in the secondary market at a price below its redemption value (or its adjusted issue price if it is also an original issue discount bond). If the Fund invests in a market discount bond, it will be required for federal income tax purposes to treat any gain recognized on the disposition of such market discount bond as ordinary income (instead of capital gain) to the extent of the accrued market discount unless the Fund elects to include the market discount in income as it accrues.

The Fund may invest in debt obligations that are in the lowest rating categories or are unrated, including debt obligations of issuers not currently paying interest or who are in default. Investments in debt obligations that are at risk of or in default present special tax issues for the Fund. Tax rules are not entirely clear about issues such as when the Fund may cease to accrue interest, original issue discount or market discount, when and to what extent deductions may be taken for bad debts or worthless securities, how payments received on obligations in default should be allocated between principal and income and whether exchanges of debt obligations in a bankruptcy or workout context are taxable. These and other related issues will be addressed by the Fund when, as and if it invests in such securities, in order to seek to ensure that it distributes sufficient income to preserve its status as a regulated investment company and does not become subject to U.S. federal income or excise taxes.

If the Fund utilizes leverage through borrowing, asset coverage limitations imposed by the 1940 Act as well as additional restrictions that may be imposed by certain lenders on the payment of dividends or distributions could potentially limit or eliminate the Fund’s ability to make distributions on its Shares until the asset coverage is restored. These limitations could prevent the Fund from distributing at least 90% of its investment company taxable income as is required under the Code and therefore might jeopardize the Fund’s qualification as a regulated investment company and/or might subject the Fund to the nondeductible 4% federal excise tax discussed above. Upon any failure to meet the asset coverage requirements imposed by the 1940 Act, the Fund may, in its sole discretion and to the extent permitted under the 1940 Act, purchase or redeem shares of preferred stock, if any, in order to maintain or restore the requisite asset coverage and avoid the adverse consequences to the Fund and its Shareholders of failing to meet the distribution requirements. There can be no assurance, however, that any such action would achieve these objectives. The Fund generally will endeavor to avoid restrictions on its ability to distribute dividends.

Shareholder Taxation

Distributions of investment company taxable income are generally taxable as ordinary income to the extent of the Fund's current and accumulated earnings and profits. Distributions of net investment income designated by the Fund as derived from qualified dividend income will be taxed in the hands of individuals and other noncorporate taxpayers at the rates applicable to long-term capital gain, provided certain holding period and other requirements are met at both the Shareholder and Fund levels. A dividend will not be treated as qualified dividend income (at either the Fund or Shareholder level) (i) if the dividend is received with respect to any share of stock held for fewer than 61 days during the 121-day period beginning on the date which is 60 days before the date on which such share becomes ex-dividend with respect to such dividend (or, in the case of certain preferred stock, 91 days during the 181-day period beginning 90 days before such date), (ii) to the extent that the recipient is under an obligation (whether pursuant to a short sale or otherwise) to make related payments with respect to positions in substantially similar or related property, (iii) if the recipient elects to have the dividend income treated as investment income for purposes of the limitation on deductibility of investment interest, or (iv) if the dividend is received from a foreign corporation that is (a) not eligible for the benefits of a comprehensive income tax treaty with the U.S. (with the exception of dividends paid on stock of such a foreign corporation that is readily tradable on an established securities market in the U.S.) or (b) treated as a passive foreign investment company. Qualified dividend income does not include interest from fixed income securities. If the Fund lends portfolio securities, amounts received by the Fund that is the equivalent of the dividends paid by the issuer on the securities loaned will not be eligible for qualified dividend income treatment. The Fund does not expect a significant portion of its dividends to constitute qualified dividend income.

Although the classification of preferred instruments has been subject to some recent litigation, the Fund is taking the position that the Shares are equity for US federal income tax purposes. Because the treatment of a corporate security as debt or equity is determined on the basis of the facts and circumstances of each case, and no controlling precedent exists for the Shares, there can be no assurance that the IRS will not question the Fund's characterization of the Shares as equity. If the IRS were to succeed in such a challenge, holders of the Shares could be characterized as receiving taxable interest income rather than dividends and could be required to recognize such income at different times than when cash is received. If this caused a holder to have underpaid income tax in affected years, this could result in obligations to pay additional tax, interest and penalties.

Distributions of net capital gain, if any, are taxable at long-term capital gain rates for U.S. federal income tax purposes without regard to the length of time the Shareholder has held its Shares. A distribution of an amount in excess of the Fund's current and accumulated earnings and profits, if any, will be treated by a Shareholder as a tax-free return of capital, which is applied against and reduces the Shareholder's basis in his, her or its Shares. To the extent that the amount of any such distribution exceeds the Shareholder's basis in his, her or its Shares, the excess will be treated by the Shareholder as gain from the sale or exchange of such Shares. The U.S. federal income tax status of all distributions will be designated by the Fund and reported to Shareholders annually.

Certain distributions by the Fund may qualify for the dividends received deduction available to corporate Shareholders under Section 243 of the Code, subject to certain holding period and other requirements, but generally only to the extent the Fund earned dividend income from stock investments in U.S. domestic corporations (but not including real estate investment trusts). The Fund does not expect a significant portion of its dividends to qualify for the dividends received deduction.

A Shareholder may elect to have all dividends and distributions automatically reinvested in Shares. For U.S. federal income tax purposes, all dividends and distributions are generally taxable regardless of whether a Shareholder takes them in cash or they are reinvested in additional Shares of the Fund.

If a Shareholder's distributions are automatically reinvested in additional Shares, for U.S. federal income tax purposes, the Shareholder will be treated as having received a taxable distribution in the amount of the cash dividend that the Shareholder would have received if the Shareholder had elected to receive cash, unless the distribution is in newly issued Shares that are trading at or above net asset value, in which case the Shareholder will be treated as receiving a taxable distribution equal to the fair market value of the stock the Shareholder receives.

The Fund intends to distribute all realized net capital gains, if any, at least annually. If, however, the Fund were to retain any net capital gain, the Fund may designate the retained amount as undistributed capital gains in a notice to Shareholders who, if subject to U.S. federal income tax on long-term capital gains, (i) will be required to include in income, as long-term capital gain, their proportionate share of such undistributed amount, and (ii) will be entitled to credit their proportionate share of the federal income tax paid by the Fund on the undistributed amount against their U.S. federal income tax liabilities, if any, and to claim refunds to the extent the credit exceeds such liabilities. For U.S. federal income tax purposes, the tax basis of Shares owned by a Shareholder will be increased by the difference between the amount of undistributed net capital gain included in the Shareholder's gross income and the federal income tax deemed paid by the Shareholder.

Any dividend declared by the Fund in October, November or December with a record date in such a month and paid during the following January will be treated for U.S. federal income tax purposes as paid by the Fund and received by Shareholders on December 31 of the calendar year in which it is declared.

At the time of an investor's purchase of Shares, a portion of the purchase price may be attributable to realized or unrealized appreciation in the Fund's portfolio or undistributed taxable income of the Fund. Consequently, subsequent distributions by the Fund with respect to these Shares from such appreciation or income may be taxable to such investor even if the NAV of the investor's Shares is, as a result of the distributions, reduced below the investor's cost for such Shares and the distributions economically represent a return of a portion of the investment. Investors should consider the tax implications of purchasing Shares just prior to a distribution.

The IRS has taken the position that if a regulated investment company has two or more classes of shares, it must designate distributions made to each class in any year as consisting of no more than such class' proportionate share of particular types of income (*e.g.*, ordinary income and net capital gains). Consequently, if both common stock and preferred stock are outstanding, the Fund intends to designate distributions made to each class of particular types of income in accordance with each class' proportionate share of such income. Thus, the Fund will designate to the extent applicable, dividends qualifying for the corporate dividends received deduction (if any), income not qualifying for the dividends received deduction, qualified dividend income, ordinary income and net capital gain in a manner that allocates such income between the holders of common stock and preferred stock in proportion to the total dividends paid to each class during or for the taxable year, or otherwise as required by applicable law. However, for purposes of determining whether distributions are out of the Fund's current or accumulated earnings and profits, the Fund's earnings and profits will be allocated first to the Fund's preferred stock, if any, and then to the Shares. In such a case, since the Fund's current and accumulated earnings and profits will first be used to pay dividends on the preferred stock, distributions in excess of such earnings and profits, if any, will be made disproportionately to Shareholders.

In addition, solely for the purpose of satisfying the 90% distribution requirement and the distribution requirement for avoiding federal income taxes, certain distributions made after the close of a taxable year of the Fund may be "spilled back" and treated as paid during such taxable year. In such case, Shareholders will be treated as having received such dividends in the taxable year in which the distribution was actually made. The IRS has ruled privately that dividends paid following the close of the taxable year that are treated for federal income tax purposes as derived from income from the prior year will be treated as dividends "paid" in the prior year for purposes of determining the proportionate share of a particular type of income for each class. Accordingly, the Fund intends to treat any such dividends that are paid following the close of a taxable year as "paid" in the prior year for purposes of determining a class' proportionate share of a particular type of income. However, the private ruling is not binding on the IRS, and there can be no assurance that the IRS will respect such treatment.

Sales, exchanges and other dispositions of the Shares generally are taxable events for Shareholders that are subject to federal income tax. Shareholders should consult their own tax advisors regarding their individual circumstances to determine whether any particular transaction in the Shares is properly treated as a sale or exchange for federal income tax purposes (as the following discussion assumes) and the tax treatment of any gains or losses recognized in such transactions. Generally, gain or loss will be equal to the difference between the amount of cash and the fair market value of other property received (including securities distributed by the Fund) and the Shareholder's adjusted tax basis in the Shares sold or exchanged. In general, any gain or loss realized upon a taxable disposition of Shares will be treated as long-term capital gain or loss if the Shares have been held for more than one year. Otherwise, the gain or loss on the taxable disposition of the Shares will be treated as short-term capital gain or loss. However, any loss realized by a Shareholder upon the sale or other disposition of Shares with a tax holding period of six months or less will be treated as a long-term capital loss to the extent of any amounts treated as distributions of long-term capital gain with respect to such Shares. For the purposes of calculating the six-month period, the holding period is suspended for any periods during which the Shareholder's risk of loss is diminished as a result of holding one or more other positions in substantially similar or related property or through certain options, short sales or contractual obligations to sell. Long-term capital gain rates of non-corporate Shareholders have been reduced to a maximum rate of 20% with a 0% rate applying to taxpayers in the 10% and 15% federal income tax brackets and a 15% rate applying for taxpayers in other federal income tax brackets below 39.6%. The ability to deduct capital losses may be subject to limitations. In addition, losses on sales or other dispositions of Shares may be disallowed under the "wash sale" rules in the event a Shareholder acquires substantially identical stock or securities (including those made pursuant to reinvestment of dividends) within a period of 61 days beginning 30 days before and ending 30 days after a sale or other disposition of Shares. In such a case, the disallowed portion of any loss generally would be included in the U.S. federal income tax basis of the Shares acquired. See "—Sale or Exchange of Shares" below.

Certain net investment income received by an individual having adjusted gross income in excess of \$200,000 (or \$250,000 for married individuals filing jointly) is subject to a Medicare tax of 3.8%. Undistributed net investment income of trusts and estates in excess of a specified amount is also subject to this tax. Dividends and capital gains distributed by the Fund, and gain realized on the sale of Shares, will constitute investment income of the type subject to this tax.

Because the Fund does not expect to distribute dividends that would give rise to an adjustment to an individual's alternative minimum taxable income, an investment in the Shares should not, by itself, cause the Shareholders to become subject to alternative minimum tax.

Pursuant to its repurchase policy, the Fund may repurchase its Shares at periodic intervals. Shareholders who tender all Shares held, and those considered to be held (through attribution rules contained in the Code), by them will be treated as having sold their Shares and generally will realize a capital gain or loss. If a Shareholder tenders fewer than all of his, her or its Shares (including those considered held through attribution), such Shareholder may be treated as having received a taxable dividend upon the tender of its Shares. If a tender offer is made, there is a risk that non-tendering Shareholders will be treated as having received taxable distributions from the Fund. To the extent that the Fund recognizes net gains on the liquidation of portfolio securities to meet such tenders of Shares, the Fund will be required to make additional distributions to its Shareholders. If the Board of Directors determines that a tender offer will be made by the Fund, the federal income tax consequences of such offer will be discussed in materials that will be available at such time in connection with the specific tender offer, if any.

The Code requires that the Fund withhold, as "backup withholding," 28% of reportable payments, including dividends, capital gain distributions and the proceeds of sales or other dispositions of the Fund's stock paid to Shareholders who have not complied with IRS regulations. In order to avoid this withholding requirement, Shareholders must certify on their account applications, or on a separate IRS Form W-9, that the social security number or other taxpayer identification number they provide is their correct number and that they are not currently subject to backup withholding, or that they are exempt from backup withholding. The Fund may nevertheless be required to withhold if it receives notice from the IRS or a broker that the number provided is incorrect or backup withholding is applicable. Backup withholding is not an additional tax. Any amount withheld may be allowed as a refund or a credit against the Shareholder's U.S. federal income tax liability if the appropriate information (such as the timely filing of the appropriate federal income tax return) is provided to the IRS.

Under Treasury regulations, if a Shareholder recognizes a loss with respect to shares of \$2 million or more in a single taxable year (or \$4 million or more in any combination of taxable years) for an individual Shareholder, S corporation or trust or \$10 million or more in a single taxable year (or \$20 million or more in any combination of years) for a Shareholder who is a C corporation, such Shareholder will generally be required to file with the IRS a disclosure statement on Form 8886. Direct shareholders of portfolio securities are generally excepted from this reporting requirement, but under current guidance, shareholders of a regulated investment company are not excepted. Future guidance may extend the current exception from this reporting requirement to shareholders of most or all regulated investment companies. The fact that a loss is reportable under these regulations does not affect the legal determination of whether the taxpayer's treatment of the loss is proper. Shareholders should consult their tax advisors to determine the applicability of these regulations in light of their individual circumstances.

A repurchase by the Fund of Shares generally will be treated as a sale or exchange of the Shares by a Shareholder provided that after the repurchase the Shareholder does not own, either directly or by attribution under Section 318 of the Code, any Shares. Likewise, if (i) a repurchase of Shares by the Fund reduces a Shareholder's percentage ownership of the Fund by at least 20% (determined after applying the ownership attribution rules under Section 318 of the Code and taking into consideration the reduction in the total number of Shares outstanding that is caused by the repurchase) or (ii) a Shareholder does not hold more than a few percent of the Shares (determined after applying the ownership attribution rules under Section 318 of the Code), the repurchase will be treated as a sale or exchange of the Shares by the Shareholder. This discussion does not address the tax treatment of tendering Shareholders who hold Shares other than as capital assets. Shareholders should consult their own tax advisors on the specific tax consequences to them of participating or not participating in a repurchase offer.

If a tendering Shareholder's proportionate ownership of the Fund (determined after applying the ownership attribution rules under Section 318 of the Code) is not substantially reduced as a result of the tender, such Shareholder will be deemed to receive a distribution from the Fund with respect to the Shares held (or deemed held under Section 318 of the Code) by the Shareholder after the tender. The amount of this distribution will equal the price paid by the Fund to such Shareholder for the Shares sold. The distribution would be taxable as a dividend, *i.e.*, as ordinary income, to the extent of the Fund's current or accumulated earnings and profits allocable to such distribution. The adjusted basis of the Shares held (or deemed held under Section 318 of the Code) by the Shareholder after the tender will be increased by the Shareholder's adjusted tax basis in the Shares sold in the tender and decreased by the portion of such distribution not treated as a dividend. If the portion of the distribution not treated as a dividend exceeds the adjusted tax basis of the Shares held (or deemed held under Section 318 of the Code) by the Shareholder after the tender (determined after increasing such basis by the adjusted tax basis of the Shares sold in the tender), such excess portion of the distribution will be a capital gain in the hands of the Shareholder. In the case of a tendering U.S. Shareholder that is a corporation treated as receiving a distribution from the Fund pursuant to the repurchase offer, special basis adjustments may also apply with respect to any Shares of such Shareholder not repurchased pursuant to a repurchase offer.

If no tendering Shareholder were treated as receiving a dividend as a result of selling Shares pursuant to a particular repurchase offer, Shareholders who do not sell Shares pursuant to that repurchase offer, or whose percentage interest in the Fund nonetheless increase as a result thereof, would not realize constructive distributions on their Shares as a result of other Shareholders selling Shares in the repurchase offer. If, however, any tendering Shareholder is deemed to receive a dividend, it is possible that Shareholders whose proportionate ownership of the Fund increases as a result of that repurchase will be deemed to receive a constructive distribution in an amount equal to the increase in their proportionate ownership of the Fund as a result of the tender. Such constructive distribution will be treated as a dividend to the extent of current accumulated earnings and profits allocable to it.

Use of the Fund's cash to repurchase Shares may adversely affect the Fund's ability to satisfy the distribution requirements described above. The Fund may also recognize income in connection with the liquidation of portfolio securities to fund Share purchases. Any such income would be taken into account in determining whether the distribution requirements have been satisfied.

Information Reporting

Section 6045B of the Code generally imposes certain reporting requirements on the Fund with respect to any organizational action that affects the tax basis of the Shares for U.S. federal income tax purposes. The Fund has historically made returns of capital distributions ("ROC Distributions") to certain Shareholders and, to the extent such payments continue, the Fund will generally be required to file IRS Form 8937, Report of Organizational Actions Affecting Basis of Securities ("Form 8937"), with the IRS and deliver an information statement to certain Shareholders, subject to certain exceptions. Generally, the Fund must file Form 8937 with the IRS on or before the 45th day following the corporate action or, if earlier, January 15 of the year following the calendar year of the corporate action. In addition, the Fund must furnish the same information to certain Shareholders on or before January 15 of the year following the calendar year of the corporate action. However, the Fund generally would not be required to file Form 8937 or furnish this information to Shareholders provided it posts the requisite information on its primary public website by the due date for filing Form 8937 with the IRS and such information is available on its website (or any successor organization's website) for 10 years.

As the Fund will generally not be able to determine whether a distribution during the year will be out of its earnings and profits (and, therefore, whether such distribution should be treated as a dividend or a ROC Distribution for these purposes) until the close of the tax year, the Fund does not intend to file Form 8937 until after the end of the current calendar year. Based on the limited interpretive guidance currently available, the Fund believes that its treatment of ROC Distributions and its current intended action regarding Form 8937 continue to be consistent with the requirements of Form 8937, Section 6045B and the Treasury Regulations thereunder. The Fund intends to utilize its best efforts to determine the tax characterization of the Fund's distributions as soon as practicable following the close of the year and timely comply with the abovementioned Section 6045B requirements, to the extent applicable. The Fund and its management do not believe that the Fund will be subject to substantial penalties if it utilizes its best efforts to determine the tax characteristics of its distributions as soon as practicable following the close of the year to comply with Form 8937 and Section 6045B. The Fund may be subject to substantial penalties to the extent that it fails to timely comply with its Section 6045B reporting obligations. Each Shareholder is urged to consult its own tax advisor regarding the application of Section 6045B to its individual circumstances.

Payments to Foreign Financial Institutions

The Hiring Incentives to Restore Employment Act of March 2010 (the "HIRE Act"), including the Foreign Account Tax Compliance Act ("FATCA"), Sections 1474 through 1474 of the Code, and Treasury regulations promulgated thereunder, generally provides that a 30% withholding tax may be imposed on payments of U.S. source income, on the gross proceeds from the sale of property that could give rise to certain types of U.S. source payments, including U.S. source interest and dividends for such dispositions occurring after December 31, 2018, to certain non-U.S. entities unless such entities enter into an agreement with the IRS to disclose the name, address and taxpayer identification number of certain U.S. persons that own, directly or indirectly, interests in such entities, as well as certain other information relating to such interests. Non-U.S. Holders are encouraged to consult with their own tax advisors regarding the possible implications and obligations of FATCA and the HIRE Act.

Other Taxes

The description of certain U.S. federal income tax provisions above relates only to U.S. federal income tax consequences for Shareholders who are U.S. persons (*i.e.*, U.S. citizens or residents or U.S. corporations, partnerships, trusts or estates). Non-U.S. Shareholders should consult their tax advisors concerning the tax consequences of ownership of Shares, including the possibility that distributions may be subject to a 30% U.S. withholding tax (or a reduced rate of withholding provided by an applicable treaty if the investor provides proper certification of such status).

Shareholders should consult their own tax advisors on these matters and on any specific question of U.S. federal, state, local, foreign and other applicable tax laws before making an investment in the Fund.

BOARD MEMBERS AND OFFICERS

The following table presents certain information regarding the members of the Board of Directors (each, a “Board Member”). Each Board Member’s year of birth is set forth in parentheses after his or her name.

Except as otherwise noted, the address for all directors and officers is 325 North LaSalle Street, Suite 645, Chicago, Illinois 60654. The “independent directors” consist of those directors who are not “interested persons” of the Fund, as that term is defined under the 1940 Act (each, an “Independent Director” and collectively, the “Independent Directors”).

Name, Address and Year of Birth	Position(s) Held with Registrant	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex(1) Overseen by Director	Other Directorships(2) Held by Director During Past 5 Years
<i>Independent Directors</i>					
John K. Carter (1961)	Director	Annual term. Has served since 2015.	Partner, Law Office of John K. Carter, P.A. (2015 to present); Managing Partner, Global Recruiters of St. Petersburg (a financial services consulting and recruiting firm) (2012 to 2015); Chief Executive Officer, Transamerica Asset Management (2006 to 2012).	6	Director, Eagle Funds (9 Funds) (2016 to present). Director, Operation Par (non-profit) (2016 to present). Director, Chairman of the Board of Directors, Transamerica Funds (120 funds) (2006 to 2012). Board Member, United Way of Tampa Bay (2011 to 2012)
James G. Kelley (1948)	Director	Annual term. Has served since 2015.	Certified Business Coach, JGK & Associates (2000 to present).	5	N/A
John S. Oakes (1943)	Director	Annual term. Has served since 2015.	Principal, Financial Search and Consulting (a recruiting and consulting firm) (2013 to 2016); Regional Vice President, Securities America (a broker-dealer) (2007 to 2013)	6	N/A

Name, Address and Year of Birth	Position(s) Held with Registrant	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex(1) Overseen by Director	Other Directorships(2) Held by Director During Past 5 Years
Fred G. Steingraber (1938)	Director	Annual term. Has served since 2015.	Chairman, Board Advisors LLC (a consulting firm) (2001 to present). Retired, Chairman Emeritus, A.T. Kearney (a business consulting firm) (2001 to present).	5	Director, Diamond Hill Financial Trends Fund (a closed-end fund) (1989-2013); Director, Elkay Manufacturing (2004 to present). Director, Talent Intelligence (leadership development) (2004 to 2017). Chairman Emeritus, A.T. Kearney (management consulting) (2001 to present). Chairman, Board Advisors (Board consulting) (2001 to present).

Interested Director

Patrick W. Galley ⁽³⁾ (1975)	Director, Chairman and President	Annual term. Has served since 2015.	Chief Investment Officer, RiverNorth Capital Management, LLC (2004 to present).	6	Board of Managers of RiverNorth Capital Management, LLC (2010 to present); Board of Managers of RiverNorth Securities, LLC (2010 to 2012) and Board of Directors RiverNorth Holdings, Co. (2010 to present)
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Officers

Jonathan M. Mohrhardt (1974)	Chief Financial Officer and Treasurer	Has served since 2015.	Chief Compliance Officer, RiverNorth Capital Management, LLC (2009 to 2012); Chief Operating Officer, RiverNorth Capital Management LLC (2011 to present) and President, Chief Executive Officer and Chief Compliance Officer, RiverNorth Securities, LLC (2010 to 2012)	N/A	Board of Managers of RiverNorth Capital Management, LLC (2010 to present); Board of Managers of RiverNorth Securities, LLC (2010 to 2012) and Board of Directors RiverNorth Holdings, Co. (2010 to present)
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Name, Address and Year of Birth	Position(s) Held with Registrant	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex(1) Overseen by Director	Other Directorships(2) Held by Director During Past 5 Years
Marcus L. Collins (1968)	Chief Compliance Officer and Secretary	Has served since 2015.	General Counsel, RiverNorth Capital Management, LLC (2012 to present), Chief Compliance Officer, RiverNorth Capital Management, LLC (2012 to present); Counsel, Thompson Hine, LLP (2007 to 2012)	N/A	N/A

(1) The term “Fund Complex” means two or more registered investment companies that:

(a) hold themselves out to investors as related companies for purposes of investment and investor services; or

(b) have a common investment adviser or that have an investment adviser that is an affiliated person of the investment adviser of any of the other registered investment companies.

(2) The numbers enclosed in the parentheticals represent the number of funds overseen in each respective directorship held by the director.

(3) Mr. Galley is deemed an “interested person” of the Fund due to his position as Chief Investment Officer of RiverNorth Capital Management, LLC, investment adviser to the Fund.

Board Leadership Structure. The Board of Directors, which has overall responsibility for the oversight of the Fund’s investment programs and business affairs, believes that it has structured itself in a manner that allows it to effectively perform its oversight obligations. Mr. Patrick W. Galley, the Chairman of the Board (“Chairman”), is not an Independent Director. The Board believes that the use of an interested director as Chairman is the appropriate leadership structure for the Fund given (i) Mr. Patrick Galley’s role in the day to day operations of the Adviser, (ii) the extent to which the work of the Board of Directors is conducted through the Audit Committee of the Board of Directors (the “Audit Committee”) and the Nominating and Corporate Governance Committee of the Board of Directors (the “Nominating and Corporate Governance Committee”), each of whose meetings is chaired by an Independent Director, (iii) the frequency that Independent Directors meet with their independent legal counsel and auditors in the absence of members of the Board of Directors who are interested directors of the Fund and management, and (iv) the overall sophistication of the Independent Directors, both individually and collectively. The members of Board of Directors also complete an annual self-assessment during which the directors review their overall structure and consider where and how its structure remains appropriate in light of the Fund’s current circumstances. The Chairman’s role is to preside at all meetings of the Board of Directors and in between meetings of the Board of Directors to generally act as the liaison between the Board of Directors and the Fund’s officers, attorneys and various other service providers, including but not limited to the Adviser and other such third parties servicing the Fund. The Board of Directors believes that having an interested person serve as Chairman of the Board of Directors enables Mr. Patrick Galley to more effectively carry out these liaison activities. The Board of Directors also believes that it benefits during its meetings from having a person intimately familiar with the operation of the Fund to set the agenda for meetings of the Board of Directors to ensure that important matters are brought to the attention of and considered by the Board of Directors.

The Fund has two standing committees, each of which enhances the leadership structure of the Board: the Audit Committee and the Nominating and Corporate Governance Committee. The Audit Committee and Nominating and Corporate Governance Committee are each chaired by, and composed of, members who are Independent Directors.

The Audit Committee is comprised of Messrs. Carter, Kelley, Oakes and Steingraber. Mr. Kelley is the Chair of the Audit Committee. The role of the Audit Committee is to assist the Board of Directors in its oversight of (i) the quality and integrity of the Fund’s financial statements, reporting process and the independent registered public accounting firm (the “independent accountants”) and reviews thereof, (ii) the Fund’s accounting and financial reporting policies and practices, its internal controls and, as appropriate, the internal controls of certain service providers, (iii) the Fund’s compliance with legal and regulatory requirements, and (iv) the independent accountants’ qualifications, independence and performance. The Audit Committee is also required to prepare an audit committee report pursuant to the rules of the SEC for inclusion in the Fund’s annual proxy statement. The Audit Committee operates pursuant to the Audit Committee Charter (the “Charter”) that was most recently reviewed and approved by the Board of Directors on September 24, 2015. The Charter is available at the Fund’s website, www.rivernorth.com. As set forth in the Charter, management is responsible for maintaining appropriate systems for accounting and internal control, and the Fund’s independent accountants are responsible for planning and carrying out proper audits and reviews. The independent accountants are ultimately accountable to the Board of Directors and to the Audit Committee, as representatives of the Fund’s shareholders. The independent accountants for the Fund report directly to the Audit Committee. During the fiscal year ended June 30, 2017, the Audit Committee met two times.

The Nominating and Corporate Governance Committee is comprised of Messrs. Carter, Kelley, Oakes and Steingraber. Mr. Carter is the Chair of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee is responsible for identifying and recommending to the Board of Directors individuals believed to be qualified to become members of the Board of Directors in the event that a position is vacated or created. The Nominating and Corporate Governance Committee will consider director candidates recommended by shareholders of the Fund. In considering candidates submitted by shareholders, the Nominating and Corporate Governance Committee will take into consideration the needs of the Board of Directors, the qualifications of the candidate and the interests of shareholders. Shareholders wishing to recommend candidates to the Nominating and Corporate Governance Committee should submit such recommendations to the Secretary of the Fund, who will forward the recommendations to the committee for consideration. The submission must include: (i) a brief description of the business desired to be brought before the annual or special meeting and the reasons for conducting such business at the annual or special meeting, (ii) the name and address, as they appear on the Fund's books, of the shareholder proposing such business or nomination, (iii) a representation that the shareholder is a holder of record of the shares entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to present such nomination; (iv) whether the shareholder plans to deliver or solicit proxies from other shareholders; (v) the class and number of shares of the capital stock of the Fund, which are beneficially owned by the shareholder and the proposed nominee to the Board of Directors, (vi) any material interest of the shareholder or nominee in such business; (vii) the extent to which such shareholder (including such shareholder's principals) or the proposed nominee to the Board of Directors has entered into any hedging transaction or other arrangement with the effect or intent of mitigating or otherwise managing profit, loss or risk of changes in the value of the Fund's shares or the daily quoted market price of the Fund held by such shareholder (including the shareholder's principals) or the proposed nominee, including independently verifiable information in support of the foregoing; and (viii) such other information regarding such nominee proposed by such shareholder as would be required to be included in a proxy statement filed pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended. Each eligible shareholder or shareholder group may submit no more than one Independent Director nominee each calendar year. The Nominating and Corporate Governance Committee has not determined any minimum qualifications necessary to serve as a director of the Fund. During the fiscal year ended June 30, 2017, the Nominating and Governance Committee did not meet.

Trustee Qualifications. Mr. Patrick Galley is the Chief Investment Officer for the Fund's investment adviser and a portfolio manager of the Fund. His knowledge regarding the investment strategy of the Fund, more specifically the closed-end mutual fund industry makes him uniquely qualified to serve as the Fund's President.

Mr. John K. Carter possesses extensive mutual fund industry experience. Mr. Carter was most recently a Business Unit Head at Transamerica Asset Management, a subsidiary of Aegon, N.V. Mr. Carter oversaw the mutual fund servicing, operations and advisory services for Transamerica's approximately 120 mutual funds. He also served as a compliance officer. Mr. Carter brings experience managing a large mutual fund complex, including experience overseeing multiple sub-advisers. Mr. Carter was previously an investment management attorney with experience as in-house counsel, serving with the Securities and Exchange Commission and in private practice with a large law firm. The Board feels Mr. Carter's industry-specific experience, including as a chairman of another fund complex, as a compliance officer and as an experienced investment management attorney will be valuable to the Board as the Fund continues to grow and deal with legally complex issues.

Mr. James G. Kelley is currently a Certified Business & Life Coach, JGK & Associates and formerly the Vice President Finance & Operation with Paymaster Technologies, Inc. and Executive Vice President and Chief Operating Officer of The Hedman Company, a manufacturing company. Mr. Kelley has not only executive experience but is knowledgeable in both finance and accounting. His experience in these areas benefits the Board in its review of the Fund's financial statements.

Mr. Oakes has many years of experience in the securities industry. His background includes extensive management and leadership roles in both the brokerage and banking businesses. Additionally he had served on the Board of Directors of another registered investment company, including serving as its Chairman. The Board feels Mr. Oakes' industry and board experience adds an operational perspective to the Board and his experience in marketing can assist the Fund in its efforts to expand into different distribution channels.

Mr. Fred G. Steingraber currently serves as Chairman of Board Advisors LLC, a consulting and advisory firm which assists organizations and corporate boards in assessing corporate governance, strategy and organization issues and executive compensation. Prior to his experience with Board Advisors LLC, Mr. Steingraber was Chief Executive Officer, and Chairman of the Board of Directors of A.T. Kearney, a global business consulting firm. Mr. Steingraber has extensive experience serving on advisory boards, corporate boards (of both publically-traded and privately-held companies) and not-for-profit boards, including boards of foundations, universities and hospitals. He also currently serves as the President and Chairman of the Board of Trustees of the Village of Kenilworth, Illinois. The Board believes Mr. Steingraber's experience and expertise as a business consultant, including his expertise in corporate governance issues, adds depth and understanding to its consideration of the Directors' obligations to the Fund and shareholders.

Risk Oversight. The Fund is confronted with a multitude of risks, such as investment risk, counterparty risk, valuation risk, political risk, risk of operational failures, business continuity risk, regulatory risk, legal risk and other risks not listed here. The Board of Directors recognizes that not all risk that may affect the Fund can be known, eliminated or even mitigated. In addition, there are some risks that may not be cost effective or an efficient use of the Fund's limited resources to moderate. As a result of these realities, the Board of Directors, through its oversight and leadership, has and will continue to deem it necessary for shareholders to bear certain and undeniable risks, such as investment risk, in order for the Fund to operate in accordance with its Prospectus, SAI and other related documents.

However, as required under the 1940 Act, the Board of Directors has adopted on the Fund's behalf a vigorous risk program that mandates the Fund's various service providers, including the Adviser, to adopt a variety of processes, procedures and controls to identify various risks, mitigate the likelihood of adverse events from occurring and/or attempt to limit the effects of such adverse events on the Fund. The Board of Directors fulfills its leadership role by receiving a variety of quarterly written reports prepared by the Fund's Chief Compliance Officer ("CCO") that (i) evaluate the operation, policies and procedures of the Fund's service providers, (ii) make known any material changes to the policies and procedures adopted by the Fund or its service providers since the CCO's last report, and (iii) disclose any material compliance matters that occurred since the date of the last CCO report. In addition, the Independent Directors meet quarterly in executive sessions without the presence of any interested directors, the Adviser, or any of their affiliates. This configuration permits the Independent Directors to effectively receive the information and have private discussions necessary to perform their risk oversight role, exercise independent judgment and allocate areas of responsibility between the full Board of Directors, its committees and certain officers of the Fund. Furthermore, the Independent Directors have engaged independent legal counsel and auditors to assist the Independent Directors in performing their oversight responsibilities. As discussed above and in consideration of other factors not referenced herein, the Board of Directors has determined its leadership role concerning risk management as one of oversight and not active management of the Fund's day-to-day risk management operations.

Compensation. The Fund pays no salaries or compensation to any of its interested directors or its officers. For their services, the Independent Directors of the Fund receive an annual retainer in the amount of \$16,500, and an additional \$1,500 for attending each meeting of the Board of Directors. In addition, the Chair of the Audit Committee receives \$500 annually and the Chair of the Nominating and Corporate Governance Committee receives \$250 annually. The Independent Directors are also reimbursed for all reasonable out-of-pocket expenses relating to attendance at meetings of the Board of Directors. The following tables show compensation from the Fund. Patrick W. Galley is an interested persons of the Fund and has not received any compensation from the Fund.

Name of Board Member	Compensation from the Fund (1)	Total Compensation from the Fund and Fund Complex (2)
Independent Directors:		
John Carter	\$17,125	\$106,875
John Oakes	\$17,125	\$107,125
James Kelley	\$17,375	\$83,375
Fred Steingraber	\$16,875	\$81,375

- (1) The compensation paid by the Fund for the fiscal year ended June 30, 2017.
- (2) The total compensation paid to the Independent Directors from the Fund and the Fund Complex during the calendar year ended June 30, 2017.

Director Ownership in the Fund

The following table shows the dollar range of equity securities beneficially owned by each director in the Fund and Fund Complex as of June 30, 2017.

Director	Dollar Range of Beneficial Ownership in Fund	Aggregate Dollar Range of Ownership in all Funds Overseen by Director in the Fund Complex (1)
Independent Director:		
John Carter	None	\$50,001 to \$100,000
John Oakes	None	Over \$100,000
James Kelley	None	\$10,001 - \$50,000
Fred G. Steingraber	None	None
Interested Director:		
Patrick W. Galley	Over \$100,000	Over \$100,000

- (1) The Fund Complex consists of RiverNorth Core Opportunity Fund, RiverNorth/DoubleLine Strategic Income Fund, RiverNorth Equity Opportunity Fund, RiverNorth/Oaktree High Income Fund and RiverNorth Opportunities Fund, Inc.

As of the date of this SAI, the directors and officers of the Fund owned, as a group, less than 1% of any class of the Fund's outstanding securities.

Control Persons

To the knowledge of the Fund, as of September 30, 2017, no single shareholder or "group" (as that term is used in Section 13(d) of the Securities Exchange Act of 1934, as amended) beneficially owned more than 5% of the Fund's outstanding Common Shares, except as described in the following table. The Fund does not have any knowledge of the identity of the ultimate beneficiaries of the Common Shares listed below. A control person is one who owns, either directly or indirectly, more than 25% of the voting securities of the Fund or acknowledges the existence of control.

NAME AND ADDRESS OF BENEFICIAL OWNER	SHARES BENEFICIALLY OWNED	% OF OUTSTANDING SHARES BENEFICIALLY OWNED
Charles Schwab & Co. Inc. Attn: Mutual Funds 211 Main Street San Francisco, CA 94105-1905	1,983,387.277	34.02%
Maril & Co. FBO JI C/O BMO Harris Bank N.A. Attn: MF 480 Pilgrim Way, Ste 1000 Green Bay, WI 54304-5280	713,382.223	12.23%

PROXY VOTING GUIDELINES

The Fund has delegated proxy voting responsibilities to the Adviser, subject to the Board of Directors' general oversight. The Adviser votes proxies pursuant to the proxy voting policy and guidelines set forth in Appendix B to this SAI.

You may also obtain information about how the Fund voted proxies related to its portfolio securities during the most recent 12-month period ended June 30 by visiting the SEC's Web site at www.sec.gov or by visiting the Fund's website at www.rivernorth.com (this reference to the Fund's website does not incorporate the contents of the website into this SAI).

ADDITIONAL INFORMATION

A Registration Statement on Form N-2, including amendments thereto, relating to the shares of Series A Term Preferred Stock offered hereby, has been filed by the Fund with the SEC, Washington, D.C. The Prospectus and this SAI do not contain all of the information set forth in the Registration Statement, including any exhibits and schedules thereto. For further information with respect to the Fund and the shares of Series A Term Preferred Stock offered hereby, reference is made to the Registration Statement. Statements contained in the Prospectus and this SAI as to the contents of any contract or other document referred to are not necessarily complete and in each instance reference is made to the copy of such contract or other document filed as an exhibit to the Registration Statement, each such statement being qualified in all respects by such reference.

The Registration Statement may be viewed and copied at the SEC's Public Reference Room in Washington, D.C. Information about the SEC's Public Reference Room may be obtained by calling the SEC at (202) 551-8090. The Registration Statement also may be available on the Edgar Database on the SEC's website, <http://www.sec.gov>, or be obtained, after paying a duplicating fee, by electronic request to publicinfo@sec.gov, or by writing to: Securities and Exchange Commission's Public Reference Section, 100 F Street, NE, Washington, D.C. 20549.

APPENDIX A:

RIVERNORTH MARKETPLACE LENDING CORPORATION

**ARTICLES SUPPLEMENTARY
ESTABLISHING AND FIXING THE RIGHTS AND PREFERENCES
OF TERM PREFERRED SHARES
DATED AS OF OCTOBER 18, 2017**

RiverNorth Marketplace Lending Corporation (the "Corporation"), a Maryland corporation, hereby certifies to the State Department of Assessments and Taxation of Maryland that:

RECITALS

FIRST: The Corporation is authorized under Article IV of the charter of the Corporation, as amended (the "Charter") to issue up to 40,000,000 shares of capital stock, with a par value \$0.0001 per share ("Capital Stock").

SECOND: Pursuant to Article IV of the Charter, all 40,000,000 such shares of Capital Stock were initially classified as Common Stock (as defined in the Charter).

THIRD: Pursuant to the authority expressly vested in the Board of Directors of the Corporation (the "Board of Directors") which term as used herein shall include any duly authorized committee of the Board of Directors) by Article IV of the Charter and Section 2-208 of the Maryland General Corporation Law, the Board of Directors, or the Pricing Committee of the Board of Directors (as authorized by the Board of Directors), has, by resolutions duly adopted on September 25, 2017, October 5, 2017 and October 18, 2017 reclassified from unissued Common Stock and authorized the issuance of 1,656,000 Preferred Shares, par value \$0.0001 per share, such class of stock to be classified as "Term Preferred Shares," and such Term Preferred Shares to be issued in one or more series.

FOURTH: The preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications, and terms and conditions of redemption, of each Series of Term Preferred Shares, as established by the Board of Directors are set forth in these Articles Supplementary, as modified, amended or supplemented from time to time in any Appendix (each an "Appendix" and collectively the "Appendices") to these Articles Supplementary specifically relating to such Series (each such Series being referred to herein as a "Series of Term Preferred Shares", "Term Preferred Shares of a Series" or a "Series" and shares of all such Series being referred to herein individually as a "Term Preferred Share" and collectively as the "Term Preferred Shares") which (upon any restatement of the Charter) shall become part of Article IV of the Charter (or any successor provision thereto), with any necessary or appropriate renumbering or relettering of the sections or subsections hereof, as follows:

DEFINITIONS

1.1 *Definitions.* Unless the context or use indicates another or different meaning or intent and except with respect to any Series as specifically provided in the Appendix applicable to such Series, each of the following terms when used in these Articles Supplementary shall have the meaning ascribed to it below, whether such term is used in the singular or plural and regardless of tense:

"1940 Act" means the Investment Company Act of 1940, as amended, or any successor statute.

"1940 Act Asset Coverage" means the Asset Coverage specified in Section 18(a)(2)(B) of the 1940 Act as in effect on the date hereof.

"Appendices" and "Appendix" shall have the respective meanings as set forth in the Recitals of these Articles Supplementary.

"Articles Supplementary" means these RiverNorth Marketplace Lending Corporation Articles Supplementary Establishing and Fixing the Rights and Preferences of Term Preferred Shares, as they may be amended from time to time in accordance with their terms.

"Asset Coverage" shall mean the "asset coverage" of a class of senior security which is stock, as specified in Section 18 of the 1940 Act as in effect on the date hereof.

"Asset Coverage Cure Date" means, with respect to the failure by the Corporation to maintain Asset Coverage as of the close of business on the last Business Day of a Calendar Quarter (as required by Section 2.4(a)), the date that is thirty (30) calendar days following the Filing Date with respect to such Calendar Quarter.

"Board of Directors" shall have the meaning as set forth in the Recitals of these Articles Supplementary.

"Business Day" means any calendar day on which the New York Stock Exchange is open for trading.

"Calendar Quarter" shall mean any of the three month periods ending March 31, June 30, September 30, or December 31, of each year.

"Capital Stock" shall have the meaning as set forth in the Recitals of these Articles Supplementary.

"Charter" shall have the meaning as set forth in the Recitals of these Articles Supplementary.

"Commission" means the U.S. Securities and Exchange Commission.

"Common Stock" means the shares of common stock, with a par value of one cent (\$0.0001) per share, of the Corporation.

"Corporation" shall have the meaning as set forth in the Preamble to these Articles Supplementary.

"Custodian" means a bank, as defined in Section 2(a)(5) of the 1940 Act, that has the qualifications prescribed in paragraph 1 of Section 26(a) of the 1940 Act, or such other entity as shall be providing custodian services to the Corporation as permitted by the 1940 Act or any rule, regulation, or order thereunder, and shall include, as appropriate, any similarly qualified sub-custodian duly appointed by the Custodian.

"Custodian Agreement" means the Custodian Agreement by and among the Custodian and the Corporation.

“Date of Original Issue” means, with respect to any Series, the date specified as the Date of Original Issue for such Series in the Appendix for such Series.

“Default” shall have the meaning as set forth in Section 2.2(g)(i).

“Default Period” shall have the meaning as set forth in Section 2.2(g)(i).

“Default Rate” shall have the meaning as set forth in Section 2.2(g)(i).

“Deposit Securities” means, as of any date, any United States dollar-denominated security or other investment of a type described below that either (i) is a demand obligation payable to the holder thereof on any Business Day or (ii) has a maturity date, mandatory redemption date or mandatory payment date, on its face or at the option of the holder, preceding the relevant Redemption Date, Dividend Payment Date or other payment date in respect of which such security or other investment has been deposited or set aside as a Deposit Security:

(i) cash or any cash equivalent;

(ii) any U.S. Government Obligation;

(iii) any Short-Term Money Market Instrument;

(iv) any investment in any money market fund registered under the 1940 Act that qualifies under Rule 2a-7 under the 1940 Act, or similar investment vehicle described in Rule 12d1-1(b)(2) under the 1940 Act, that invests principally in Short-Term Money Market Instruments or U.S. Government Obligations or any combination thereof; or

(v) any letter of credit from a bank or other financial institution that has a credit rating from at least one rating agency that is the highest applicable rating generally ascribed by such rating agency to bank deposits or short-term debt of similar banks or other financial institutions as of the date of these Articles Supplementary (or such rating’s future equivalent).

“Dividend Default” shall have the meaning as set forth in Section 2.2(g)(i).

“Dividend Payment Date” means, with respect to any Series, each of the Dividend Payment Dates for such Series set forth in the Appendix for such Series.

“Dividend Period” means, with respect to any Series, the Dividend Period for such Series set forth in the Appendix for such Series.

“Dividend Rate” means, with respect to any Series and as of any date, the Fixed Dividend Rate for that Series as adjusted, if a Default Period shall be in existence on such date, in accordance with the provisions of Section 2.2(g).

“Electronic Means” means email transmission, facsimile transmission or other similar electronic means of communication providing evidence of transmission (but excluding online communications systems covered by a separate agreement) acceptable to the sending party and the receiving party, in any case if operative as between any two parties, or, if not operative, by telephone (promptly confirmed by any other method set forth in this definition), which, in the case of notices to the Redemption and Paying Agent and the Custodian, shall be sent by such means to each of its representatives set forth in the Redemption and Paying Agent Agreement and the Custodian Agreement, respectively.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended.

“Filing Date” means, with respect to any Calendar Quarter, the date of filing of the Corporation’s SEC Report with respect to such Calendar Quarter.

“Fixed Dividend Rate” means, with respect to any Series, the rate per annum specified as the Fixed Dividend Rate for such Series in the Appendix for such Series.

“Holder” means, with respect to the Term Preferred Shares of any Series or any other security issued by the Corporation, a Person in whose name such security is registered in the registration books of the Corporation maintained by the Redemption and Paying Agent or otherwise.

“Liquidation Preference” means, with respect to any Series, the amount specified as the liquidation preference per share for that Series in the Appendix for such Series.

“Mandatory Redemption Price” shall have the meaning as set forth in Section 2.5(b)(i).

“Market Value” of any asset of the Corporation means, for securities for which market quotations are readily available, the market value thereof determined by an independent third-party pricing service designated from time to time by the Board of Directors. Market Value of any asset shall include any interest accrued thereon. The pricing service shall value portfolio securities at the mean between the quoted bid and asked price or the yield equivalent when quotations are readily available. Securities for which quotations are not readily available shall be valued at fair value as determined by the pricing service using methods that include consideration of: yields or prices of securities of comparable quality, type of issue, coupon, maturity and rating; indications as to value from dealers; and general market conditions. The pricing service may employ electronic data processing techniques or a matrix system, or both, to determine recommended valuations.

“Non-Call Period” means, with respect to any Series, the period (if any) during which such Series shall not be subject to redemption at the option of the Corporation, as set forth in the Appendix for such Series.

“Notice of Redemption” shall have the meaning as set forth in Section 2.5(e).

“NRSRO” means any nationally recognized statistical rating organization within the meaning of Section 3(a)(62) of the Exchange Act that is not an “affiliated person” (as defined in Section 2(a)(3) of the 1940 Act) of the Fund.

“Optional Redemption Date” shall have the meaning as set forth in Section 2.5(d)(i).

“Optional Redemption Premium” means, with respect to any Series, the premium (expressed as a percentage of the Liquidation Preference of the shares of such Series), if any, payable by the Corporation upon the redemption of Term Preferred Shares of such Series at the option of the Corporation, as set forth in the Appendix for such Series.

“Optional Redemption Price” shall have the meaning as set forth in Section 2.5(d)(i).

“Outstanding” means, as of any date with respect to Term Preferred Shares of any Series, the number of Term Preferred Shares of such Series theretofore issued by the Corporation except (without duplication):

(i) any shares of such Series theretofore cancelled or redeemed or delivered to the Redemption and Paying Agent for cancellation or redemption in accordance with the terms hereof;

(ii) any shares of such Series as to which the Corporation shall have given a Notice of Redemption and irrevocably deposited with the Redemption and Paying Agent sufficient Deposit Securities to redeem such shares in accordance with Section 2.5 hereof;

(iii) any shares of such Series as to which the Corporation shall be the Holder or the beneficial owner; and

(iv) any shares of such Series represented by any certificate in lieu of which any new certificate has been executed and delivered by the Corporation.

“Person” means and includes an individual, a partnership, a trust, a corporation, a limited liability company, an unincorporated association, a joint venture or other entity or a government or any agency or political subdivision thereof.

“Preferred Stock” means any Capital Stock of the Corporation classified as preferred stock, including shares of each Series of Term Preferred Shares, shares of any other series of such preferred stock now or hereafter issued by the Corporation, and any other shares of Capital Stock hereafter authorized and issued by the Corporation of a class having priority over any other class as to distribution of assets or payments of dividends.

“Rating Agency” means, as of any date and in respect of a Series of Term Preferred Shares, (i) Egan-Jones Ratings Co., to the extent it maintains a rating on the Term Preferred Shares of such Series on such date and has not been replaced as a Rating Agency in accordance with Section 2.7 and (ii) any other NRSRO designated as a Rating Agency on such date in accordance with Section 2.7. Egan-Jones Ratings Co. has initially been designated as Rating Agency for purposes of the Term Preferred Shares subject to this Statement. In the event that at any time any Rating Agency (i) ceases to be a Rating Agency for purposes of any Series of Term Preferred Shares and such Rating Agency has been replaced by another Rating Agency in accordance with Section 2.7, any references to any credit rating of the replaced Rating Agency in this Statement or any Appendix shall be deleted for purposes hereof as provided below and shall be deemed instead to be references to the equivalent credit rating of the Rating Agency that has replaced such Rating Agency as of the most recent date on which such replacement Rating Agency published credit ratings for such Series of Term Preferred Shares or (ii) designates a new rating definition for any credit rating of such Rating Agency with a corresponding replacement rating definition for such credit rating of such Rating Agency, any references to such replaced rating definition of such Rating Agency contained in this statement or any Appendix shall instead be deemed to be references to such corresponding replacement rating definition. In the event that at any time the designation of any Rating Agency as a Rating Agency for purposes of any Series of Term Preferred Shares is terminated in accordance with Section 2.7, any rating of such terminated Rating Agency, to the extent it would have been taken into account in any of the provisions of this Statement or the Appendix for such Series of Term Preferred Shares, shall be disregarded, and only the ratings of the then-designated Rating Agency for such Series of Term Preferred Shares shall be taken into account for purposes of this Statement and such Appendix.

“Rating Agency Guidelines” means the guidelines of any Rating Agency, as they may be amended or modified from time to time, compliance with which is required to cause such Rating Agency to continue to issue a rating with respect to a Series of Term Preferred Shares for so long as any Term Preferred Shares of such Series are Outstanding.

“Redemption and Paying Agent” means, with respect to any Series, DST Systems, Inc. and its successors or any other redemption and paying agent appointed by the Corporation with respect to such Series.

“Redemption and Paying Agent Agreement” means, with respect to any Series, the Redemption and Paying Agent Agreement or other similarly titled agreement by and among the Redemption and Paying Agent for such Series and the Corporation with respect to such Series.

“Redemption Date” shall have the meaning as set forth in Section 2.5(e).

“Redemption Default” shall have the meaning as set forth in Section 2.2(g)(i).

“Redemption Price” shall mean the Term Redemption Price, the Mandatory Redemption Price or the Optional Redemption Price, as applicable.

“SEC Report” means, with respect to any Calendar Quarter, the Corporation’s Annual Report on Form N-CSR, Semi-Annual Report on Form N-SAR, or Quarterly Report on Form N-Q, as applicable, filed by the Corporation with the Securities and Exchange Commission with respect to the fiscal period ending as of the last day of such Calendar Quarter.

“Securities Depository” shall mean The Depository Trust Company and its successors and assigns or any other securities depository selected by the Corporation that agrees to follow the procedures required to be followed by such securities depository as set forth in these Articles Supplementary with respect to the Term Preferred Shares.

“Senior Security” shall have the meaning specified in Section 18 under the 1940 Act, as in effect on the date hereof.

“Series” shall have the meaning as set forth in the Recitals of these Articles Supplementary.

“Short-Term Money Market Instruments” means the following types of instruments if, on the date of purchase or other acquisition thereof by the Corporation, the remaining term to maturity thereof is not in excess of 180 days:

(i) commercial paper rated A-1 if such commercial paper matures in 30 days or A-1+ if such commercial paper matures in over 30 days;

(ii) demand or time deposits in, and banker’s acceptances and certificates of deposit of (A) a depository institution or trust company incorporated under the laws of the United States of America or any state thereof or the District of Columbia or (B) a United States branch office or agency of a foreign depository institution (provided that such branch office or agency is subject to banking regulation under the laws of the United States, any state thereof or the District of Columbia); and
(iii) overnight funds.

“Term Preferred Shares” shall have the meaning as set forth in the Recitals of these Articles Supplementary.

“Term Redemption Date” means, with respect to any Series, the date specified as the Term Redemption Date in the Appendix for such Series.

“Term Redemption Price” shall have the meaning as set forth in Section 2.5(a).

“U.S. Government Obligations” means direct obligations of the United States or of its agencies or instrumentalities that are entitled to the full faith and credit of the United States and that, other than United States Treasury Bills, provide for the periodic payment of interest and the full payment of principal at maturity or call for redemption.

“Voting Period” shall have the meaning as set forth in Section 2.6(b)(i).

With respect to any Series, any additional definitions specifically set forth in the Appendix relating to such Series and any amendments to any definitions specifically set forth in the Appendix relating to such Series, as such Appendix may be amended from time to time, shall be incorporated herein and made part hereof by reference thereto, but only with respect to such Series.

1.2 Interpretation. The headings preceding the text of Articles and Sections included in these Articles Supplementary are for convenience only and shall not be deemed part of these Articles Supplementary or be given any effect in interpreting these Articles Supplementary. The use of the masculine, feminine or neuter gender or the singular or plural form of words herein shall not limit any provision of these Articles Supplementary. The use of the terms “including” or “include” shall in all cases herein mean “including, without limitation” or “include, without limitation,” respectively. Reference to any Person includes such Person’s successors and assigns to the extent such successors and assigns are permitted by the terms of any applicable agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually. Reference to any agreement (including these Articles Supplementary), document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof. Except as otherwise expressly set forth herein, reference to any law means such law as amended, modified, codified, replaced or re-enacted, in whole or in part, including rules, regulations, enforcement procedures and any interpretations promulgated thereunder. Underscored references to Articles or Sections shall refer to those portions of these Articles Supplementary. The use of the terms “hereunder,” “hereof,” “hereto” and words of similar import shall refer to these Articles Supplementary as a whole and not to any particular Article, Section or clause of these Articles Supplementary.

TERMS APPLICABLE TO ALL SERIES OF TERM PREFERRED SHARES

Except for such changes and amendments hereto with respect to a Series of Term Preferred Shares that are specifically contemplated by the Appendix relating to such Series, each Series of Term Preferred Shares shall have the following terms:

2.1 Number of Shares; Ranking.

(a) The number of authorized shares constituting any Series of Term Preferred Shares shall be as set forth with respect to such Series in the Appendix hereto relating to such Series. No fractional Term Preferred Shares shall be issued.

(b) The Term Preferred Shares of each Series shall rank on parity with shares of each other Series of Term Preferred Shares and with shares of any other series of Preferred Stock as to the payment of dividends and the distribution of assets upon dissolution, liquidation or winding up of the affairs of the Corporation. The Term Preferred Shares of each Series shall have preference with respect to the payment of dividends and as to distribution of assets upon dissolution, liquidation or winding up of the affairs of the Corporation over the Common Stock as set forth herein.

(c) No Holder of Term Preferred Shares shall have, solely by reason of being such a Holder, any preemptive or other right to acquire, purchase or subscribe for any Term Preferred Shares or shares of Common Stock or other securities of the Corporation which it may hereafter issue or sell.

2.2 Dividends and Distributions.

(a) The Holders of any Term Preferred Shares of any Series shall be entitled to receive, when, as and if declared by, or under authority granted by, the Board of Directors, out of funds legally available therefor and in preference to dividends and distributions on the Common Stock, cumulative cash dividends and distributions on each share of such Series, calculated separately for each Dividend Period for such Series at the Dividend Rate in effect from time to time for such Series during such Dividend Period, computed on the basis of a 360-day year consisting of twelve 30-day months, on an amount equal to the Liquidation Preference for a share of such Series, and no more. Dividends and distributions on the Term Preferred Shares of any Series shall accumulate from the Date of Original Issue with respect to such Series and shall be payable monthly in arrears as provided in Section 2.2(f). Dividends payable on any Term Preferred Shares of any Series for any period of less than a full monthly Dividend Period, upon any redemption of such shares on any Redemption Date other than on a Dividend Payment Date, or, in the case of the first Dividend Period, more than a full monthly period, shall be computed on the basis of a 360-day year consisting of twelve 30-day months and the actual number of days elapsed for any period of less than, or, in the case of the first Dividend Period, greater than, one month.

(b) Dividends on shares of each Series of Term Preferred Shares with respect to any Dividend Period shall be declared to the Holders of record of such shares as their names shall appear on the registration books of the Corporation at the close of business on the applicable record date, which shall be such date designated by the Board of Directors that is not more than twenty (20) nor less than ten (10) calendar days prior to the Dividend Payment Date with respect to such Dividend Period, and shall be paid as provided further in Section 2.2(f) hereof.

(c) (i) No full dividends and distributions shall be declared or paid on shares of a Series of Term Preferred Shares for any Dividend Period or part thereof unless full cumulative dividends and distributions due through the most recent dividend payment dates therefor for all outstanding shares of Preferred Stock (including shares of other Series of Term Preferred Shares) have been or contemporaneously are declared and paid through the most recent dividend payment dates therefor. If full cumulative dividends and distributions due have not been declared and paid on all outstanding Preferred Stock of any series, any dividends and distributions being declared and paid on a Series of Term Preferred Shares will be declared and paid as nearly pro rata as possible in proportion to the respective amounts of dividends and distributions accumulated but unpaid on each such series of Preferred Stock on the relevant dividend payment date for such series. No Holders of Term Preferred Shares shall be entitled to any dividends and distributions, whether payable in cash, property or shares, in excess of full cumulative dividends and distributions as provided in this Section 2.2(c)(i) on such Term Preferred Shares.

(ii) Except as noted below, for so long as any Term Preferred Shares are Outstanding, the Corporation shall not: (x) declare any dividend or other distribution (other than a dividend or distribution paid in shares of Common Stock) in respect of the Common Stock, (y) call for redemption, redeem, purchase or otherwise acquire for consideration any Common Stock, or (z) pay any proceeds of the liquidation of the Corporation in respect of the Common Stock, unless, in each case, (A) immediately thereafter, the Corporation shall have 1940 Act Asset Coverage after deducting the amount of such dividend or distribution or redemption or purchase price or liquidation proceeds, (B) all cumulative dividends and distributions on all Term Preferred Shares and all other Preferred Stock ranking on a parity with the Term Preferred Shares due on or prior to the earlier of the declaration, record or payment date, as applicable, of the applicable dividend, distribution, redemption, purchase or acquisition shall have been declared and paid (or shall have been declared and Deposit Securities or sufficient funds (in accordance with the terms of such Preferred Stock) for the payment thereof shall have been deposited irrevocably with the paying agent for such Preferred Stock) and (C) the Corporation shall have deposited Deposit Securities pursuant to and in accordance with the requirements of Section 2.5(e)(ii) hereof with respect to Outstanding Term Preferred Shares of any Series to be redeemed pursuant to Section 2.5(a) or Section 2.5(b) hereof for which a Notice of Redemption shall have been given or shall have been required to be given in accordance with the terms hereof on or prior to the date of the applicable dividend, distribution, redemption, purchase or acquisition. Notwithstanding the foregoing, the Corporation shall not, at any time, be prohibited or otherwise restricted in its ability to call for redemption, redeem, purchase or otherwise acquire for consideration its Common Shares pursuant to its repurchase policy in compliance with the 1940 Act and the terms set forth under Section 2.5(c) hereof.

(iii) Any dividend payment made on shares of a Series of Term Preferred Shares shall be credited against the dividends and distributions accumulated with respect to the Dividend Period or Dividend Periods for such Series for which dividends and distributions have not been paid, in chronological order.

(d) Not later than 12:00 noon, New York City time, on the Dividend Payment Date for a Series of Term Preferred Shares, the Corporation shall deposit with the Redemption and Paying Agent Deposit Securities having an aggregate Market Value on such date sufficient to pay the dividends and distributions that are payable on such Dividend Payment Date in respect of such Series. The Corporation may direct the Redemption and Paying Agent with respect to the investment or reinvestment of any such Deposit Securities prior to the Dividend Payment Date, provided that such investment or reinvestment consists exclusively of Deposit Securities and provided further that the proceeds of any such investment will be available as same day funds at the opening of business on such Dividend Payment Date.

(e) All Deposit Securities paid to the Redemption and Paying Agent for the payment of dividends payable on a Series of Term Preferred Shares shall be held in trust for the payment of such dividends by the Redemption and Paying Agent for the benefit of the Holders of such Series entitled to the payment of such dividends pursuant to Section 2.2(f). Any moneys paid to the Redemption and Paying Agent in accordance with the foregoing but not applied by the Redemption and Paying Agent to the payment of dividends, including interest earned on such moneys while so held, will, to the extent permitted by law, be repaid to the Corporation as soon as possible after the date on which such moneys were to have been so applied, upon request of the Corporation.

(f) Dividends on shares of a Series of Term Preferred Shares shall be paid on each Dividend Payment Date for such Series to the Holders of shares of such Series as their names appear on the registration books of the Corporation at the close of business on the applicable record date for such dividend, which record date shall be determined as set forth in Section 2.2(b). Dividends in arrears on shares of a Series of Term Preferred Shares for any past Dividend Period may be declared and paid at any time, without reference to any regular Dividend Payment Date, to the Holders of shares of such Series as their names appear on the registration books of the Corporation on such date, not exceeding twenty (20) nor less than ten (10) calendar days preceding the payment date thereof, as may be fixed by the Board of Directors. No interest or sum of money in lieu of interest will be payable in respect of any dividend payment or payments on shares of any Series of Term Preferred Shares which may be in arrears.

(g) (i) The Dividend Rate on a Series of Term Preferred Shares shall be adjusted to the Default Rate (as defined below) in the following circumstances. Subject to the cure provisions below, a “Default Period” with respect to a Series of Term Preferred Shares shall commence on any date the Corporation fails to deposit with the Redemption and Paying Agent by 12:00 noon, New York City time, on (A) a Dividend Payment Date for such Series, Deposit Securities that will provide funds available to the Redemption and Paying Agent on such Dividend Payment Date sufficient to pay the full amount of any dividend on such Series payable on such Dividend Payment Date (a “Dividend Default”) or (B) an applicable Redemption Date for such Series, Deposit Securities that will provide funds available to the Redemption and Paying Agent on such Redemption Date sufficient to pay the full amount of the Redemption Price payable in respect of such Series on such Redemption Date (a “Redemption Default”) and together with a Dividend Default, hereinafter referred to as “Default”). Subject to the cure provisions of Section 2.2(g) (ii) below, a Default Period with respect to a Dividend Default or a Redemption Default on a Series of Term Preferred Shares shall end on the Business Day on which, by 12:00 noon, New York City time, an amount equal to all unpaid dividends on such Series and any unpaid Redemption Price on such Series shall have been deposited irrevocably in trust in same-day funds with the Redemption and Paying Agent. In the case of any Default on a Series of Term Preferred Shares, the Dividend Rate for such Series for each calendar day during the Default Period will be equal to the Default Rate. The “Default Rate” on a Series of Term Preferred Shares for any calendar day shall be equal to the Fixed Dividend Rate for such Series plus two percent (2%) per annum.

(ii) No Default Period for a Series of Term Preferred Shares with respect to any Default on such Series shall be deemed to commence if the amount of any dividend or any Redemption Price due in respect of such Series (if such Default is not solely due to the willful failure of the Corporation) is deposited irrevocably in trust, in same-day funds, with the Redemption and Paying Agent by 12:00 noon, New York City time, on a Business Day that is not later than three (3) Business Days after the applicable Dividend Payment Date or Redemption Date for such Series with respect to which such Default occurred, together with an amount equal to the Default Rate on such Series applied to the amount and period of such non-payment on such Series, based on the actual number of calendar days comprising such period divided by 360.

2.3 Liquidation Rights.

(a) In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, the Holders of Term Preferred Shares shall be entitled to receive out of the assets of the Corporation available for distribution to shareholders, after satisfying claims of creditors but before any distribution or payment shall be made in respect of the Common Stock, a liquidation distribution equal to the Liquidation Preference for such shares, plus an amount equal to all unpaid dividends and distributions on such shares accumulated to (but excluding) the date fixed for such distribution or payment on such shares (whether or not earned or declared by the Corporation, but excluding interest thereon), and such Holders shall be entitled to no further participation in any distribution or payment in connection with any such liquidation, dissolution or winding up.

(b) If, upon any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, the assets of the Corporation available for distribution among the Holders of all Outstanding Term Preferred Shares and any other outstanding Preferred Stock shall be insufficient to permit the payment in full to such Holders of the Liquidation Preference of such Term Preferred Shares plus accumulated and unpaid dividends and distributions on such shares as provided in Section 2.3(a) above and the amounts due upon liquidation with respect to such other Preferred Stock, then such available assets shall be distributed among the Holders of such Term Preferred Shares and such other Preferred Stock ratably in proportion to the respective preferential liquidation amounts to which they are entitled. In connection with any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, unless and until the Liquidation Preference on each Outstanding Term Preferred Share plus accumulated and unpaid dividends and distributions on such shares as provided in Section 2.3(a) above have been paid in full to the Holders of such shares, no dividends, distributions or other payments will be made on, and no redemption, purchase or other acquisition by the Corporation will be made by the Corporation in respect of, shares of the Common Stock.

(c) Neither the sale of all or substantially all of the property or business of the Corporation, nor the merger, consolidation or reorganization of the Corporation into or with any other business or statutory trust, corporation or other entity, nor the merger, consolidation or reorganization of any other business or statutory trust, corporation or other entity into or with the Corporation shall be a dissolution, liquidation or winding up, whether voluntary or involuntary, for the purpose of this Section 2.3.

2.4 Coverage Test.

(a) Asset Coverage Requirement. For so long as any shares of a Series of Term Preferred Shares are Outstanding, the Corporation shall have Asset Coverage of at least 200% as of the close of business on the last Business Day of each Calendar Quarter. If the Corporation shall fail to maintain such Asset Coverage as of any time as of which such compliance is required to be determined as aforesaid, the provisions of Section 2.5(b)(i) shall be applicable, which provisions shall constitute the sole remedy for the Corporation's failure to comply with the provisions of this Section 2.4(a).

(b) Calculation of Asset Coverage. For purposes of determining whether the requirements of Section 2.4(a) are satisfied, (i) no Term Preferred Shares of any Series or other Preferred Stock shall be deemed to be Outstanding for purposes of any computation required by Section 2.4(a) if, prior to or concurrently with such determination, either (x) sufficient Deposit Securities or other sufficient funds (in accordance with the terms of such Series or other Preferred Stock) to pay the full redemption price for such Series or other Preferred Stock (or the portion thereof to be redeemed) shall have been deposited in trust with the paying agent for such Series or other Preferred Stock and the requisite notice of redemption for such Series or other Preferred Stock (or the portion thereof to be redeemed) shall have been given or (y) sufficient Deposit Securities or other sufficient funds (in accordance with the terms of such Series or other Preferred Stock) to pay the full redemption price for such Series or other Preferred Stock (or the portion thereof to be redeemed) shall have been segregated by the Custodian and the Corporation from the assets of the Corporation, by means of appropriate identification on the Custodian's books and records or otherwise in accordance with the Custodian's normal procedures, and (ii) the Deposit Securities or other sufficient funds that shall have been deposited with the applicable paying agent and/or segregated by the Custodian, as applicable, as provided in clause (i) of this sentence shall not be included as assets of the Corporation for purposes of such computation.

2.5 Redemption. Each Series of Term Preferred Shares shall be subject to redemption by the Corporation as provided below:

(a) Term Redemption. The Corporation shall redeem all shares of a Series of Term Preferred Shares on the Term Redemption Date for such Series, at a price per share equal to the Liquidation Preference per share of such Series plus an amount equal to all unpaid dividends and distributions on such share of such Series accumulated to (but excluding) the Term Redemption Date for such Series (whether or not earned or declared by the Corporation, but excluding interest thereon) (the "Term Redemption Price").

(b) Asset Coverage Mandatory Redemption.

(i) If the Corporation fails to comply with the Asset Coverage requirement as provided in Section 2.4(a) as of the last Business Day of any Calendar Quarter and such failure is not cured as of the Asset Coverage Cure Date, the Corporation shall, to the extent permitted by the 1940 Act and Maryland law and pursuant to the terms and conditions of any credit agreement, loan agreement, credit facility or other agreement representing borrowings of the Corporation (a "Credit Agreement") that is in effect at such time, by the close of business on such Asset Coverage Cure Date, fix a redemption date and proceed to redeem in accordance with the terms of such Preferred Stock, a sufficient number of shares of Preferred Stock, which at the Corporation's sole option (to the extent permitted by the 1940 Act and Maryland law) may include any number or proportion of Term Preferred Shares of any Series, to enable it to meet the requirements of Section 2.5(b)(ii). In the event that any shares of a Series of Term Preferred Shares then Outstanding are to be redeemed pursuant to this Section 2.5(b)(i), the Corporation shall redeem such shares at a price per share equal to the Liquidation Preference per share of such Series plus an amount equal to all unpaid dividends and distributions on such share of such Series accumulated to (but excluding) the date fixed for such redemption by the Board of Directors (whether or not earned or declared by the Corporation, but excluding interest thereon) (the "Mandatory Redemption Price").

(ii) On the Redemption Date for a redemption contemplated by Section 2.5(b)(i), the Corporation shall redeem, out of funds legally available therefor and to the extent permitted by any Credit Agreement in effect on such date, such number of shares of Preferred Stock (which may include at the sole option of the Corporation any number or proportion of Term Preferred Shares of any Series) as shall be equal to the lesser of (x) the minimum number of shares of Preferred Stock, the redemption of which, if deemed to have occurred immediately prior to the opening of business on the Asset Coverage Cure Date, would result in the Corporation having Asset Coverage on such Asset Coverage Cure Date of at least 200% (provided, however, that if there is no such minimum number of Term Preferred Shares and other shares of Preferred Stock the redemption or retirement of which would have such result, all Term Preferred Shares and other shares of Preferred Stock then outstanding shall be redeemed), and (y) the maximum number of shares of Preferred Stock that can be redeemed out of funds expected to be legally available therefor in accordance with the Charter and applicable law and to the extent permitted by any Credit Agreement in effect on such date. Notwithstanding the foregoing, in the event that shares of Preferred Stock are redeemed pursuant to this Section 2.5(b), the Corporation may at its sole option, but is not required to, redeem a sufficient number of shares of any Series of Term Preferred Shares pursuant to this Section 2.5(b) that, when aggregated with other shares of Preferred Stock redeemed by the Corporation, would result, if deemed to have occurred immediately prior to the opening of business on the Asset Coverage Cure Date, in the Corporation having Asset Coverage on such Asset Coverage Cure Date of up to and including 285%. The Corporation shall effect such redemption on the date fixed by the Corporation therefor, which date shall not be later than ninety (90) calendar days after such Asset Coverage Cure Date, except that if the Corporation does not have funds legally available for the redemption of all of the required number of Term Preferred Shares and other shares of Preferred Stock which have been designated to be redeemed or the Corporation otherwise is unable to effect such redemption on or prior to ninety (90) calendar days after such Asset Coverage Cure Date, the Corporation shall redeem those Term Preferred Shares and other shares of Preferred Stock which it was unable to redeem on the earliest practicable date on which it is able to effect such redemption. If fewer than all of the Outstanding Term Preferred Shares of a Series are to be redeemed pursuant to this Section 2.5(b), the number of Term Preferred Shares of such Series to be redeemed shall be redeemed (A) from each Holder pro rata based upon the number of Outstanding shares of such Series held by such Holder, (B) by lot or (C) in such other manner as the Board of Directors may determine to be fair and equitable.

(c) Interval Fund Mandatory Redemption.

(i) The Corporation shall, to the extent permitted by the 1940 Act and Maryland law, fix a redemption date (the “Interval Mandatory Redemption Date”) on or before the next succeeding repurchase pricing date for the Common Stock (the “Interval Repurchase Pricing Date”) and proceed to redeem in accordance with the terms of the Preferred Stock, as may be necessary from time to time, without penalty or premium, to permit it to repurchase its Common Stock, as the Board of Directors of the Corporation may determine pursuant to the Corporation’s Common Stock repurchase policy in effect as of the date hereof, in compliance with the Corporation’s asset coverage requirements under Section 18 of the 1940 Act and Section 2.5(c)(ii) hereof. In the event that any shares of a Series of Term Preferred Shares then Outstanding are to be redeemed pursuant to this Section 2.5(c)(i), the Corporation shall redeem such shares at a price per share equal to the Mandatory Redemption Price.

(ii) On the Interval Mandatory Redemption Date for a redemption contemplated by Section 2.5(c)(i), the Corporation shall redeem, out of funds legally available therefor and to the extent permitted by any Credit Agreement in effect on such date, such number of shares of Preferred Stock (which may include at the sole option of the Corporation any number or proportion of Term Preferred Shares of any Series) as shall be equal to the lesser of (x) the minimum number of shares of Preferred Stock necessary for the Corporation to be in compliance with the asset coverage requirements under Section 18 of the 1940 Act at the time of the repurchase of the Corporation’s Common Stock pursuant to the Corporation’s Common Stock repurchase policy in effect as of the date hereof, and (y) the maximum number of shares of Preferred Stock that can be redeemed out of funds expected to be legally available therefor in accordance with the Charter and applicable law and to the extent permitted by any Credit Agreement in effect on such date. If fewer than all of the outstanding shares of a Series of Term Preferred Shares are to be redeemed pursuant to Section 2.5(c)(i), the shares of such Series to be redeemed shall be selected either (A) from each Holder pro rata based upon the number of Outstanding shares of such Series held by such Holder, (B) by lot or (C) in such other manner as the Board of Directors may determine to be fair and equitable. Subject to the provisions of these Articles Supplementary and applicable law, the Board of Directors will have the full power and authority to prescribe the terms and conditions upon which Term Preferred Shares will be redeemed pursuant to this Section 2.5(c) from time to time.

(iii) The Corporation may not on any date deliver a Notice of Redemption pursuant to Section 2.5(e) in respect of a redemption contemplated to be effected pursuant to this Section 2.5(c) unless on such date the Corporation has available Deposit Securities for the Interval Mandatory Redemption Date contemplated by such Notice of Redemption having a Market Value not less than the amount (including any applicable premium) due to Holders of Term Preferred Shares by reason of the redemption of such Term Preferred Shares on such Interval Repurchase Pricing Date.

(d) Optional Redemption.

(i) Subject to the provisions of Section 2.5(d)(ii), on any Business Day following the expiration of the Non-Call Period (if any) for a Series of Term Preferred Shares (any such Business Day referred to in this sentence, an "Optional Redemption Date"), the Corporation may redeem in whole or from time to time in part the Outstanding Term Preferred Shares of such Series, at a redemption price per Term Preferred Share (the "Optional Redemption Price") equal to (x) the Liquidation Preference per Term Preferred Share of such Series plus (y) an amount equal to all unpaid dividends and distributions on such Term Preferred Share of such Series accumulated to (but excluding) the Optional Redemption Date (whether or not earned or declared by the Corporation, but excluding interest thereon) plus (z) the Optional Redemption Premium per share (if any) with respect to an optional redemption of Term Preferred Shares of such Series that is effected on such Optional Redemption Date.

(ii) If fewer than all of the outstanding shares of a Series of Term Preferred Shares are to be redeemed pursuant to Section 2.5(d)(i), the shares of such Series to be redeemed shall be selected either (A) from each Holder pro rata based upon the number of Outstanding shares of such Series held by such Holder, (B) by lot or (C) in such other manner as the Board of Directors may determine to be fair and equitable. Subject to the provisions of these Articles Supplementary and applicable law, the Board of Directors will have the full power and authority to prescribe the terms and conditions upon which Term Preferred Shares will be redeemed pursuant to this Section 2.5(d) from time to time.

(iii) The Corporation may not on any date deliver a Notice of Redemption pursuant to Section 2.5(d) in respect of a redemption contemplated to be effected pursuant to this Section 2.5(d) unless on such date the Corporation has available Deposit Securities for the Optional Redemption Date contemplated by such Notice of Redemption having a Market Value not less than the amount (including any applicable premium) due to Holders of Term Preferred Shares by reason of the redemption of such Term Preferred Shares on such Optional Redemption Date.

(e) Procedures for Redemption.

(i) If the Corporation shall determine or be required to redeem, in whole or in part, Term Preferred Shares of a Series pursuant to Section 2.5(a), (b), (c), or (d) the Corporation shall deliver a notice of redemption (the "Notice of Redemption"), by overnight delivery, by first class mail, postage prepaid or by Electronic Means to Holders thereof, or request the Redemption and Paying Agent, on behalf of the Corporation, to promptly do so by overnight delivery, by first class mail, postage prepaid or by Electronic Means. A Notice of Redemption shall be provided not more than forty-five (45) calendar days prior to the date fixed for redemption in such Notice of Redemption (the "Redemption Date"). Each such Notice of Redemption shall state: (A) the Redemption Date; (B) the Series and number of Term Preferred Shares to be redeemed; (C) the CUSIP number for Term Preferred Shares of such Series; (D) the applicable Redemption Price on a per share basis; (E) if applicable, the place or places where the certificate(s) for such shares (properly endorsed or assigned for transfer, if the Board of Directors requires and the Notice of Redemption states) are to be surrendered for payment of the Redemption Price; (F) that dividends on the Term Preferred Shares to be redeemed will cease to accumulate from and after such Redemption Date; and (G) the provisions of these Articles Supplementary under which such redemption is made. If fewer than all Term Preferred Shares held by any Holder are to be redeemed, the Notice of Redemption delivered to such Holder shall also specify the number of Term Preferred Shares to be redeemed from such Holder or the method of determining such number. The Corporation may provide in any Notice of Redemption relating to a redemption contemplated to be effected pursuant to these Articles Supplementary that such redemption is subject to one or more conditions precedent and that the Corporation shall not be required to effect such redemption unless each such condition has been satisfied at the time or times and in the manner specified in such Notice of Redemption. No defect in the Notice of Redemption or delivery thereof shall affect the validity of redemption proceedings, except as required by applicable law.

(ii) If the Corporation shall give a Notice of Redemption, then at any time from and after the giving of such Notice of Redemption and prior to 12:00 noon, New York City time, on the Redemption Date (so long as any conditions precedent to such redemption have been met or waived by the Corporation), the Corporation shall (A) deposit with the Redemption and Paying Agent Deposit Securities having an aggregate Market Value on the date thereof no less than the Redemption Price of the Term Preferred Shares to be redeemed on the Redemption Date and (B) give the Redemption and Paying Agent irrevocable instructions and authority to pay the applicable Redemption Price to the Holders of the Term Preferred Shares called for redemption on the Redemption Date. The Corporation may direct the Redemption and Paying Agent with respect to the investment or reinvestment of any Deposit Securities prior to the Redemption Date, provided that such investment or reinvestment consists exclusively of Deposit Securities and provided further that the proceeds of any such investment shall be available at the opening of business on the Redemption Date as same day funds.

(iii) Upon the date of the deposit of such Deposit Securities, all rights of the Holders of the Term Preferred Shares so called for redemption shall cease and terminate except the right of the Holders thereof to receive the Redemption Price thereof and such Term Preferred Shares shall no longer be deemed Outstanding for any purpose whatsoever (other than (A) the transfer thereof prior to the applicable Redemption Date and (B) the accumulation of dividends thereon in accordance with the terms hereof up to (but excluding) the applicable Redemption Date, which accumulated dividends shall be payable only as part of the applicable Redemption Price on the Redemption Date). The Corporation shall be entitled to receive, promptly after the Redemption Date, any Deposit Securities in excess of the aggregate Redemption Price of the Term Preferred Shares called for redemption on the Redemption Date. Any Deposit Securities so deposited that are unclaimed at the end of ninety (90) calendar days from the Redemption Date shall, to the extent permitted by law, be repaid to the Corporation, after which the Holders of the Term Preferred Shares so called for redemption shall look only to the Corporation for payment of the Redemption Price thereof. The Corporation shall be entitled to receive, from time to time after the Redemption Date, any interest on the Deposit Securities so deposited.

(iv) On or after the Redemption Date, each Holder of Term Preferred Shares in certificated form (if any) that are subject to redemption shall surrender the certificate(s) evidencing such Term Preferred Shares to the Corporation at the place designated in the Notice of Redemption and shall then be entitled to receive the Redemption Price for such Term Preferred Shares, without interest, and in the case of a redemption of fewer than all the Term Preferred Shares represented by such certificate(s), a new certificate representing the Term Preferred Shares that were not redeemed.

(v) Notwithstanding the other provisions of this Section 2.5, except as otherwise required by law, the Corporation shall not redeem any Term Preferred Shares unless all accumulated and unpaid dividends and distributions on all Outstanding Term Preferred Shares and other series of Preferred Shares ranking on a parity with the Term Preferred Shares with respect to dividends and distributions for all applicable past dividend periods (whether or not earned or declared by the Corporation) (x) shall have been or are contemporaneously paid or (y) shall have been or are contemporaneously declared and Deposit Securities or sufficient funds (in accordance with the terms of such Preferred Stock) for the payment of such dividends and distributions shall have been or are contemporaneously deposited with the Redemption and Paying Agent or other applicable paying agent for such Preferred Stock in accordance with the terms of such Preferred Stock, provided, however, that the foregoing shall not prevent the purchase or acquisition of Outstanding Term Preferred Shares pursuant to an otherwise lawful purchase or exchange offer made on the same terms to Holders of all Outstanding Term Preferred Shares and any other series of Preferred Stock for which all accumulated and unpaid dividends and distributions have not been paid.

(vi) To the extent that any redemption for which Notice of Redemption has been provided is not made (A) by reason of the absence of legally available funds therefor in accordance with the Charter and applicable law or (B) pursuant to the terms and conditions of any Credit Agreement in effect on the date on which such redemption is scheduled, such redemption shall be made as soon as practicable to the extent such funds become available. No Redemption Default shall be deemed to have occurred if the Corporation shall fail to deposit in trust with the Redemption and Paying Agent the Redemption Price with respect to any shares where (1) the Notice of Redemption relating to such redemption provided that such redemption was subject to one or more conditions precedent and (2) any such condition precedent shall not have been satisfied at the time or times and in the manner specified in such Notice of Redemption. Notwithstanding the fact that a Notice of Redemption has been provided with respect to any Term Preferred Shares, dividends may be declared and paid on such Term Preferred Shares in accordance with their terms if Deposit Securities for the payment of the Redemption Price of such Term Preferred Shares shall not have been deposited in trust with the Redemption and Paying Agent for that purpose.

(f) Redemption and Paying Agent as Trustee of Redemption Payments by Corporation. All Deposit Securities transferred to the Redemption and Paying Agent for payment of the Redemption Price of Term Preferred Shares called for redemption shall be held in trust by the Redemption and Paying Agent for the benefit of Holders of Term Preferred Shares so to be redeemed until paid to such Holders in accordance with the terms hereof or returned to the Corporation in accordance with the provisions of Section 2.5(e)(iii) above.

(g) Compliance With Applicable Law and Credit Agreement. In effecting any redemption pursuant to this Section 2.5, the Corporation shall use its best efforts to comply with all applicable conditions precedent to effecting such redemption under the 1940 Act and any applicable Maryland law and pursuant to the terms and conditions of any Credit Agreement in effect as of the date of such redemption, but shall effect no redemption except in accordance with the 1940 Act and any applicable Maryland law and pursuant to the terms and conditions of any Credit Agreement in effect as of the date of such redemption. In determining for the purposes of Section 2-311 of the Maryland General Corporation Law or otherwise under Maryland General Corporation Law whether a distribution (other than upon voluntary or involuntary liquidation, dissolution, or winding up of the Corporation), by dividend, redemption, or otherwise, is permitted, amounts that would be needed, if the Corporation were to be dissolved at the time of the distribution, to satisfy the liquidation preference of any series of Preferred Stock with preferential rights on dissolution senior to the Term Preferred Shares will not be added to the Corporation's total liabilities.

(h) Modification of Redemption Procedures. Notwithstanding the foregoing provisions of this Section 2.5, the Corporation may, in its sole discretion and without a shareholder vote, modify the procedures set forth above with respect to notification of redemption for the Term Preferred Shares, provided that such modification does not materially and adversely affect the Holders of the Term Preferred Shares or cause the Corporation to violate any applicable law, rule or regulation; and provided further that no such modification shall in any way alter the rights or obligations of the Redemption and Paying Agent without its prior consent.

2.6 Voting Rights.

(a) One Vote Per Term Preferred Share. Except as otherwise provided in the Charter or as otherwise required by law, (i) each Holder of Term Preferred Shares shall be entitled to one vote for each Term Preferred Share held by such Holder on each matter submitted to a vote of shareholders of the Corporation, and (ii) the holders of outstanding shares of Preferred Stock, including Outstanding Term Preferred Shares, and of outstanding shares of Common Stock shall vote together as a single class; provided, however, that the holders of outstanding shares of Preferred Stock, including Outstanding Term Preferred Shares, shall be entitled, voting as a separate class on a one-vote-per-share basis (to the exclusion of the Holders of all other securities and classes of Capital Stock of the Corporation), to elect two Directors of the Corporation at all times. Subject to Section 2.6(b), the Holders of outstanding shares of Common Stock and Preferred Stock, including Term Preferred Shares, voting together as a single class, shall elect the balance of the Directors.

(b) Voting For Additional Directors.

(i) Voting Period. During any period in which any one or more of the conditions described in clauses (A) or (B) of this Section 2.6(b)(i) shall exist (such period being referred to herein as a “Voting Period”), the number of Directors constituting the Board of Directors shall be automatically increased by the smallest number that, when added to the two Directors elected by the Holders of Preferred Stock, including Term Preferred Shares, would constitute a majority of the Board of Directors as so increased by such smallest number; and the Holders of Preferred Shares, including Term Preferred Shares, shall be entitled, voting as a separate class on a one-vote-per-share basis (to the exclusion of the Holders of all other securities and classes of Capital Stock of the Corporation), to elect such smallest number of additional Directors, together with the two Directors that such Holders are in any event entitled to elect. A Voting Period shall commence:

(A) if, at the close of business on any dividend payment date for any outstanding Preferred Share including any Outstanding Term Preferred Share, accumulated dividends (whether or not earned or declared) on such outstanding share of Preferred Stock equal to at least two (2) full years’ dividends shall be due and unpaid and sufficient cash or specified securities shall not have been deposited with the Redemption and Paying Agent or other applicable paying agent for the payment of such accumulated dividends; or

(B) if at any time Holders of shares of Preferred Stock are otherwise entitled under the 1940 Act to elect a majority of the Board of Directors.

Upon the termination of a Voting Period, the voting rights described in this Section 2.6(b)(i) shall cease, subject always, however, to the revesting of such voting rights in the Holders of shares of Preferred Stock upon the further occurrence of any of the events described in this Section 2.6(b)(i).

(ii) Notice of Special Meeting. As soon as practicable after the accrual of any right of the Holders of shares of Preferred Stock to elect additional Directors as described in Section 2.6(b)(i), at the request of any Holder, the Chairman of the Board, the Chief Executive Officer, the President, or the Board of Directors shall call a special meeting of such Holders and notify the Redemption and Paying Agent and/or such other Person as is specified in the terms of such Preferred Stock to receive notice in accordance with the Maryland General Corporation Law (i) by mailing or delivery by Electronic Means or (ii) in such other manner and by such other means as are specified in the terms of such Preferred Stock, a notice of such special meeting to such Holders, such meeting to be held not less than ten (10) nor more than thirty (30) calendar days after the date of the delivery by Electronic Means or mailing of such notice. If the Chairman of the Board, the Chief Executive Officer, the President, or the Board of Directors fails to call such a special meeting, it may be called at the expense of the Corporation by any such Holder on like notice. The record date for determining the Holders of shares of Preferred Stock entitled to notice of and to vote at such special meeting shall be the close of business on the fifth (5th) Business Day preceding the calendar day on which such notice is mailed, provided that the record date may not be prior to the close of business on the day the record date is fixed. At any such special meeting and at each meeting of Holders of shares of Preferred Stock held during a Voting Period at which Directors are to be elected, such Holders, voting together as a class (to the exclusion of the Holders of all other securities and classes of capital stock of the Corporation), shall be entitled to elect the number of Directors prescribed in Section 2.6(b)(i) on a one-vote-per-share basis.

(iii) Terms of Office of Existing Directors. The terms of office of the incumbent Directors of the Corporation at the time of a special meeting of Holders of the shares of Preferred Stock to elect additional Directors in accordance with Section 2.6(b)(i) shall not be affected by the election at such meeting by the Holders of Term Preferred Shares and such other Holders of shares of Preferred Stock of the number of Directors that they are entitled to elect, and the Directors so elected by the Holders of Term Preferred Shares and such other Holders of shares of Preferred Stock, together with the two (2) Directors elected by the Holders of shares of Preferred Stock in accordance with Section 2.6(a) hereof and the remaining Directors elected by the holders of the shares of Common Stock and Preferred Stock, voting together as a single class, shall constitute the duly elected Directors of the Corporation.

(iv) Terms of Office of Certain Directors to Terminate Upon Termination of Voting Period. Simultaneously with the termination of a Voting Period, the terms of office of the additional Directors elected by the Holders of the shares of Preferred Stock pursuant to Section 2.6(b)(i) shall terminate, the remaining Directors shall constitute the Directors of the Corporation and the voting rights of the Holders of shares of Preferred Stock to elect additional Directors pursuant to Section 2.6(b)(i) shall cease, subject to the provisions of the last sentence of Section 2.6(b)(i).

(c) Holders of Term Preferred Shares to Vote on Certain Matters.

(i) Certain Amendments Requiring Approval of Term Preferred Shares. Except as otherwise permitted by the terms of these Articles Supplementary, so long as any Term Preferred Shares are Outstanding, the Corporation shall not, without the affirmative vote or consent of the Holders of at least two-thirds (2/3) of the Term Preferred Shares of all Series Outstanding at the time, voting together as a separate class, amend, alter or repeal the provisions of the Charter, or these Articles Supplementary, whether by merger, consolidation or otherwise, so as to materially and adversely affect any preference, conversion or other right, voting power, restriction, limitation as to dividends, qualification, or term and condition, of redemption of such Term Preferred Shares or the Holders thereof; provided, however, that (i) a change in the capitalization of the Corporation in accordance with Section 2.8 hereof shall not be considered to materially and adversely affect the rights and preferences of the Term Preferred Shares, and (ii) a division of a Term Preferred Share shall be deemed to affect such preferences, rights or powers only if the terms of such division materially and adversely affect the Holders of the Term Preferred Shares. For purposes of the foregoing, no matter shall be deemed to adversely affect any preference, right or power of a Term Preferred Share of such Series or the Holder thereof unless such matter (i) alters or abolishes any preferential right of such Term Preferred Share, or (ii) creates, alters or abolishes any right in respect of redemption of such Term Preferred Share (other than as a result of a division of a Term Preferred Share). So long as any Term Preferred Shares are Outstanding, the Corporation shall not, without the affirmative vote or consent of at least two-thirds (2/3) of the Holders of the Term Preferred Shares Outstanding at the time, voting as a separate class, file a voluntary application for relief under Federal bankruptcy law or any similar application under state law for so long as the Corporation is solvent and does not foresee becoming insolvent.

(ii) 1940 Act Matters. Unless a higher percentage is provided for in the Charter, the affirmative vote of the Holders of at least “a majority of the outstanding shares of Preferred Stock,” as determined in accordance with Section 2(a)(42) of the 1940 Act, including Term Preferred Shares Outstanding at the time, voting as a separate class, shall be required to approve (A) any plan of reorganization (as such terms is used in the 1940 Act) adversely affecting such shares, or (B) any action requiring a vote of security holders of the Corporation pursuant to Section 13(a) of the 1940 Act.

(iii) Certain Amendments Requiring Approval of Specific Series of Term Preferred Shares. Except as otherwise permitted by the terms of these Articles Supplementary, so long as any Term Preferred Shares of a Series are Outstanding, the Corporation shall not, without the affirmative vote or consent of the Holders of at least two-thirds (2/3) of the Term Preferred Shares of such Series, Outstanding at the time, voting as a separate class, amend, alter or repeal the provisions of the Appendix relating to such Series, whether by merger, consolidation or otherwise, so as to materially and adversely affect any preference, right or power set forth in such Appendix of the Term Preferred Shares of such Series or the Holders thereof; provided, however, that (i) a change in the capitalization of the Corporation in accordance with Section 2.8 hereof shall not be considered to materially and adversely affect the rights and preferences of the Term Preferred Shares of such Series, and (ii) a division of a Term Preferred Share shall be deemed to affect such preferences, rights or powers only if the terms of such division materially and adversely affect the Holders of the Term Preferred Shares of such Series; and provided, further, that no amendment, alteration or repeal of the obligation of the Corporation to (x) pay the Term Redemption Price on the Term Redemption Date for a Series, or (y) accumulate dividends at the Dividend Rate (as set forth in these Articles Supplementary and the applicable Appendix hereto) for a Series shall be effected without, in each case, the prior unanimous vote or consent of the Holders of such Series of Term Preferred Shares. For purposes of the foregoing, no matter shall be deemed to adversely affect any preference, right or power of a Term Preferred Share of a Series or the Holder thereof unless such matter (i) alters or abolishes any preferential right of such Term Preferred Share, or (ii) creates, alters or abolishes any right in respect of redemption of such Term Preferred Share.

(d) Voting Rights Set Forth Herein Are Sole Voting Rights. Unless otherwise required by law or the Charter, the Holders of Term Preferred Shares shall not have any relative voting rights or preferences or other special rights with respect to voting other than those expressly set forth in this Section 2.6.

(e) No Cumulative Voting. The Holders of Term Preferred Shares shall have no rights to cumulative voting.

(f) Voting for Directors Sole Remedy for Corporation's Failure to Declare or Pay Dividends. In the event that the Corporation fails to declare or pay any dividends on any Series of Term Preferred Shares on the Dividend Payment Date therefor, the exclusive remedy of the Holders of the Term Preferred Shares shall be the right to vote for Directors pursuant to the provisions of this Section 2.6. Nothing in this Section 2.6(f) shall be deemed to affect the obligation of the Corporation to accumulate and, if permitted by applicable law, the Charter and these Articles Supplementary, pay dividends at the Default Rate in the circumstances contemplated by Section 2.2(g) hereof.

(g) Holdings Entitled to Vote. For purposes of determining any rights of the Holders of Term Preferred Shares to vote on any matter, whether such right is created by these Articles Supplementary, by the Charter, by statute or otherwise, no Holder of Term Preferred Shares shall be entitled to vote any Term Preferred Share and no Term Preferred Share shall be deemed to be “Outstanding” for the purpose of voting or determining the number of shares required to constitute a quorum if, prior to or concurrently with the time of determination of shares entitled to vote or the time of the actual vote on the matter, as the case may be, the requisite Notice of Redemption with respect to such Term Preferred Share shall have been given in accordance with these Articles Supplementary and Deposit Securities for the payment of the Redemption Price of such Term Preferred Share shall have been deposited in trust with the Redemption and Paying Agent for that purpose. No Term Preferred Share held by the Corporation shall have any voting rights or be deemed to be outstanding for voting or for calculating the voting percentage required on any other matter or other purposes.

(h) Maryland General Corporation Law Matters. The Corporation shall take such actions as may be necessary to effect the provisions of this Section 2.6 in accordance with Maryland General Corporation Law.

2.7 Rating Agency. The Corporation shall use commercially reasonable efforts to cause at least one Rating Agency to issue long-term credit ratings with respect to each Series of Term Preferred Shares for so long as such Series of Term Preferred Shares is Outstanding. The Corporation shall use commercially reasonable efforts to comply with any applicable Rating Agency Guidelines. If a Rating Agency shall cease to rate the securities of closed-end management investment companies generally, the Board of Directors shall terminate the designation of such Rating Agency as a Rating Agency hereunder. The Board of Directors may elect to terminate the designation of any Rating Agency as a Rating Agency hereunder with respect to a Series of Term Preferred Shares so long as either (i) immediately following such termination, there would be at least one Rating Agency with respect to such Series of Term Preferred Shares or (ii) it replaces the terminated Rating Agency with another NRSRO and provides notice thereof to the Holders of such Series of Term Preferred Shares; provided that such replacement shall not occur unless such replacement Rating Agency shall have at the time of such replacement (i) published a rating for the Term Preferred Shares of such Series and (ii) entered into an agreement with the Corporation to continue to publish such rating subject to the Rating Agency's customary conditions. The Board of Directors may also elect to designate one or more other NRSROs as Rating Agencies hereunder with respect to a Series of Term Preferred Shares by notice to the Holders of the Term Preferred Shares. The Rating Agency Guidelines of any Rating Agency may be amended by such Rating Agency without the vote, consent or approval of the Corporation, the Board of Directors or any Holder of Preferred Shares, including any Term Preferred Shares, or Common Stock.

2.8 Issuance of Additional Preferred Stock.

So long as any Term Preferred Shares are Outstanding, the Corporation may, without the vote or consent of the Holders thereof, authorize, establish and create and issue and sell shares of one or more series of a class of senior securities of the Corporation representing stock under Section 18 of the 1940 Act, ranking on a parity with Term Preferred Shares as to the payment of dividends and the distribution of assets upon dissolution, liquidation or the winding up of the affairs of the Corporation, in addition to then Outstanding Series of Term Preferred Shares, including additional Series of Term Preferred Shares, and authorize, issue and sell additional shares of any such series of Preferred Stock then outstanding or so established and created, including additional Term Preferred Shares of any Series, in each case in accordance with applicable law, provided that the Corporation shall, immediately after giving effect to the issuance of such additional shares of Preferred Stock and to its receipt and application of the proceeds thereof, including to the redemption of shares of Preferred Stock with such proceeds, have Asset Coverage (calculated in the same manner as is contemplated by Section 2.4(b) hereof) of at least 200%.

2.9 Status of Redeemed or Repurchased Term Preferred Shares.

Term Preferred Shares that at any time have been redeemed or purchased by the Corporation shall, after such redemption or purchase, have the status of authorized but unissued shares of Capital Stock.

2.10 Global Certificate.

For so long as any Term Preferred Shares are Outstanding (i) all shares of any Series of Term Preferred Shares Outstanding from time to time shall be represented by one global certificate for such Series registered in the name of the Securities Depository or its nominee and (ii) no registration of transfer of shares of such Series of Term Preferred Shares shall be made on the books of the Corporation to any Person other than the Securities Depository or its nominee. The foregoing restriction on registration of transfer shall be conspicuously noted on the face or back of the global certificates.

2.11 Notice.

All notices or communications hereunder, unless otherwise specified in these Articles Supplementary, shall be sufficiently given if in writing and delivered in person, by telecopier, by Electronic Means or by overnight mail or delivery or mailed by first-class mail, postage prepaid. Notices delivered pursuant to this Section 2.11 shall be deemed given on the date received or, if mailed by first class mail, on the date five (5) calendar days after which such notice is mailed.

2.12 Termination.

In the event that no shares of a Series of Term Preferred Shares are Outstanding, all rights and preferences of the shares of such Series established and designated hereunder shall cease and terminate, and all obligations of the Corporation under these Articles Supplementary with respect to such Series shall terminate.

2.13 Appendices.

The designation of each Series of Term Preferred Shares shall be set forth in an Appendix to these Articles Supplementary. The Board of Directors may, by resolution duly adopted, without shareholder approval (except as otherwise provided by these Articles Supplementary or required by applicable law) (1) amend the Appendix to these Articles Supplementary relating to a Series so as to reflect any amendments to the terms applicable to such Series including an increase in the number of authorized shares of such Series and (2) add additional Series of Term Preferred Shares by including a new Appendix to these Articles Supplementary relating to such Series.

2.14 Actions on Other than Business Days.

Unless otherwise provided herein, if the date for making any payment, performing any act or exercising any right, in each case as provided for in these Articles Supplementary, is not a Business Day, such payment shall be made, act performed or right exercised on the next succeeding Business Day, with the same force and effect as if made or done on the nominal date provided therefor, and, with respect to any payment so made, no dividends, interest or other amount shall accrue for the period between such nominal date and the date of payment.

2.15 Modification.

The Board of Directors, without the vote of the Holders of Term Preferred Shares, may interpret, supplement or amend the provisions of these Articles Supplementary or any Appendix hereto to supply any omission, resolve any inconsistency or ambiguity or to cure, correct or supplement any defective or inconsistent provision, including any provision that is inconsistent or otherwise conflicts with any provision of the 1940 Act, the rules and regulations promulgated thereunder, any order issued thereunder by the Commission, or any interpretive position of the staff of the Commission pertaining thereto, in each case, that is applicable to the Corporation, or any provision that becomes defective after the date hereof because of impossibility of performance or any provision that is inconsistent with any provision of any other Capital Stock of the Corporation.

2.16 No Additional Rights.

Unless otherwise required by law or the Charter, the Holders of Term Preferred Shares shall not have any relative rights or preferences or other special rights other than those specifically set forth in these Articles Supplementary.

FIFTH: The Term Preferred Shares have been classified and designated by the Board of Directors under the authority contained in the Charter.

SIXTH: These Articles Supplementary have been approved by the Board of Directors in the manner and by the vote required by law.

SEVENTH: These Articles Supplementary shall become effective as of the acceptance of these Articles Supplementary for filing by the SDAT.

EIGHTH: The undersigned Chairman and President acknowledges these Articles Supplementary to be the corporate act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned acknowledges that, to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties of perjury.

[Signature Page Begins on the Following Page]

IN WITNESS WHEREOF, these Articles Supplementary are executed on behalf of the Corporation by its Chairman and President and attested to on this 18th day of October, 2017.

ATTEST:

RIVERNORTH MARKETPLACE LENDING CORPORATION

/s/

Name: Marcus L. Collins

Title: Secretary

/s/

Name: Patrick W. Galley

Title: President

[Signature Page to the Articles Supplementary Establishing and Fixing the Rights and
Preferences of Term Preferred Shares]

RIVERNORTH MARKETPLACE LENDING CORPORATION

CUMULATIVE TERM PREFERRED SHARES, 5.875% SERIES A TERM PREFERRED SHARES

This Appendix establishes a Series of Term Preferred Shares of RiverNorth Marketplace Lending Corporation. Except as set forth below, this Appendix incorporates by reference the terms set forth with respect to all Series of such Cumulative Term Preferred Shares in those “Articles Supplementary Establishing and Fixing the Rights and Preferences of Term Preferred Shares” dated October 18, 2017 (the “TP Articles Supplementary”). This Appendix has been adopted by resolution of the Board of Directors of RiverNorth Marketplace Lending Corporation. Capitalized terms used herein but not defined herein have the respective meanings set forth in the TP Articles Supplementary.

SECTION 1. Designation as to Series.

Term Preferred Shares, 5.875% Series A Term Preferred Shares: A series of 1,656,000 shares of Capital Stock classified as Term Preferred Shares is hereby designated as the “Series A Term Preferred Shares.” Each share of such Series shall have such preferences, voting powers, restrictions, limitations as to dividends and distributions, qualifications and terms and conditions of redemption, in addition to those required by applicable law and those that are expressly set forth in the Charter and the TP Articles Supplementary (except as the TP Articles Supplementary may be expressly modified by this Appendix), as are set forth in this Appendix A. The Series A Term Preferred Shares shall constitute a separate series of Capital Stock and of the Term Preferred Shares and each Series A Term Preferred Share shall be identical. The following terms and conditions shall apply solely to the Series A Term Preferred Shares:

SECTION 2. Number of Authorized Shares of Series.

The number of authorized shares is 1,656,000.

SECTION 3. Date of Original Issue with respect to Series.

The Date of Original Issue is October 25, 2017.

SECTION 4. Fixed Dividend Rate Applicable to Series.

The Fixed Dividend Rate is 5.875%.

SECTION 5. Liquidation Preference Applicable to Series.

The Liquidation Preference is \$25.00 per share.

SECTION 6. Term Redemption Date Applicable to Series.

The Term Redemption Date is October 31, 2024.

SECTION 7. Dividend Payment Dates Applicable to Series.

The Dividend Payment Dates are the last Business Day of each Dividend Period.

SECTION 8. Non-Call Period Applicable to Series.

The Non-Call Period is the period beginning on the Date of Original of Issue and ending at the close of business on October 30, 2020.

SECTION 9. Exceptions to Certain Definitions Applicable to the Series.

The following definitions contained under the heading “Definitions” in the TP Articles Supplementary are hereby amended as follows:

Not applicable.

SECTION 10. Additional Definitions Applicable to the Series.

The following terms shall have the following meanings (with terms defined in the singular having comparable meanings when used in the plural and vice versa), unless the context otherwise requires:

“Dividend Period” means, with respect to each Series A Term Preferred Share, in the case of the first Dividend Period, the period beginning on the Date of Original Issue for such Series to, but excluding, February 15, 2018, and for each subsequent Dividend Period, the period beginning on and including a Dividend Payment Date to, but excluding, the next Dividend Payment Date or the Term Redemption Date, as the case may be.

SECTION 11. Amendments to Terms of Term Preferred Shares Applicable to the Series.

The following provisions contained under the heading “Terms of the Term Preferred Shares” in the TP Articles Supplementary are hereby amended as follows:

Not applicable.

SECTION 12. Additional Terms and Provisions Applicable to the Series.

The following provisions shall be incorporated into and be deemed part of the TP Articles Supplementary:

Not applicable.

IN WITNESS WHEREOF, RiverNorth Marketplace Lending Corporation has caused this Appendix to the Corporation's TP Articles Supplementary to be signed on October 18, 2017 in its name and on its behalf by a duly authorized officer. The Charter and the TP Articles Supplementary are on file with the State Department of Assessments and Taxation of Maryland.

RIVERNORTH MARKETPLACE LENDING CORPORATION

/s/

Name: Patrick W. Galley

Title: President

WITNESS:

/s/

Name: Marcus L. Collins

Title: Secretary

The undersigned duly authorized officer of RiverNorth Marketplace Lending Corporation, who executed on behalf of the Corporation the foregoing Appendix to the Corporation's TP Articles Supplementary of which this certification is made a part, hereby acknowledges in the name and on behalf of said Corporation the foregoing Appendix to the Articles Supplementary to be the corporate act of the Corporation, and states under penalties of perjury that to the best of his knowledge, information and belief the matters and facts set forth therein with respect to the authorization and approval thereof are true in all material respects.

/s/

Name: Patrick W. Galley

Title: President

[Signature Page to the Appendix Establishing and Fixing the Rights and Preferences of Series A Term Preferred Shares]

APPENDIX B:

PROXY VOTING GUIDELINES

Proxy Voting RiverNorth Capital Management, LLC

PROXY VOTING POLICIES AND PROCEDURES

Pursuant to the recent adoption by the Securities and Exchange Commission (the “Commission”) of Rule 206(4)-6 (17 CFR 275.206(4)-6) and amendments to Rule 204-2 (17 CFR 275.204-2) under the Investment Advisers Act of 1940 (the “Act”), it is a fraudulent, deceptive, or manipulative act, practice or course of business, within the meaning of Section 206(4) of the Act, for an investment adviser to exercise voting authority with respect to client securities, unless (i) the adviser has adopted and implemented written policies and procedures that are reasonably designed to ensure that the adviser votes proxies in the best interests of its clients, (ii) the adviser describes its proxy voting procedures to its clients and provides copies on request, and (iii) the adviser discloses to clients how they may obtain information on how the adviser voted their proxies.

In its standard investment advisory agreement, RiverNorth Capital Management, LLC (RiverNorth Capital) specifically states that it does not vote proxies and the client, including clients governed by ERISA, is responsible for voting any proxies. Therefore, RiverNorth Capital will not vote proxies for these clients. However, Pinnacle will vote proxies on behalf of investment company clients (“Funds”). Pinnacle has instructed all custodians, other than Fund custodians, to forward proxies directly to its clients, and if Pinnacle accidentally receives a proxy for any non-Fund client, current or former, the Chief Compliance Officer will promptly forward the proxy to the client. In order to fulfill its responsibilities to Funds, RiverNorth Capital Management, LLC (hereinafter “we” or “our”) has adopted the following policies and procedures for proxy voting with regard to companies in any Fund’s investment portfolios.

KEY OBJECTIVES

The key objectives of these policies and procedures recognize that a company’s management is entrusted with the day-to-day operations and longer term strategic planning of the company, subject to the oversight of the company’s board of directors. While “ordinary business matters” are primarily the responsibility of management and should be approved solely by the corporation’s board of directors, these objectives also recognize that the company’s shareholders must have final say over how management and directors are performing, and how shareholders’ rights and ownership interests are handled, especially when matters could have substantial economic implications to the shareholders.

Therefore, we will pay particular attention to the following matters in exercising our proxy voting responsibilities as a fiduciary for our clients:

Accountability. Each company should have effective means in place to hold those entrusted with running a company’s business accountable for their actions. Management of a company should be accountable to its board of directors and the board should be accountable to shareholders.

Alignment of Management and Shareholder Interests. Each company should endeavor to align the interests of management and the board of directors with the interests of the company’s shareholders. For example, we generally believe that compensation should be designed to reward management for doing a good job of creating value for the shareholders of the company.

Transparency. Promotion of timely disclosure of important information about a company’s business operations and financial performance enables investors to evaluate the performance of a company and to make informed decisions about the purchase and sale of a company’s securities.

DECISION METHODS

We generally believe that the individual portfolio managers that invest in and track particular companies are the most knowledgeable and best suited to make decisions with regard to proxy votes. Therefore, we rely on those individuals to make the final decisions on how to cast proxy votes.

No set of proxy voting guidelines can anticipate all situations that may arise. In special cases, we may seek insight from our managers and analysts on how a particular proxy proposal will impact the financial prospects of a company, and vote accordingly.

In some instances, a proxy vote may present a conflict between the interests of a client, on the one hand, and our interests or the interests of a person affiliated with us, on the other. In such a case, we will abstain from making a voting decision and will forward all of the necessary proxy voting materials to the client to enable the client to cast the votes.

Notwithstanding the forgoing, the following policies will apply to investment company shares owned by a Fund. Under Section 12(d)(1) of the Investment Company Act of 1940, as amended, (the “1940 Act”), a fund may only invest up to 5% of its total assets in the securities of any one investment company, but may not own more than 3% of the outstanding voting stock of any one investment company or invest more than 10% of its total assets in the securities of other investment companies. However, Section 12(d)(1)(F) of the 1940 Act provides that the provisions of paragraph 12(d)(1) shall not apply to securities purchased or otherwise acquired by a fund if (i) immediately after such purchase or acquisition not more than 3% of the total outstanding stock of such registered investment company is owned by the fund and all affiliated persons of the fund; and (ii) the fund is not proposing to offer or sell any security issued by it through a principal underwriter or otherwise at a public or offering price which includes a sales load of more than 1½% percent. Therefore, each Fund (or the Adviser acting on behalf of the Fund) must comply with the following voting restrictions unless it is determined that the Fund is not relying on Section 12(d)(1)(F):

- when the Fund exercises voting rights, by proxy or otherwise, with respect to any investment company owned by the Fund, the Fund will either
 - seek instruction from the Fund’s shareholders with regard to the voting of all proxies and vote in accordance with such instructions, or
 - vote the shares held by the Fund in the same proportion as the vote of all other holders of such security.

PROXY VOTING GUIDELINES

Election of the Board of Directors

We believe that good corporate governance generally starts with a board composed primarily of independent directors, unfettered by significant ties to management, all of whose members are elected annually. We also believe that turnover in board composition promotes independent board action, fresh approaches to governance, and generally has a positive impact on shareholder value. We will generally vote in favor of non-incumbent independent directors.

The election of a company’s board of directors is one of the most fundamental rights held by shareholders. Because a classified board structure prevents shareholders from electing a full slate of directors annually, we will generally support efforts to declassify boards or other measures that permit shareholders to remove a majority of directors at any time, and will generally oppose efforts to adopt classified board structures.

Approval of Independent Auditors

We believe that the relationship between a company and its auditors should be limited primarily to the audit engagement, although it may include certain closely related activities that do not raise an appearance of impaired independence.

We will evaluate on a case-by-case basis instances in which the audit firm has a substantial non-audit relationship with a company to determine whether we believe independence has been, or could be, compromised.

Equity-based compensation plans

We believe that appropriately designed equity-based compensation plans, approved by shareholders, can be an effective way to align the interests of shareholders and the interests of directors, management, and employees by providing incentives to increase shareholder value. Conversely, we are opposed to plans that substantially dilute ownership interests in the company, provide participants with excessive awards, or have inherently objectionable structural features.

We will generally support measures intended to increase stock ownership by executives and the use of employee stock purchase plans to increase company stock ownership by employees. These may include:

1. Requiring senior executives to hold stock in a company.
2. Requiring stock acquired through option exercise to be held for a certain period of time.

These are guidelines, and we consider other factors, such as the nature of the industry and size of the company, when assessing a plan’s impact on ownership interests.

Corporate Structure

We view the exercise of shareholders’ rights, including the rights to act by written consent, to call special meetings and to remove directors, to be fundamental to good corporate governance.

Because classes of common stock with unequal voting rights limit the rights of certain shareholders, we generally believe that shareholders should have voting power equal to their equity interest in the company and should be able to approve or reject changes to a company’s by-laws by a simple majority vote.

We will generally support the ability of shareholders to cumulate their votes for the election of directors.

Shareholder Rights Plans

While we recognize that there are arguments both in favor of and against shareholder rights plans, also known as poison pills, such measures may tend to entrench current management, which we generally consider to have a negative impact on shareholder value. Therefore, while we will evaluate such plans on a case by case basis, we will generally oppose such plans.

CLIENT INFORMATION

A copy of these Proxy Voting Policies and Procedures is available to our clients, without charge, upon request, by calling 1-800-646-0148. We will send a copy of these Proxy Voting Policies and Procedures within three business days of receipt of a request, by first-class mail or other means designed to ensure equally prompt delivery.

In addition, we will provide each client, without charge, upon request, information regarding the proxy votes cast by us with regard to the client's securities.