CITY NATIONAL ROCHDALE SELECT STRATEGIES FUND

Supplement dated November 25, 2024, to the Statutory Prospectus (the "Prospectus") and the Statement of Additional Information (the "SAI"), each dated May 30, 2024

Effective immediately, the second paragraph under the "Distribution" sub-section of the "Dividends and Distributions" section on page 43 of the Prospectus is deleted in its entirety and replaced with the following:

Shares of the Fund are continuously offered through the Distributor, as the exclusive distributor of the Fund's shares. The Fund has authorized one or more intermediaries (e.g., brokers, investment advisers, etc. (collectively, "intermediaries")), including affiliates of City National Rochdale, to receive orders on its behalf. Such intermediaries are authorized to designate other intermediaries to receive orders on the Fund's behalf. The Fund will be deemed to have received an order when an authorized broker or, if applicable, a broker's authorized designee, receives the order. Customer purchase orders will be priced at the Fund's NAV next computed after they are received by an authorized broker or the broker's authorized designee. Customer shares repurchased will be priced at the Fund's Net Asset Value on the repurchase pricing date. The shares are offered at the NAV per share calculated each regular business day.

Effective immediately, the Officers table in the "Trustees and Officers" section beginning on page 30 of the SAI is deleted in its entirety and replaced with the following:

Name and Year of Birth	**Position with the Trust**	**Term of Office(1) and Length of Time Served**	**Principal Occupation for the Past Five Years**
Officers:			
Gregg Giaquinto Year of Birth: 1967	President and Chief Executive Officer	Since 2024	President and Chief Executive Officer, City National Rochdale Funds, City National Rochdale Select Strategies Fund (the "Select Strategies Fund"), and City National Rochdale Strategic Credit Fund (the "Strategic Credit Fund") (2024-present). President, City National Rochdale (2024 – present). Senior Managing Director, Client Services & Operations, City National Rochdale (2014-present).
Andrew Metzger SEI Investments One Freedom Valley Drive Oaks, Pennsylvania 19456 Year of Birth: 1980	Treasurer (Principal Financial and Accounting Officer and Controller)	Since 2021	Director of Fund Accounting, SEI Investments Company (2020- present). Treasurer (Principal Financial and Accounting Officer and Controller), City National Rochdale Funds, Select Strategies Fund and Strategic Credit Fund (April 2021-present). Senior Director, Embark Consulting, LLC (2019-2020). Senior Manager, PricewaterhouseCoopers LLP (2002-2019).

Rochelle Levy Year of Birth: 1985	Chief Compliance Officer ("CCO"), Anti-Money Laundering Officer ("AML Officer") and Identity Theft Program Officer ("ITP Officer")	Since 2022	Senior Vice President and Wealth Management Chief Compliance Officer, City National Bank (2022-present). CCO, AML Officer and ITP Officer, City National Rochdale Funds, Select Strategies Fund and Strategic Credit Fund (September 2022-present). CCO and AML Officer, BNY Mellon Private Funds (2019-2022). CCO, BNY Mellon Commingled Funds (2019-2021). Investment Management, Head of Distribution Compliance BNY Mellon, N.A. (2019-2022). Vice President, JPMorgan Chase & Co. (2014-2019).
Mitchell Cepler Year of Birth: 1982	Vice President and Assistant Treasurer	Since 2016	Senior Vice President, Finance, City National Rochdale (2011–present). Vice President and Assistant Treasurer, City National Rochdale Funds (2015-present), Select Strategies Fund (2016-present), and Strategic Credit Fund (2018-present).
Frank Bonsignore Year of Birth: 1967	Vice President and Secretary	Since 2023	Mutual Funds Oversight Lead, City National Rochdale Funds, Select Strategies Fund and Strategic Credit Fund (2023-present). Secretary, City National Rochdale Funds, Select Strategies Fund and Strategic Credit Fund (2023-present). Director of Operations, BNY Mellon (1997-2023).
Matthew M. Maher SEI Investments One Freedom Valley Drive Oaks, Pennsylvania 19456 Year of Birth: 1975	Assistant Secretary	Since 2019	Counsel, SEI Investments Company (2018-present). Assistant Secretary, City National Rochdale Funds, Select Strategies Fund, and Strategic Credit Fund (2019-present). Attorney, Blank Rome LLP (2015-2018). Assistant Counsel and Vice President, Bank of New York Mellon (2013-2014). Attorney, Dilworth Paxson LLP (2006-2013).

(1) Each officer serves until removed by the Board or the principal executive officer of the Trust, or until such officer resigns.

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PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE.

CNR-SK-079-0100

Prospectus

May 30, 2024

City National Rochdale Select Strategies Fund

City National Rochdale Select Strategies Fund (the "Fund") is a continuously offered, non-diversified, closed-end management investment company that is operated as an interval fund.

Investment Objective. The Fund seeks to provide total return consisting of income and capital appreciation. There can be no assurance that the Fund will achieve its investment objective.

Principal Investment Strategies. The Fund generally pursues its investment objective by focusing on particular types of reinsurance investments providing exposure to the insurance risk of natural catastrophes, such as hurricanes and earthquakes. The Fund normally implements its investment strategies by investing significantly in structured reinsurance investments ("Structured Investments"), such as equity-linked notes ("ELNs") and preferred shares, issued by insurance company segregated accounts or special purpose vehicles ("Segregated Accounts") whose return is tied to underlying industry loss warranties ("ILWs") and/or catastrophe bonds ("Cat Bonds," also known as event-linked bonds). Under normal circumstances, the Fund invests primarily in instruments designed to provide exposure to ILWs and/or Cat Bonds, and at least 70% of its total assets in investments designed to provide exposure to ILWs.

The Fund currently gains a significant amount of its exposure to ILWs and Cat Bonds indirectly through Structured Investments in the form of ELNs issued by Segregated Accounts (specifically, segregated accounts) of NB Reinsurance Ltd., a Bermuda Class 3 insurer registered under the Segregated Accounts Companies Act 2000 of Bermuda as a segregated accounts company ("NB Re"). Many of the ILWs and/or Cat Bonds to which the Fund will have exposure will be shorter-term instruments that are seasonal in nature. ILWs may be documented as insurance contracts or as swaps. All references in this Prospectus to ILWs include ILWs documented in the form of swaps or other derivatives. The Segregated Accounts which issue the Structured Investments will normally hold cash and/or cash equivalents when not holding ILWs and/or Cat Bonds, and these periods may be as long as several months.

The Fund may invest in registered investment companies, such as exchange-traded funds ("ETFs"), that invest in insurance- or reinsurance-related securities.

In addition to the above, the Fund may invest in a broad range of other types of equity securities and debt securities. The Fund may also hold cash and other short-term investments.

Investment Adviser. City National Rochdale, LLC ("City National Rochdale" or the "Adviser") is the Fund's investment adviser. The Adviser is a registered investment adviser that specializes in investment management for high-net-worth individuals, families and foundations. The Adviser had approximately $62.7 billion in assets under management as of January 31, 2024, and is a wholly-owned subsidiary of City National Bank ("CNB"), a federally chartered commercial bank founded in the early 1950s, which has provided trust and fiduciary services, including investment management services, to individuals and businesses for over 50 years. CNB currently provides investment management services to individuals, pension and profit sharing plans, endowments and foundations. As of January 31, 2024, CNB and its affiliates had approximately $96.8 billion in assets under administration, which includes approximately $68.9 billion in assets under management. CNB is a wholly-owned indirect subsidiary of RBC USA Holdco Corporation, which is a wholly-owned indirect subsidiary of Royal Bank of Canada.

The Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.

Interval Fund. The Fund is operated as an interval fund. Pursuant to the Fund's interval fund structure, the Fund conducts quarterly repurchase offers of no less than 5% and no more than 25% of the Fund's outstanding shares at net asset value ("NAV"). Currently, the Fund expects to offer to repurchase 5% of the Fund's outstanding shares at NAV each quarter, subject to approval by the Fund's Board of Trustees. Even though the Fund makes quarterly repurchase offers, investors should consider the Fund's shares illiquid. Repurchase offers in excess of 5% are made solely at the discretion of the Board and investors should not rely on any expectation of repurchase offers in excess of 5%. It is possible that a repurchase offer may be oversubscribed, with the result that shareholders may only be able to have a portion of their shares repurchased. **There is no assurance that every investor will be able to tender their respective shares when or in the amount that the investor desires.**

The Fund's shares are not listed on any securities exchange and the Fund does not currently intend to list its shares for trading on any securities exchange. There is not expected to be any secondary market for the Fund's shares. The shares are, therefore, not readily marketable. Even if such a market were to develop, shares of closed-end funds frequently trade at prices lower than their NAV.

Even though the Fund makes periodic repurchase offers to repurchase a portion of its shares to provide some liquidity to shareholders, investors should consider the shares to be an illiquid investment. An investment in the Fund is suitable only for long-term investors who can bear the risks associated with the limited liquidity of the shares and is not suitable for investors who need certainty about their ability to access money invested in the short-term.

Investors should carefully consider the Fund's investment objective, investment strategies and related risks, 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, including the risk of a substantial loss of investment.

The ILWs and Cat Bonds in which the Fund invests are not rated and carry risk similar to "high yield" or "junk" bonds. 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, an investor should (i) consider the suitability of this investment with respect to the investor's investment objectives and particular situation and (ii) consider factors such as the investor's net worth, income, age and risk tolerance. An investor with a short-term investing horizon and/or who cannot bear the loss of some or all of the investment made should not invest in the Fund.

Before investing in the Fund, each investor should read the discussion of the material risks of investing in the Fund under "Risk Factors" beginning on page 30 of this Prospectus.

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.

THE FUND'S SHARES 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.

This Prospectus sets forth concisely information you should know before investing in the Fund. You should read this Prospectus carefully before deciding to invest in the Fund and retain it for future reference. A Statement of Additional Information ("SAI"), dated May 30, 2024, containing additional information about the Fund has been filed with the SEC and is incorporated by reference in its entirety into this Prospectus. A Table of Contents for the SAI is set forth on page 57 of this Prospectus. A copy of the SAI, annual and semi-annual reports to shareholders and other information about the Fund can be obtained without charge by writing to the Fund at City National Rochdale Select Strategies Fund, 400 Park Avenue, New York, New York 10022, by calling 1-888-889-0799, or by visiting the Fund's website at www.citynationalrochdalefunds.com. The SAI, as well as material incorporated by reference into the Fund's registration statement and other information regarding the Fund, are available at the SEC's public reference room in Washington, DC (call 1-202-942-8090 for information on the operation of the reference room), from the EDGAR database on the SEC's internet site (www.sec.gov), upon payment of copying fees by writing to the SEC's public reference room, Washington, DC 20549, or by electronic mail at publicinfo@sec.gov.

An investor should not construe the contents of this Prospectus as legal, tax or financial advice. You should consult your own professional advisors as to legal, tax, financial or other matters relevant to the suitability of an investment in the Fund.

You should rely only on the information contained this Prospectus and the SAI. 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 contained in this Prospectus is accurate as of any date other than the date on the front of this Prospectus. The Fund's business, financial condition, results of operations and prospects may have changed since the date of this Prospectus. Subsequent to the date of this Prospectus, the Fund will amend this Prospectus or otherwise provide investors with updated information if, during the period this Prospectus is required to be delivered, any material information herein becomes materially inaccurate.

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PROSPECTUS SUMMARY

This is only a summary. This summary does not contain all of the information that you should consider before investing in the Fund's shares, especially the information set forth under the heading "Risk Factors." You should review the more detailed information contained in this Prospectus and in the Statement of Additional Information ("SAI").

The Fund

City National Rochdale Select Strategies Fund (the "Fund") is a continuously offered, non-diversified, closed-end management investment company. The Fund is operated as an interval fund that offers to make quarterly repurchases of shares at net asset value ("NAV").

City National Rochdale, LLC ("City National Rochdale" or the "Adviser") is the Fund's investment adviser.

The Offering

Shares of beneficial interest in the Fund are offered on a continuous basis at NAV per share. The Fund generally accepts orders to purchase shares on a monthly basis. However, the Fund's ability to accept orders to purchase shares may be limited, including during periods when, in the judgment of the Adviser, appropriate investments for the Fund are not available. The Fund reserves the right to suspend subsequent offerings or to accept purchases on a basis more or less frequent than once a month.

All initial investments in the Fund by or through the Adviser, its advisory partners and its advisory affiliates are subject to a $1,000,000 minimum per registered investment adviser or intermediary. The Adviser and its advisory partners and affiliates may impose different or additional minimum investment and eligibility requirements from those of the Fund. Please contact your registered investment adviser or financial intermediary for more information. The Adviser may waive these minimum investment requirements. All investments in the Fund are subject to the approval of the Fund and the Fund reserves the right to reject a purchase order for any reason.

The shares are not listed on any securities exchange and the Fund does not expect there to be any secondary market for the Fund's shares. Shareholders do not have the right to redeem their shares. However, as described below, in order to provide some liquidity to shareholders, the Fund conducts periodic repurchase offers for a portion of its outstanding shares.

Interval Fund; Periodic Repurchase Offers

As an interval fund, the Fund makes periodic offers to repurchase between 5% and 25% of its outstanding shares at NAV per share. The Fund has adopted a fundamental policy, which cannot be changed without shareholder approval, to make repurchase offers every three months. Quarterly repurchase offers are made in the months of January, April, July and October.

Subject to applicable law and the approval of the Fund's Board of Trustees, the Fund seeks to conduct such quarterly repurchase offers typically for 5% of the Fund's outstanding shares at NAV. There is no guarantee that you will be able to sell your shares in an amount or at the time your desire.

From the time the Fund distributes or publishes each repurchase offer notification until the repurchase pricing date for that offer, the Fund must maintain liquid assets, including debt securities, cash, cash equivalents and other short-term holdings, or access to a bank line of credit, in amounts at least equal to the percentage of its shares subject to the repurchase offer. Proceeds from the repurchase of shares are paid in cash (in U.S. dollars).

The procedures that apply to the Fund's repurchase offers are described in "Periodic Repurchase Offers" in this Prospectus.

Investment Objective and Principal Investment Strategies

Investment objective

The Fund seeks to provide total return consisting of income and capital appreciation. There can be no assurance that the Fund will achieve its investment objective.

Principal investment strategies

The Fund generally pursues its investment objective by focusing on particular types of reinsurance investments providing exposure to the insurance risk of natural catastrophes, such as hurricanes and earthquakes. The Fund normally implements its investment strategies by investing significantly in structured reinsurance investments ("Structured Investments"), such as equity-linked notes ("ELNs") and preferred shares, issued by insurance company segregated accounts or special purpose vehicles ("Segregated Accounts") whose return is tied to underlying industry loss warranties ("ILWs") and/or catastrophe bonds ("Cat Bonds," also known as event-linked bonds). Under normal circumstances, the Fund invests primarily in instruments designed to provide exposure to ILWs and/or Cat Bonds, and at least 70% of its total assets in investments designed to provide exposure to ILWs.

In selecting and/or evaluating direct and indirect investments, the Adviser uses a combination of quantitative and qualitative analysis, considering, among other things, data and information obtained from third party models. In particular, the Adviser relies on research provided by two of the leading catastrophe risk modeling companies, which seek to measure catastrophe risks on a probabilistic basis, using simulation techniques. The Adviser analyzes each direct investment and each investment made by a Segregated Account on an individual basis and relative to potential impact within the Fund's entire portfolio. Each investment is assigned a probability of loss based on the modeled projections of an event occurring. In selecting ILWs (or Structured Investments with exposure to ILWs) and Catastrophe Bonds, the Adviser considers a wide range of factors, both in terms of portfolio level diversification, as well as broader trends impacting the potential investments, including cyclical seasonal forecasts (i.e., short- to medium-term) and secular/historical data (i.e., long-term averages). The Adviser has been investing in and analyzing investments in the reinsurance market since 2013. The Adviser currently has full transparency into the holdings of each Segregated Account in which the Fund expects to make a Structured Investment.

In implementing the Fund's investment strategy, the Adviser generally seeks to invest directly or indirectly in ILWs and Cat Bonds tied to a varied group of available perils and geographic regions.

The Fund currently gains a significant amount of its exposure to ILWs and Cat Bonds indirectly through Structured Investments in the form of ELNs issued by Segregated Accounts (specifically, segregated accounts, each with distinct and segregated assets and liabilities under Bermuda law and a separate stream of earnings) of NB Reinsurance Ltd., a Bermuda Class 3 insurer registered under the Segregated Accounts Companies Act 2000 of Bermuda as a segregated accounts company ("NB Re"). The Fund normally invests approximately 80% of its assets, on average over time, in Segregated Accounts of NB Re. The Fund will generally not invest more than 25% of its assets in any one such Segregated Account. See "Segregated Accounts of NB Re" under "Principal portfolio composition – Structured reinsurance investments" below.

Many of the ILWs and/or Cat Bonds to which the Fund will have exposure will be shorter-term instruments that are seasonal in nature. ILWs may be documented as insurance contracts or as swaps. All references in this Prospectus to ILWs include ILWs documented in the form of swaps or other derivatives. The Segregated Accounts which issue the Structured Investments normally hold cash and/or cash equivalents when not holding ILWs and/or Cat Bonds, and these periods may be as long as several months.

The Fund may invest in registered investment companies, such as exchange-traded funds ("ETFs"), that invest in insurance- or reinsurance-related securities.

In addition to the above, the Fund may invest in a broad range of other types of equity securities and debt securities, including instruments and obligations of U.S. and non-U.S. corporate and other non-governmental entities, those of U.S. and non-U.S. governmental entities (including government agencies and instrumentalities), floating rate loans and other floating rate securities, subordinated debt securities, certificates of deposit, money market securities, funds that invest primarily in debt securities, and cash, cash equivalents and other short term holdings.

The Fund's other investments may have fixed or variable principal payments and all types of interest rate and dividend payment and reset terms, including fixed rate, adjustable rate, floating rate, contingent, deferred, payment in kind and auction rate features. The Fund's investments may include instruments that allow for balloon payments or negative amortization payments.

To the extent consistent with the repurchase liquidity requirement of an interval fund, the Fund may invest without limitation in illiquid securities.

Principal portfolio composition

Under normal circumstances, the Fund invests primarily in instruments designed to provide exposure to ILWs and/or Cat Bonds, and at least 70% of its total assets in investments designed to provide exposure to ILWs. The Fund currently gains a significant amount of its exposure to ILWs and Cat Bonds indirectly through investments in Structured Investments in the form of ELNs issued by Segregated Accounts of NB Re.

Structured reinsurance investments

The Fund currently gains a significant percentage of its exposure to ILWs and Cat Bonds by holding Structured Investments, primarily ELNs issued by Segregated Accounts (specifically, segregated accounts, each with distinct and segregated assets and liabilities under Bermuda law and a separate stream of earnings) of NB Re. Structured Investments are privately structured securities utilized to gain exposure to the reinsurance market. These customizable instruments facilitate risk-transfer from insurance markets to capital market investors. The Fund, as holder of a Structured Investment, participates in the premiums and losses associated with the underlying ILWs and/or Cat Bonds. Structured Investments are generally considered illiquid investments by the Fund.

The Adviser currently has full transparency into the holdings of each Segregated Account in which the Fund expects to make a Structured Investment.

Segregated Accounts of NB Re

As of the date of this Prospectus, NB Re has created twenty segregated accounts (each, a "Segregated Account"), each with distinct and segregated assets and liabilities under Bermuda law and a separate stream of earnings. NB Re may create additional Segregated Accounts. Each of the Segregated Accounts has an unlimited term. A Segregated Account is not exposed to the financial condition or backing of NB Re or any other Segregated Account. The holders of interests in a Segregated Account may, in that capacity, share only in the income, and bear only the losses, of that Segregated Account, and not of any other Segregated Account or of the general account of NB Re. Each Segregated Account has a separate board of managers. No manager of any Segregated Account is affiliated with NB Re, Neuberger Berman (as defined below) or their respective affiliates.

Each Segregated Account has issued common shares which are held by Neuberger Berman Group LLC, an investment fund partnership ("Neuberger Berman"). All common shares of the general account of NB Re are held by Neuberger Berman and other funds that are managed by the entity that manages Neuberger Berman or one or more of their affiliates. Neuberger Berman holds more of such common shares than any other owner. The common shares represent only a small economic interest in the respective issuing Segregated Account. The common shares entitle the holder to possess all voting power in respect of a Segregated Account. Neuberger Berman has assigned all of its voting rights attendant to the common shares of the Segregated Accounts among three independent third party administrators. No administrator holds more than 45% of the voting power of the Segregated Accounts in the aggregate, determined on a NAV dollar-weighted basis. The voting rights are held by the administrators pursuant to contractual arrangements between the administrators and the holders of the common shares. Each administrator independently exercises its voting rights, including with respect to the election of the board of managers of each Segregated Account with respect to which it has voting rights. These arrangements with the independent third party administrators may not be terminated prior to the expiration thereof, provided that Neuberger Berman has the right to terminate an arrangement in the case of malfeasance of the relevant administrator in the discharge of its duties under the arrangement. Upon the expiration of the term of an arrangement which is not renewed, or in the event of the termination by Neuberger Berman of an arrangement, a new arrangement will be entered into with respect to each relevant Segregated Account with a new independent third party administrator meeting certain minimum specified criteria.

Each Segregated Account has also issued non-voting preferred sharing interests, which represent economic interest in the respective Segregated Account. The Fund does not and will not invest in the preferred sharing interests issued by any Segregated Account. The non-voting preferred sharing interests are held directly or indirectly by an unregistered hedge fund and other stakeholders which are not affiliated with the Fund or the Adviser. The hedge fund is advised by an affiliate of NB Re and could create an actual or potential conflict of interest to favor holders of preferred sharing interests. For example, a Segregated Account in which the hedge fund is invested and the Fund is not invested may receive an investment opportunity not allocated to a Segregated Account in which the Fund is invested.

Each Segregated Account may also issue ELNs, a type of Structured Investment. The ELNs are direct, unsecured and unsubordinated obligations of the respective Segregated Accounts and rank *pari passu* with the preferred sharing interests issued by each Segregated Account. Each ELN is expected to have a term of ten years from initial issue and will include a variety of redemption rights. The Fund will have the right to redeem the ELNs on a quarterly basis subject to certain limitations based on the expected levels of liquidity in the Segregated Accounts during the year, including the right to redeem in full each January. Upon the occurrence of certain events, the ELNs will be mandatorily redeemed or the Fund will have the right to redeem in full. The Fund may sell the ELNs without the consent of NB Re or NB Re's affiliates. The return on the ELNs issued in respect of a Segregated Account is linked to the performance of the preferred sharing interests issued in respect of that Segregated Account. The amount payable on the ELNs will be reduced by any losses on the underlying holdings of the issuing Segregated Account, and such a reduction could result in a partial or full loss of principal on the ELNs. The terms of the ELNs may only be amended with the consent of the holders. The Fund may, in the complete and sole discretion of the Adviser, advance funds to a Segregated Account in exchange for an ELN or exercise the redemption rights provided under an ELN issued by a Segregated Account. The Adviser currently has full transparency into the holdings of each Segregated Account. There is no requirement or understanding that the Fund will invest in any Segregated Account or that the investments in ELNs or redemptions of ELNs by the Fund will be made on a ratable basis across the Segregated Accounts.

None of the Segregated Accounts are expected to meet the definition of "investment company" contained in Section 3(a) of the Investment Company Act of 1940, as amended (the "1940 Act"), because none is expected to hold a meaningful amount of securities. Nonetheless, due to the character of each Segregated Account's investor base, it is expected that each Segregated Account will qualify for the exception from the definition of "investment company" provided in Section 3(c)(7) of the 1940 Act.

The primary business of each Segregated Account is entering into ILWs. The Segregated Accounts may also make investments in Cat Bonds. The Segregated Accounts may use leverage. Many of the ILWs and/or Cat Bonds held by the Special Purposes Entities are shorter-term instruments that are seasonal in nature. ILWs may be documented as insurance contracts or as swaps. All references in this Prospectus to ILWs include ILWs documented in the form of swaps or other derivatives. The Segregated Accounts normally hold cash and/or cash equivalents when not holding ILWs and/or Cat Bonds, and these periods may be as long as several months.

Each Segregated Account is expected to have a distinct risk profile and will hold only those investments which meet the investment guidelines for that Segregated Account as agreed by the Segregated Account and the Fund. The investment guidelines for a Segregated Account may only be amended with the consent of the Fund. The investment guidelines of each Segregated Account are generally distinct from each other Segregated Account by geography, risk, coverage level, insureds and type. For example, while one Segregated Account may focus on all natural perils risks impacting Europe, while another may focus on wind events impacting the U.S., and another may focus on earthquakes in Japan, Australia and New Zealand. In addition, a limited number of Segregated Accounts may focus on a specific type of insurance loss trigger. For example, one Segregated Account may focus on contracts with an "aggregate" trigger (i.e., by reference to the total amount of loss over a series of qualifying events for the term of the contract), while another may focus on contracts that can be triggered by single events above the determined damage threshold. It is possible that, in limited circumstances, two Segregated Accounts may invest in the same ILW or Cat Bond, but such overlap is expected to be immaterial relative to such Segregated Accounts' other holdings and their other assets would be distinct and unique to the respective Segregated Account. Under adverse or unstable conditions and with the consent of the Fund, a Segregated Account may deviate from its investment guidelines.

The Adviser, currently with full transparency into the holdings of each Segregated Account, has complete and sole discretion to choose in which Segregated Account the Fund invests and how to allocate the Fund's assets among the Segregated Accounts.

Premium payments received by a Segregated Account of NB Re are generally not distributed to the Fund, but are instead reinvested consistent with the investment guidelines of that Segregated Account.

Industry loss warranties

Although the Fund currently invests primarily indirectly in ILWs through its investments in Structured Investments, the Fund reserves the ability to invest without limit directly in ILWs. ILWs are a type of short-term reinsurance contract whereby one party agrees to a set payment to its counterparty if insurance industry losses, as determined by an independent, third-party assessor, exceed a specified trigger amount.

ILWs are instruments that are privately negotiated among insurance companies, corporations, financial investors and public entities that seek to minimize commercial disruption in the event of the occurrence of natural disasters that negatively impact business operations. ILWs typically cover, among other things, natural catastrophe events, such as tornadoes, hurricanes, typhoons and windstorms in the United States, Japan and Europe, and earthquakes in the United States and Japan. For example, the buyer of a "$10 million limit US Wind ILW attaching at $2 billion" will pay an upfront premium to a protection writer (i.e., the reinsurer or a Segregated Account) and in return will receive $10 million if total losses to the insurance industry from a single U.S. hurricane exceed $2 billion. The industry loss ($2 billion in this case) is often referred to as the "trigger" and is reported by an independent third party after an event has occurred. The amount of protection offered by the contract ($10 million in this case) is referred to as the "limit." The Fund or Segregated Account, as holder of the ILW or ILW Instrument, would be entitled to a return linked to the premium paid by the buyer and the occurrence or non-occurrence of the trigger event. If the trigger event occurs, the Fund or Segregated Account may lose all or a substantial portion of its investment.

The Adviser currently expects that all or substantially all of the ILWs in which the Fund directly or indirectly invests will be fully collateralized by the counterparties to seek to minimize counterparty risk. In a typical ILW transaction, the counterparty will contribute an agreed-upon premium to an independently administered collateral trust at the commencement of the contract and the Fund or the Segregated Account will contribute funds to such collateral trust in respect of an agreed-upon limit of coverage.

If, within the contract's duration the insured loss event does not occur in a specified magnitude and within pre-determined durations, as determined by an agreed-upon, independent, third-party assessor, all amounts placed in the collateral trust will be released to the Fund or Segregated Account. If the insured event does occur, all of the amounts placed in the collateral trust will be released to the counterparty. Due to the time required to determine triggering events, in some cases, it may take a significant period of time for the underlying transaction to be completed and funds appropriately released.

Catastrophe bonds

Although the Fund currently primarily invests in Cat Bonds (sometimes referred to as insurance-linked bonds or event-linked bonds) on an indirect basis through its investments in Structured Investments, the Fund reserves the ability to invest without limit directly in such instruments. Cat Bonds are instruments that transfer risk from an issuer (such as an insurance company or a reinsurance company) to capital markets investors.

Cat Bonds are often structured as floating rate debt obligations for which the return of principal and the payment of interest are contingent on the non-occurrence of a pre-defined "trigger" event, such as a hurricane or an earthquake of a specific magnitude. The trigger event's magnitude may be based on losses to a company or industry, industry indexes or readings of scientific instruments, or may be based on specified actual losses. If a trigger event, as defined within the terms of a Cat Bond, occurs, the Fund may lose a portion or all of its accrued interest and/or principal invested in such Cat Bond or investment in Structured Investments with exposure to such Cat Bond. The Fund is entitled to receive principal and interest payments so long as no trigger event occurs of the description and magnitude specified by the instrument.

Cat Bonds may have trigger events related to a broad range of insurance risks, which can be broken down into three major categories: natural risks, weather risks and non-natural events. Investments in Cat Bonds with trigger events related to natural risks generally provide coverage for natural catastrophes, such as hurricanes and earthquakes. Investments in Cat Bonds linked to weather risks provide insurance to companies, or insurers of companies, whose sales depend on the weather and provide a hedge on the impact of weather-related risks. For example, a weather Cat Bond could provide coverage based on the average temperature in a region over a given period. Investments in Cat Bonds linked to non-natural risks could cover a much broader array of insurable risks, such as aerospace and shipping catastrophes. Certain Cat Bonds may cover the risk that multiple loss events will occur. While the Fund intends to generally invest in Cat Bonds with trigger events related to natural risks, the Fund has no limit as to the types of events, geographic areas or thresholds of loss referenced by Cat Bonds in which it can invest.

Cat Bonds may be issued by government agencies, insurance companies, reinsurers, special purpose corporations or other U.S. or non-U.S. entities. Cat Bonds are often rated by at least one nationally recognized statistical rating organization ("NRSRO"), but also may be unrated. The rating for a Cat Bond, if any, primarily reflects the rating agency's calculated probability that a trigger event will occur. This rating also assesses the Cat Bond's credit risk and the model used to calculate the probability of a trigger event. Cat Bonds are often rated below investment grade or unrated. The Fund generally invests in Cat Bonds that are rated below investment grade or are unrated, but determined by the Adviser to be of comparable credit quality as below investment grade.

The majority of the Fund's direct or indirect investments in Cat Bonds are typically held in collateral trust accounts in conjunction with the formal bond offering. Funds within such collateral account generally are assigned by way of security interest to a trustee pursuant to a deed of charge.

Derivatives

The Fund may have exposure to ILWs documented in the form of swaps or other derivatives through its investments in Structured Investments, but does not expect to invest directly in derivatives instruments.

To the extent obligations created by the Fund's use of derivatives may be deemed to create senior securities, the Fund will segregate or earmark liquid assets with its custodian in accordance with 1940 Act Release No. 10666 (Apr. 18, 1979), and the guidance of related no-action letters issued by the Securities and Exchange Commission ("SEC"), to cover these obligations. The use of leverage may cause the Fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet segregation requirements. The loss on leverage transactions may substantially exceed the initial investment.

Rule 18f-4 under the 1940 Act provides a comprehensive regulatory framework for the use of derivatives by registered investment companies, such as the Fund, and imposes new requirements and restrictions on investments in derivatives made by such investment companies, including establishing a new asset segregation framework previously used by funds to comply with Section 18 of the 1940 Act. Unless a fund qualifies as a "limited derivatives user," as defined under new Rule 18f-4, the new rule, among other things, requires the fund to adopt and implement a derivatives risk management program ("DRMP") and comply with a relative or absolute limit on fund leverage risk calculated based on value-at-risk ("VaR"). The DRMP is administered by a "derivatives risk manager," who is appointed by a fund's board and periodically reviews the DRMP and reports to the board. Generally, the full requirements of Rule 18f-4 do not apply to a fund if it uses derivative instruments in a limited amount, and therefore, qualifies as a "limited derivatives user," as defined in the rule. The Fund intends to qualify as a "limited derivatives user" as defined in Rule 18f-4, and has adopted policies and procedures to monitor compliance with such qualification. In addition, Rule 18f-4 provides special treatment for reverse repurchase agreements and similar financing transactions and unfunded commitment agreements. With the Fund's transition to reliance on Rule 18f-4, as applicable, the Fund's approach to asset segregation or "earmarking" and coverage requirements with respect to derivatives and similar instruments is no longer applicable. The Fund may still segregate cash or other liquid or other assets to cover the funding of its obligations under derivatives contracts or make margin payments when it takes positions in derivatives involving obligations to third parties. The requirements of Rule 18f-4 may limit the Fund's ability to engage in derivatives transactions as part of its investment strategies. These requirements may also increase the cost of the Fund's investments and cost of doing business, which could adversely affect the value of the Fund's investments and/or the performance of the Fund. The rule also may not be effective in limiting the Fund's risk of loss from derivatives. There may be additional regulation of the use of derivatives by registered investment companies which could significantly affect their use. The ultimate impact of the new regulations remains unclear. Additional regulation of derivatives may make them more costly, limit their availability or utility, or otherwise adversely affect their performance or disrupt markets.

Other investment companies

The Fund may invest in the securities of other registered investment companies, including ETFs and money market funds, to the extent that such investments are consistent with the Fund's investment objective and policies and permissible under the 1940 Act and the rules thereunder. Investment in other registered investment companies may provide the Fund with exposure to segments of the insurance and reinsurance market represented by another fund at times when the Fund might not be able to buy the particular type of securities directly.

Other investments

Floating rate investments

Floating rate investments are securities and other instruments with interest rates that adjust or "float" periodically based on a specified interest rate or other reference and include repurchase agreements, money market securities and shares of money market and short-term bond funds. For purposes of the Fund's investment policies, the Fund considers as floating rate instruments adjustable rate securities, fixed rate securities with durations of less than or equal to one year and funds that invest primarily in floating rate instruments.

Floating rate loans

Floating rate loans are provided by banks and other financial institutions to large corporate customers. These loans are rated below investment grade, but typically are secured with specific collateral and have a senior position in the capital structure of the borrower. These loans typically have rates of interest that are reset periodically by reference to a base lending rate, such as the London Interbank Offered Rate ("LIBOR") or Secured Overnight Financing Rate ("SOFR"), plus a premium.

Non-U.S. investments

The Fund may invest without limit in securities of non-U.S. issuers, including securities of emerging market issuers. Non-U.S. issuers are issuers that are organized and have their principal offices outside of the United States. Non-U.S. securities may be issued by non-U.S. governments, banks or corporations, or private issuers, and certain supranational organizations, such as the World Bank and the European Union.

Below investment grade debt securities

The Fund may invest in debt securities rated below investment grade or, if unrated, of equivalent quality as determined by the Adviser. Below investment grade securities, which are commonly referred to as "junk" bonds, have high risk, speculative characteristics. A debt security is below investment grade if it is rated Ba/BB or lower or the equivalent rating by at least one NRSRO or determined to be of equivalent credit quality by the Adviser. Below investment grade debt securities involve greater risk of loss, are subject to greater price volatility and are less liquid, especially during periods of economic uncertainty or change, than higher quality debt securities. Below investment grade securities also may be more difficult to value.

If a security receives different ratings from two or more NRSROs, the Fund will use the rating chosen by the Portfolio Manager (as defined below) as most representative of the security's credit quality. The ratings of NRSROs represent their opinions as to the quality of the securities that they undertake to rate and may not accurately describe the risks of the securities. An NRSRO may have a conflict of interest with respect to a security for which it assigns a quality rating. In addition, there may be a delay between a change in the credit quality of a security or other asset and a change in the quality rating assigned to the security or other asset by an NRSRO. If an NRSRO changes the quality rating assigned to one or more of the Fund's portfolio securities, the Adviser will consider if any action is appropriate in light of the Fund's investment objective and strategies. An investor can still lose significant amounts when investing in investment grade securities.

Equity securities

Equity securities include common stocks, warrants and rights, as well as "equity equivalents" such as preferred stocks and securities convertible into common stock. The equity securities in which the Fund invests may be publicly or privately offered. Preferred stocks generally pay a dividend and rank ahead of common stocks and behind debt securities in claims for dividends and for assets of the issuer in a liquidation or bankruptcy. The dividend rate of preferred stocks may cause their prices to behave more like those of debt securities. A convertible security is one that can be converted into or exchanged for common stock of an issuer within a particular period of time at a specified price, upon the occurrence of certain events or according to a price formula. Convertible securities offer the Fund the ability to participate in equity market movements while also seeking some current income. Convertible debt securities pay interest and convertible preferred stocks pay dividends until they mature or are converted, exchanged or redeemed. The Fund considers some convertible securities to be "equity equivalents" because they are convertible into common stock. The credit ratings of those convertible securities generally have less impact on the investment decision, although they may still be subject to credit and interest rate risk.

Reverse repurchase agreements and borrowing

The Fund may enter into reverse repurchase agreements pursuant to which the Fund transfers securities to a counterparty in return for cash, and the Fund agrees to repurchase the securities at a later date and generally for a higher price. Reverse repurchase agreements are treated as borrowings by the Fund, are a form of leverage and may make the value of an investment in the Fund more volatile and increase the risks of investing in the Fund. The Fund also may borrow money from banks or other lenders, including to finance repurchase requests. Entering into reverse repurchase agreements and other borrowing transactions may cause the Fund to liquidate positions when it may not be advantageous to do so in order to satisfy its obligations or to meet segregation requirements.

Repurchase agreements

The Fund may enter into repurchase agreements with broker-dealers, member banks of the Federal Reserve System and other financial institutions. Repurchase agreements are arrangements under which the Fund purchases securities and the seller agrees to repurchase the securities within a specific time and at a specific price. The repurchase price is generally higher than the Fund's purchase price, with the difference being income to the Fund. A repurchase agreement may be considered a loan by the Fund collateralized by securities. Under the direction of the Board of Trustees, the Adviser reviews and monitors the creditworthiness of any institution which enters into a repurchase agreement with the Fund. All repurchase agreements entered into by the Fund shall be fully collateralized with U.S. Treasury and/or agency obligations at all times during the period of the agreement in that the value of the collateral shall be at least equal to an amount of the loan, including interest thereon. Collateral is held by the Fund's custodian in a segregated safekeeping account for the benefit of the Fund. Repurchase agreements afford the Fund an opportunity to earn income on temporarily available cash. In the event of commencement of bankruptcy or insolvency proceedings with respect to the seller of the security before repurchase of the security under a repurchase agreement, the Fund may encounter delay and incur costs before being able to sell the security. Such a delay may involve loss of interest or a decline in price of the security. If the court characterizes the transaction as a loan and the Fund has not perfected a security interest in the collateral, the Fund may be required to return the collateral to the seller's estate and be treated as an unsecured creditor of the seller. As an unsecured creditor, the Fund would be at risk of losing some or all of the principal and interest involved in the transaction.

Cash management and temporary investments

Normally, the Fund invests substantially all of its assets to meet its investment objective. The Fund may invest the remainder of its assets in securities with remaining maturities of less than one year or cash equivalents, or may hold cash. For temporary defensive purposes, including during periods of unusual cash flows, the Fund may depart from its principal investment strategies and invest part or all of its assets in these securities or may hold cash. To the extent that the Fund has any uninvested cash, the Fund would also be subject to risk with respect to the depository institution holding the cash. During such periods, it may be more difficult for the Fund to achieve its investment objective. The Fund may adopt a defensive strategy when the Adviser believes securities in which the Fund normally invests have special or unusual risks or are less attractive due to adverse market, economic, political or other conditions.

Short-term trading

The Fund usually does not trade for short-term profits. The Fund will sell an investment, however, even if it has only been held for a short time, if it no longer meets the Fund's investment criteria. If the Fund does a lot of trading, it may incur additional operating expenses, which would reduce performance, and could cause shareowners to incur a higher level of taxable income or capital gains.

Risk Factors

An investment in the Fund involves special risk considerations. You should consider carefully the risks summarized below, which are described in more detail beginning on page 30 of this Prospectus under "Risk Factors."

Principal risks

General

The Fund is a non-diversified, closed-end management investment company designed primarily as a long-term investment and not as a trading tool. The Fund is not a complete investment program and should be considered only as an addition to an investor's existing portfolio of investments. Because the Fund predominantly provides exposure to ILWs and Cat Bonds, which may carry risk similar to below investment grade (high yield) debt securities, an investment in the Fund's shares is speculative in that it involves a high degree of risk. Due to uncertainty inherent in all investments, there can be no assurance that the Fund will achieve its investment objective. In addition, even though the Fund makes periodic offers to repurchase a portion of its outstanding shares to provide some liquidity to shareholders, shareholders should consider the Fund to be an illiquid investment.

Insurance and reinsurance investments risk

A principal risk of an investment in insurance and reinsurance instruments is that a triggering event(s) (e.g., natural events, such as a hurricane, tornado or earthquake of a particular size/magnitude in a designated geographic area) will occur and the Fund will lose all or a significant portion of the principal it has invested in the security and the right to additional interest and/or dividend payments with respect to the security, and an investor will lose money.

If multiple triggering events occur that impact a significant portion of the portfolio of the Fund, the Fund could suffer substantial losses. A significant portion of the Fund's assets will generally have exposure to ILWs and Cat Bonds tied to natural events and there is inherent uncertainty as to whether, when, where and to what extent such events will occur. There is no way to accurately predict whether a triggering event will occur and, because of this significant uncertainty, insurance and reinsurance investments carry a high degree of risk. The Fund is subject to the principal risks described herein, whether through the Fund's (i) direct investments, (ii) indirect investment through one or more Segregated Accounts, or (iii) other investments.

Risks of investing in structured reinsurance investments. Structured Investments, such as ELNs and preferred shares, are generally subject to the same risks as the underlying ILWs and/or Cat Bonds, as applicable.

The Fund's successful use of Structured Investments will generally depend on, among other things, the Adviser's quantitative and qualitative analysis of various factors, including the probability of the occurrence of trigger events in the underlying ILWs and/or Cat Bonds. Should the price of the underlying ILWs and/or Cat Bonds move in an unexpected manner, should a triggering event occur on one or more underlying ILWs and/or Cat Bonds, or should the structure of the Structured Investment respond to market conditions differently than anticipated, the Fund may not achieve the anticipated benefits of the investment in the Structured Investment, and it may realize losses, which could be significant and could include the Fund's entire principal investment.

Structured Investments are generally considered illiquid securities by the Fund. An investor in Structured Investments participates in the premiums and losses associated with the underlying ILWs and/or Cat Bonds. Premium payments received by a Segregated Account of NB Re will generally not be distributed to the Fund, but will instead be reinvested consistent with the investment guidelines of that Segregated Account. Structured Investments may be difficult to value.

Segregated Accounts which issue Structured Investments have operating fees and expenses separate from the fees and expenses that the Fund bears directly in connection with its own operations. The Fund will indirectly bear its allocated share of the operating fees and expenses assessable to the holders of those Structured Investments in which the Fund invests. Such fees and expenses, which are not reflected in the fee table and example below, reduce the return to the Fund on such investments and affect its performance.

Risks of investing in industry loss warranties. ILWs are exposed to catastrophic risks that can lead to binary performance of individual transactions. Events that trigger most payouts with respect to ILWs have historically been fairly rare and as such the probability of their occurrence may be difficult to predict. The performance of ILWs depends on determination of industry losses by a recognized third-party assessor. This dependency may cause substantial delays in either releasing the ILW collateral and premium funds to the Fund or paying it to the reinsured party, because the third-party assessor may require time to issue its findings of industry losses. Such delays are typically between one to six months but, in unusual circumstances, may extend up to 36 months or more. Contracts for ILWs typically contain clauses that allow collateral release upon review of certain loss thresholds relative to certain time intervals—the "loss development period." For instance, if a third party assessor estimates at a set point in time that industry-insured losses for the relevant specific event are $15 billion, and the ILW transaction in question is triggered at an industry loss of more than $30 billion, the ILW collateral would normally be released at the time of such determination. In general, if the initial estimated loss is less than 50% of the trigger value, the ILW is released at the defined date of estimation; otherwise, release may be delayed. The majority of the ILWs in which the Fund expects to have exposure are structured so as to release collateral either at the defined date of estimation, assuming no losses or within a twenty-four month loss development period. The Adviser generally seeks to gain exposure to ILW commitments structured to limit any conditional lock-up period to the extent commercially reasonable, but there can be no assurance such conditional lock-up period will coincide with the intended duration of the Fund's investment. It is not expected that any delay will have a material impact on the Fund's ability to make required distributions in order to qualify as a regulated investment company. ILWs in which the Fund invests may be documented as swaps. Such ILW swaps will be subject to Swaps Risk. Generally, there will be no readily-available market for ILWs. ILWs are considered illiquid securities by the Fund.

Risks of investing in catastrophe bonds. Cat Bonds (also known as event-linked bonds) carry large uncertainties and major risk exposures to adverse conditions. If a trigger event, as defined within the terms of a Cat Bond, involves losses or other metrics exceeding a specific magnitude in the geographic region and time period specified, the Fund may lose a portion or all of its accrued interest and/or principal invested in such security. Because Cat Bonds cover "catastrophic" events that, if they occur, will result in significant losses, Cat Bonds carry a high degree of risk of loss and carry risk similar to "high yield" or "junk" bonds. The rating of a Cat Bond, if any, primarily reflects the rating agency's calculated probability that a pre-defined trigger event will occur. Thus, lower-rated bonds have been determined to have a greater likelihood of a triggering event occurring and loss to the Fund. In addition to the specified trigger events, Cat Bonds may expose the Fund to certain other risks, including but not limited to issuer (credit) default, adverse regulatory or jurisdictional interpretations and adverse tax consequences.

Swaps risk. The Fund may obtain swap exposure by investing indirectly in ILWs documented as swaps, which typically are contingent, or formulaically related to defined trigger events. Trigger events include hurricanes, earthquakes, weather-related phenomena and other criteria determined by independent parties. If a trigger event(s) occurs, the Fund may lose the swap's notional amount. As derivative instruments, ILW swaps are subject to risks in addition to the risks of investing in insurance- and reinsurance-related instruments, including risks associated with the counterparty and leverage.

Reinsurance market and reinvestment risk. The size of the reinsurance market may change over time, which may limit the availability of ILWs, Cat Bonds and/or Structured Investments for investment by the Fund. The original issuance of ILWs, Cat Bonds and Structured Investments in general, including these investments with desired instrument or risk characteristics, may fluctuate depending on the capital and capacity needs of reinsurers as well as the demand for such investments by institutional investors. The availability of ILWs, Cat Bonds and Structured Investments in the secondary market also may be limited by supply and demand dynamics and prevailing economic conditions. To the extent ILWs, Cat Bonds and Structured Investments held by the Fund mature, or the Fund must sell securities in connection with share repurchases, the Fund may be required to hold more cash or short-term instruments than it normally would until attractive reinsurance investments become available. Holding excess cash and/or reinvestment in securities that are lower yielding or less desirable than securities sold may negatively affect performance.

Illiquidity and restricted securities risk. To the extent consistent with the repurchase liquidity requirement of an interval fund, the Fund may invest without limitation in illiquid investments. Illiquidity risk is the risk that the investments held by the Fund may be difficult or impossible to sell at the time that the Fund would like or at the price that the Fund believes the security is currently worth. As a relatively new type of financial instrument, there is limited trading history for reinsurance investments, even for those instruments deemed to be liquid. There can be no assurance that a liquid market for the Fund's investments will exist or be maintained. At any given time, the Fund's portfolio may be substantially illiquid. The Fund's ability to realize full value in the event of the need to liquidate certain assets may be impaired and/or result in losses to the Fund.

The Fund may be unable to sell its investments, even under circumstances when the Adviser believes it would be in the best interests of the Fund to do so. Illiquid investments may also be difficult to value and their pricing may be more volatile than more liquid investments, which could adversely affect the price at which the Fund is able to sell such instruments. Illiquidity risk also may be greater in times of financial stress. The risks associated with illiquid instruments may be particularly acute in situations in which the Fund's operations require cash (such as in connection with repurchase offers) and could result in the Fund borrowing to meet its short-term needs or incurring losses on the sale of illiquid instruments.

Certain of the instruments in which the Fund may invest are subject to restrictions on resale by the federal securities laws or otherwise, such as securities offered privately pursuant to Section 4(a)(2) of the Securities Act of 1933 (the "1933 Act") and securities issued pursuant to Rule 144A under the 1933 Act. While certain restricted securities may, notwithstanding their limitations on resale, be treated as liquid if the Adviser determines, pursuant to the applicable procedures, that such treatment is warranted, there can be no guarantee that any such determination will continue. Restricted securities previously determined to be liquid may subsequently become illiquid while held by the Fund. Even if such restricted securities are not deemed to be illiquid, they may nevertheless be difficult to value and the Fund may be required to hold restricted securities when it otherwise would sell such securities or may be forced to sell securities at a price lower than the price the Fund has valued such securities. This may result in losses to the Fund and investors.

Valuation risk. The Fund is subject to the risk that one or more of the securities in which the Fund invests are priced incorrectly, due to factors such as incomplete or inaccurate data or information, market instability or volatility, lack of a liquid secondary market or human error. In addition, pricing of insurance and reinsurance investments is subject to the added uncertainty caused by the inability to generally predict whether, when or where a natural disaster or other triggering event will occur, or if occurring or recently concluded, the magnitude of such events. A substantial portion of the Fund's investment is in Structured Investments are valued using a fair value methodology. The administrator of the Segregated Accounts provides a price for the Structured Investments on a periodic basis . Investors who purchase or submit repurchase requests for Fund shares may receive fewer or more shares or lower or higher repurchase request proceeds than they would have received if the securities had not been fair valued or if a different valuation methodology had been used.

The Adviser has been designated by the Board as the valuation designee (the "Valuation Designee") for the Fund pursuant to Rule 2a-5 under the 1940 Act with responsibility for fair valuation subject to oversight by the Board. The Adviser performs such valuation services pursuant to joint valuation procedures of the Fund and the Adviser. The Adviser has formed an internal fair value committee to assist with its designated responsibilities as the Valuation Designee.

Valuing securities in accordance with fair valuation procedures involves greater reliance on judgment than valuing securities based on readily available market quotations. Fair value pricing may require subjective determinations about the value of a security or other asset. As a result, there can be no assurance that fair value pricing will result in adjustments to the prices of securities or other assets, or that fair value pricing will reflect actual market value, and it is possible that the fair value determined for a security or other asset will be materially different from quoted or published prices, from the prices used by others for the same security or other asset and/or from the value that actually could be or is realized upon the sale of that security or other asset.

Reinsurance industry risk. The performance of the Fund's investments and the reinsurance industry itself are tied to the occurrence of various triggering events, including weather, natural disasters (hurricanes, earthquakes, etc.) and other specified events causing physical and/or economic loss. Triggering events are typically defined by three criteria: an event; a geographic area in which the event must occur; and a threshold of economic or physical loss (either actual or modeled) caused by the event, together with a method to measure such loss. Generally, the event is a natural peril of a kind that results in significant physical or economic loss. Natural perils include disasters such as hurricanes, earthquakes, windstorms, fires and floods. Major natural disasters in populated areas (such as in the cases of Hurricane Ian in Florida and the Carolinas in 2022, Hurricane Harvey in the Houston metropolitan area in 2017, Hurricane Irma in Florida and the Caribbean Islands in 2017, Superstorm Sandy in the New York City metropolitan area in 2012 and Hurricane Katrina in New Orleans in 2005)) or related to high-value insured property (such as plane crashes) can result in significant losses and investors in ILWs, Cat Bonds and Structured Investments tied to such exposures may also experience substantial losses. If the likelihood and severity of natural and other large disasters increase, the risk of significant losses to reinsurers may increase.

Risk-modeling risk. The Adviser, in selecting investments for the Fund, may consider risk models created by independent third parties, the sponsor of a reinsurance-related security and/or a broker. The sponsor of a reinsurance-related security may be incentivized to skew risk models to minimize risks associated with such security in order to entice investors, thereby jeopardizing the integrity of the Adviser's investment analysis process. The Adviser may also consider its own risk models based on comparable prior transactions, quantitative analysis, and industry knowledge. Risk models are designed to assist investors, governments, and businesses understand the potential impact of a wide variety of catastrophic events and allow such parties to analyze the probability of loss in regions with the highest exposure.

The Adviser uses the output of the risk models before and after investment to assist the Adviser in assessing the risk of a particular reinsurance-related security or a group of such securities. Risk models are created using historical, scientific and other related data. Because such risk models are based in part upon historical data and averages, there is no guarantee that such information will accurately predict the future occurrence, location or severity of any particular catastrophic event and thus may fail to accurately calculate the probability of a trigger event and may underestimate the likelihood of a trigger event. In addition, any errors or imperfections in a risk model or in the data on which it is based or any technical issues with the construction of the models (including, for example, data problems and/or software or other implementation issues) could adversely affect the ability of the Adviser to use such analyses or models effectively, which in turn could adversely affect the Fund's performance. Risk models are used by the Adviser as one input in its risk analysis process for Fund investments. The Adviser also considers available information related to any known market impacts on the various investments within the parameters of the Fund's principal investment strategies.

Risks of investing in Segregated Accounts of NB Re

NB Re is a registered Bermuda Class 3 insurer. As such, it is subject to regulation and supervision in Bermuda. Bermuda insurance statutes, regulations and policies of the Bermuda Monetary Authority may affect NB Re's ability to write reinsurance policies or the ability of its segregated accounts to distribute funds. It is not presently intended that NB Re will be admitted to do business in any jurisdiction in the United States or elsewhere (other than Bermuda). However, there can be no assurance that insurance regulators in the United States or elsewhere will not review the activities of NB Re or related companies or its segregated accounts or agents and claim that NB Re is subject to such jurisdiction's licensing requirements. The process of obtaining licenses is very time consuming and costly, and NB Re may not be able to become licensed in a jurisdiction other than Bermuda, which could significantly and adversely affect NB Re's business by limiting its ability to conduct business as well as subjecting it to penalties and fines. If, in the future, NB Re becomes subject to any insurance laws of the United States or any state thereof or of any other jurisdiction, there is no assurance that it would be in compliance with those laws or that coming into compliance with those laws would not have a significant and negative effect on its business.

Because NB Re is incorporated in Bermuda, it is subject to changes of Bermuda law and regulation that may have an adverse impact on its operations, including imposition of tax liability or increased regulatory supervision. In addition, the Bermuda insurance and reinsurance regulatory framework has become subject to increased scrutiny in many jurisdictions, including in the United States and in various states within the United States. The future impact on NB Re's operations of any future changes in the laws and regulations to which it is or may become subject cannot be predicted.

Focused investing risk

At any given time, the Fund's investments or portfolio risks may be focused on particular types of reinsurance investments, on a limited group of available perils and geographic regions or in reinsurance contracts written by one or more reinsurers. Such focused investing could expose the Fund to losses disproportionate to other comparable funds.

The Fund concentrates in the financial services group of industries. Such concentration of risk may increase any losses suffered by the Fund. Issuers of ILWs, Cat Bonds and Structured Investments are generally classified as belonging to the financial services group of industries. Although, the Fund has no current intention to invest in banks or other issuers that may be commonly considered in the financial services group of industries, as a result of this categorization of reinsurance investments, the Fund may be subject to concentration risk. The industries within the financial services group of industries are subject to extensive government regulation, which can limit both the amounts and types of loans and other financial commitments they can make, and the interest rates and fees they can charge. Profitability can be largely dependent on the availability and cost of capital funds and the rate of corporate and consumer debt defaults, and can fluctuate significantly when interest rates change. Credit losses resulting from financial difficulties of borrowers can negatively affect the financial services group of industries. Insurance companies can be subject to severe price competition. The financial services group of industries are currently undergoing relatively rapid change as existing distinctions between financial service segments become less clear. For example, recent business combinations have included insurance, finance, and securities brokerage under single ownership. Non-U.S. financial services companies, including insurance companies, may be subject to different levels of regulation than that to which similar companies operating in the U.S. are subject.

Non-diversification risk

The Fund is classified as "non-diversified," which means that it can invest a higher percentage of its assets in the securities of any one or more issuers than a diversified fund. Being non-diversified may magnify the Fund's losses from adverse events affecting a particular issuer, and the value of its shares may be more volatile than if it invested more widely.

Market risk

The market prices of the Fund's securities may go up or down, sometimes rapidly or unpredictably, due to general market conditions such as overall economic trends or events, government actions, market disruptions caused by trade disputes or other factors, political and geopolitical factors, economic sanctions, adverse investor sentiment, cybersecurity events, or local, regional or global events such as natural disasters or climate events, wars, terrorism, international conflicts, epidemics, pandemics or other public health issues. These fluctuations may cause a security to be worth less than the price originally paid for it, or less than it was worth at an earlier time. Market risk may affect a single issuer, industry or sector of the economy, or the market as a whole. The increasing interconnectivity between global economies and financial markets increases the likelihood that events or conditions in one region or financial market may adversely impact issuers in a different country, region or financial market. The value of a Fund's investments may decline in tandem with a drop in the overall value of the stock market based on negative developments in the U.S. and global economies. Adverse market conditions may be prolonged and may not have the same impact on all types of investments. High public debt in the United States and other countries creates ongoing systemic and market risks and policymaking uncertainty. In addition, policy and legislative changes in the United States and in other countries are affecting many aspects of financial regulation, and may in some instances contribute to decreased liquidity and increased volatility in the financial markets. The impact of these changes, and the practical implications for market participants, may not be fully known for some time.

Raising the ceiling on U.S. Government debt has become increasingly politicized. Any failure to increase the total amount that the U.S. Government is authorized to borrow could lead to a default on U.S. Government obligations, with unpredictable consequences for economies and markets in the United States and elsewhere.

Recent Market Events. Periods of market volatility may occur in response to market events and other economic, political, geopolitical, and global macro factors. The COVID-19 pandemic, Russia's invasion of Ukraine, and higher inflation have resulted in extreme volatility in the financial markets, economic downturns around the world, and severe losses, particularly to some sectors of the economy and individual issuers, and reduced liquidity of certain instruments. These events caused significant disruptions to business operations, including business closures; strained healthcare systems; disruptions to supply chains and employee availability; large fluctuations in consumer demand; large expansion of government deficits and debt as a result of government actions to mitigate the effects of such events; and widespread uncertainty regarding the long-term effects of such events.

In March 2023, the financial distress of certain financial institutions raised economic concerns over disruption in the U.S. banking system and the solvency of certain financial services firms. There can be no certainty that the actions taken by the U.S. Government to strengthen public confidence in the U.S. banking system will be effective in mitigating the effects of financial institution failures on the economy and restoring public confidence in the U.S. banking system.

Any of the events described above could adversely affect the value and liquidity of a Fund's investments, impair the Fund's ability to satisfy redemption requests, and negatively impact the Fund's performance. Other market events may cause similar disruptions and effects.

Cash management risk

The value of the investments held by the Fund for cash management or temporary defensive purposes may be affected by changing interest rates and by changes in credit ratings of the investments. To the extent that the Fund has any uninvested cash, the Fund will be subject to risk with respect to the depository institution holding the cash. During such periods, it may be more difficult for the Fund to achieve its investment objectives.

Management and operational risk

The Fund is subject to management risk because it relies on the Adviser's ability to achieve its investment objective. The Fund runs the risk that the Adviser's investment techniques, judgment and decisions will fail to produce desired results and cause the Fund to incur significant losses. The Adviser may select investments that do not perform as anticipated by the Adviser and may choose to hedge or not to hedge positions at disadvantageous times. Any imperfections, errors, or limitations in quantitative analyses, models, tools, resources, information and data used by the Adviser as part of its investment process, or if such analyses, models, tools, resources, information or data are used incorrectly or do not work as intended, could affect the Fund's performance.

The Fund also is subject to the risk of loss as a result of other services provided by the Adviser and other service providers, including pricing, administrative, accounting, tax, legal, custody, transfer agency and other services.

Operational risk includes the possibility of loss caused by inadequate procedures and controls, human error and cyber-attacks, disruptions and failures affecting, or by, a service provider.

Cybersecurity risk

Cybersecurity incidents may allow an unauthorized party to gain access to Fund assets, customer data (including private shareholder information), or proprietary information, or cause the Fund, the Adviser, and/or other service providers (including custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality. A cybersecurity incident may disrupt the processing of shareholder transactions, impact the Fund's ability to calculate its net asset values, and prevent shareholders from redeeming their shares. Issuers of securities in which the Fund invests are also subject to cybersecurity risks, and the value of those securities could decline if the issuers experience cybersecurity incidents. Because technology is frequently changing, new ways to carry out cyber attacks are always developing. Therefore, there is a chance that some risks have not been identified or prepared for, or that an attack may not be detected, which puts limitations on the fund's ability to plan for or respond to a cyber attack. Like other funds and business enterprises, the Fund, the Adviser, transfer agent, the Distributor and their respective service providers are subject to the risk of cyber incidents occurring from time to time.

Model and data risk

The Adviser may use quantitative methods and/or third party information or data to select investments. If quantitative models, algorithms or calculations (whether proprietary and developed by the Adviser or supplied by third parties) ("Models") or information or data supplied by third parties ("Data") prove to be incorrect or incomplete, any decisions made, in whole or part, in reliance thereon expose the Fund to additional risks. Models can be predictive in nature. The use of predictive Models has inherent risks. The success of relying on or otherwise using Models depends on a number of factors, including the validity, accuracy and completeness of the Model's development, implementation and maintenance, the Model's assumptions, factors, algorithms and methodologies, and the accuracy and reliability of the supplied historical or other Data. Models rely on, among other things, correct and complete Data inputs. If incorrect Data is entered into even a well-founded Model, the resulting information will be incorrect. However, even if Data is input correctly, Model prices may differ substantially from market prices, especially for securities with complex characteristics. Investments selected with the use of Models may perform differently than expected as a result of the design of the Model, inputs into the Model or other factors. There also can be no assurance that the use of Models will result in effective investment decisions for the Fund.

Tax risk

As described in more detail later in this Prospectus, in order to qualify for the favorable tax treatment generally available to regulated investment companies, at least 90% of the Fund's gross income each taxable year must consist of qualifying income, the Fund must meet certain asset diversification tests at the end of each quarter of its taxable year, and the Fund must meet certain distribution requirements for each taxable year. The Fund might generate more non-qualifying income than anticipated, might not be able to generate qualifying income in a particular taxable year at levels sufficient to meet the qualifying income test, or might not be able to determine the percentage of qualifying income it has derived for a taxable year until after year-end. The Fund may determine not to make an investment that it otherwise would have made, or may dispose of an investment it otherwise would have retained (potentially resulting in the recognition of taxable gain or loss, and potentially under disadvantageous circumstances), in an effort to meet the qualifying income test.

The Fund normally invests a significant portion of its assets in Structured Investments in the form of ELNs issued by Segregated Accounts. The federal income tax treatment of these Structured Investments and Segregated Accounts, both generally and with respect to the requirements applicable to regulated investment companies, is not entirely clear. Under proposed Treasury Regulations, it is expected that each of the Segregated Accounts will be treated as a separate entity for U.S. federal income tax purposes. If a Segregated Account were to instead be treated as a division of a larger entity consisting of multiple Segregated Accounts, then the Fund could fail to meet the asset diversification tests applicable to regulated investment companies. Additionally, it is expected that the ELNs will be treated as non-voting equity interests in the Segregated Accounts for U.S. federal income tax purposes. If the ELNs were to instead be treated as voting equity investments, the Fund could fail to meet the asset diversification tests applicable to regulated investment companies.

The tax treatment of certain insurance- and reinsurance-related instruments is also not entirely clear. Certain of the Fund's investments (including, potentially, certain ILWs, Cat Bonds and Structured Investments) may generate income that is not qualifying income. Investments in the Segregated Accounts and certain other investments directly or indirectly held by the Fund (including certain ILWs, Cat Bonds and Structured Investments) may be treated as equity interests in passive foreign investment companies ("PFICs") for U.S. federal income tax purposes. In general, a PFIC is a foreign corporation (i) that earns at least 75% of its annual gross income from passive sources (such as interest, dividends, certain rents and royalties, or capital gains) or (ii) where at least 50% of its assets (computed based on average fair market value) either produce or are held for the production of passive income. If the Fund directly or indirectly holds any equity interest in a PFIC, the Fund could be subject to U.S. federal income tax and additional interest charges on "excess distributions" received (directly or indirectly) from the PFIC or on any gain recognized by the Fund (directly or indirectly) from the sale or other disposition of stock in the PFIC, even if all income or gain actually earned by the Fund is timely distributed to its shareholders. The Fund would not be able to pass through to its shareholders any credit or deduction for such a tax. A "qualified electing fund" election or a "mark to market" election may be available that would ameliorate these adverse tax consequences, but such elections could require the Fund to recognize taxable income or gain (which would be subject to the distribution requirements applicable to regulated investment companies, as described above) without the concurrent receipt of cash. In order to satisfy the distribution requirements with respect to such income or gain and avoid a tax on the Fund, the Fund may be required to liquidate portfolio securities that it might otherwise have continued to hold (potentially resulting in the recognition of taxable gain or loss, and potentially under disadvantageous circumstances), or the Fund may be required to borrow cash. Gains recognized by the Fund from the sale or other disposition of stock of PFICs may also be treated as ordinary income. In order for the Fund to make a qualified electing fund election with respect to a PFIC, the PFIC would have to agree to provide certain tax information to the Fund on an annual basis, which it might not agree to do. The Fund may limit and/or manage its holdings in PFICs to limit its tax liability or maximize its after-tax return from these investments.

The Segregated Accounts and certain other issuers of insurance- and reinsurance-related securities may be treated as "controlled foreign corporations" ("CFCs") for U.S. federal income tax purposes. If a sufficient portion of the vote or, under legislation enacted in late 2017, value of interests in a foreign issuer that is treated as a corporation for U.S. federal income tax purposes is directly or indirectly held (or treated as held) by the Fund, independently or together with certain other U.S. persons, that issuer may be treated as a CFC with respect to the Fund, in which case the Fund will be required to take into account each year, as ordinary income, its share of certain portions of that issuer's income, whether or not such amounts are distributed. Prior to the 2017 change in tax law, it was expected, but not guaranteed, that the Segregated Accounts of NB Re would not be treated as CFCs for U.S. federal income tax purposes. If the Segregated Accounts or other issuers of insurance- and reinsurance-related securities are treated as CFCs for U.S. federal income tax purposes, the Fund may have to dispose of its portfolio securities (potentially resulting in the recognition of taxable gain or loss, and potentially under disadvantageous circumstances) to generate cash, or may have to borrow the cash, to meet its distribution requirements and avoid Fund-level taxes. In addition, some Fund gains recognized from the sale or other disposition of interests in such an issuer may be treated as ordinary income. The Fund may limit and/or manage its holdings in issuers that could be treated as CFCs in order to limit its tax liability or maximize its after-tax return from these investments.

If the Fund were to fail to qualify for treatment as a regulated investment company, it would generally be subject to tax in the same manner as an ordinary corporation, and distributions to its shareholders generally would not be deductible by the Fund in computing its taxable income. Under certain circumstances, the Fund may be able to cure a failure to meet the qualifying income test or the diversification test if such failure was due to reasonable cause and not willful neglect, but in order to do so the Fund may incur a significant penalty tax that would reduce (and potentially could eliminate) the Fund's returns.

Repurchase offers risk

The Fund is operated as an "interval fund" and, in order to provide some liquidity to shareholders, the Fund, subject to applicable law, conducts quarterly repurchase offers of the Fund's outstanding shares at NAV subject to approval of the Board of Trustees. In all cases such repurchases will be for at least 5% and not more than 25%, and are currently expected to be for 5%, of its outstanding shares at NAV, pursuant to Rule 23c-3 under the 1940 Act. The Fund believes that these repurchase offers are generally beneficial to the Fund's shareholders, and repurchases generally will be funded from available cash, borrowings or sales of portfolio securities. However, repurchase offers and the need to fund repurchase obligations may affect the ability of the Fund to be fully invested or force the Fund to maintain a higher percentage of its assets in liquid investments, which may harm the Fund's investment performance. Moreover, diminution in the size of the Fund through repurchases may result in untimely sales of portfolio securities (with associated imputed transaction costs, which may be significant), and may limit the ability of the Fund to participate in new investment opportunities or to achieve its investment objective. If the Fund employed investment leverage, repurchases of shares would compound the adverse effects of leverage in a declining market. In addition, if the Fund borrows money to finance repurchases, interest on that borrowing will negatively affect shareholders who do not tender their shares by increasing fund expenses and reducing any net investment income. If a repurchase offer is oversubscribed, the Fund will repurchase the shares tendered on a pro rata basis, and shareholders will have to wait until the next repurchase offer to make another repurchase request. As a result, shareholders may be unable to liquidate all or a given percentage of their investment in the Fund during a particular repurchase offer. Some shareholders, in anticipation of proration, may tender more shares than they wish to have repurchased in a particular quarter, thereby increasing the likelihood that proration will occur. A shareholder may be subject to market and other risks, and the NAV of shares tendered in a repurchase offer may decline between the repurchase request deadline and the date on which the NAV for tendered shares is determined. In addition, the repurchase of shares by the Fund may be a taxable event to shareholders.

Borrowing risk

The Fund may borrow to meet repurchase requests or for investment purposes (i.e., to purchase additional portfolio securities). The Fund's borrowings may be on a secured or unsecured basis and at fixed or variable rates of interest. The Fund's ability to obtain leverage through borrowings is dependent upon its ability to establish and maintain an appropriate line of credit. The use of leverage, including through borrowings, will increase volatility of the Fund's investment portfolio and magnify the Fund's investment losses or gains.

Borrowing will also cost the Fund interest expense and other fees. The cost of borrowing may reduce the Fund's return.

LIBOR and LIBOR transition risks

LIBOR was a leading benchmark or reference rate for various commercial and financial contracts, including corporate and municipal bonds, bank loans, asset-backed and mortgage-related securities, interest rate swaps and other derivatives. On July 27, 2017, the United Kingdom's Financial Conduct Authority (FCA) announced the gradual phase out of the LIBOR rate, with nearly all LIBOR rate publications having ceased as of June 30, 2023 (some LIBOR rates continue to be published, but only on a temporary and synthetic basis). Alternatives to LIBOR have been established and others may be developed. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, has identified the Secured Overnight Financial Rate ("SOFR") as the preferred alternative rate to LIBOR. SOFR is a relatively new index calculated by short-term repurchase agreements, backed by U.S. Treasury securities. There remains uncertainty surrounding the nature of any replacement rates.

The transition to a new reference rate may result in (i) increased volatility or illiquidity in markets for instruments or contracts that previously relied on or still rely on LIBOR; (ii) a reduction in the value of certain instruments or contracts held by the Fund; (iii) reduced effectiveness of related Fund transactions, such as hedging; (iv) additional tax, accounting and regulatory risks; or (v) costs incurred in connection with closing out positions and entering into new trades. Any pricing adjustments to the Fund's investments resulting from a substitute reference rate may also adversely affect the Fund's performance and/or NAV. There is no assurance that the composition or characteristics of any such alternative reference rate will be similar to or produce the same value or economic equivalence as LIBOR or that instruments or contracts using an alternative rate will have the same volume or liquidity.

Expense risk

Your actual costs of investing in the Fund may be higher than the expenses shown in "Annual Fund Operating Expenses" for a variety of reasons. For example, expense ratios may be higher than those shown if overall net assets decrease or if an expense limitation is changed. Net assets are more likely to decrease and the Fund's expense ratio is more likely to increase when markets are volatile.

Conflicts of interest

The Adviser and its affiliates are engaged in a variety of businesses and have interests other than those related to managing the Fund. The broad range of activities and interests of the Adviser and its affiliates gives rise to actual and potential conflicts of interest that could affect the Fund and its shareholders.

Other risks

Floating rate instrument risks

Floating rate loans and similar investments may be illiquid or less liquid than other investments. Market quotations for these securities may be volatile and/or subject to large spreads between bid and ask prices. No active trading market may exist for many floating rate loans, and many loans are subject to restrictions on resale. Any secondary market may be subject to irregular trading activity and extended trade settlement periods. In particular, loans may take longer than seven days to settle, potentially leading to the sale proceeds of loans not being available to meet repurchase offers for a substantial period of time after the sale of the loans. To the extent that sale proceeds of loans are not available, the Fund may sell securities that have shorter settlement periods or may access other sources of liquidity to meet redemption requests. Loans may not be considered "securities," and purchasers, such as the Fund, therefore may not be entitled to rely on the anti-fraud protections afforded by federal securities laws. The ILWs, Cat Bonds and Structured Investments in which the Fund directly or indirectly invests may be variable rate, or floating rate.

Risks of inverse floating rate obligations

The interest rate on inverse floating rate obligations will generally decrease as short-term interest rates increase, and increase as short-term rates decrease. Due to their leveraged structure, the sensitivity of the market value of an inverse floating rate obligation to changes in interest rates is generally greater than a comparable long-term bond issued by the same issuer and with similar credit quality, redemption and maturity provisions. Inverse floating rate obligations may be volatile and involve leverage risk.

Interest rate risk

The market prices of securities may fluctuate significantly when interest rates change. When interest rates rise, the value of fixed income securities generally falls. recently, the U.S. Federal Reserve has been raising interest rates from historically low levels. It may continue to raise interest rates. Any additional interest rate increases in the future could cause the value of the Fund's holdings to decrease. A general rise in interest rates may cause investors to move out of fixed income securities on a large scale, which could adversely affect the price and liquidity of fixed income securities and could also result in increased redemptions from the Fund. A change in interest rates will not have the same impact on all fixed income securities. Generally, the longer the maturity (i.e., measure of time remaining until the final payment on a security) or duration (i.e., measure of the underlying portfolio's price sensitivity to changes in prevailing interest rates) of a fixed income security, the greater the impact of a rise in interest rates on the security's value. For example, if interest rates increase by 1%, the value of a fund's portfolio with a portfolio duration of ten years would be expected to decrease by 10%, all other things being equal. In addition, different interest rate measures (such as short- and long-term interest rates and U.S. and foreign interest rates), or interest rates on different types of securities or securities of different issuers, may not necessarily change in the same amount or in the same direction.

Rising interest rates can lead to increased default rates as payment obligations increase. Unlike fixed rate securities, floating rate securities generally will not increase in value if interest rates decline. Changes in interest rates also will affect the amount of interest income the Fund earns on its floating rate investments.

Credit risk

If an issuer or guarantor of a security held by the Fund or a counterparty to a financial contract with the Fund defaults on its obligation to pay principal and/or interest, has its credit rating downgraded or is perceived to be less creditworthy, or the credit quality or value of any underlying assets declines, the value of your investment will decline. In addition, the Fund may incur expenses and may be hindered or delayed in enforcing its rights against an issuer, obligor or counterparty. A security may change in price for a variety of reasons. For example, floating rate securities may have final maturities of ten or more years, but their effective durations will tend to be very short. If there is an adverse credit event, or a perceived change in the issuer's creditworthiness, these securities could experience a far greater negative price movement than would be predicted by the change in the security's yield in relation to their effective duration. The Fund evaluates the credit quality of issuers and counterparties prior to investing in securities. Credit risk is broadly gauged by the credit ratings of the securities in which the Fund invests. However, ratings are only the opinions of the companies issuing them and are not guarantees as to quality. Securities rated in the lowest category of investment grade (Baa/BBB) may possess certain speculative characteristics.

Prepayment or call risk

Many issuers have a right to prepay their securities. If interest rates fall, an issuer may exercise this right. If this happens, the Fund would be forced to reinvest prepayment proceeds at a time when yields or securities available in the market are lower than the yield on the prepaid security. The Fund may also lose any premium it paid on the security.

Risks of subordinated securities

A holder of securities that are subordinated or "junior" to more senior securities of an issuer is entitled to payment after holders of more senior securities of the issuer. Subordinated securities are more likely to suffer a credit loss than non-subordinated securities of the same issuer, any loss incurred by the subordinated securities is likely to be proportionately greater, and any recovery of interest or principal may take more time. As a result, even a perceived decline in creditworthiness of the issuer is likely to have a greater impact on them. Certain Segregated Accounts in which the Fund invests may issue multiple tranches of interests to investors.

Risks of non-U.S. investments

Investing in non-U.S. issuers, or in U.S. issuers that have significant exposure to foreign markets, may involve unique risks compared to investing in securities of U.S. issuers. These risks are more pronounced for issuers in emerging markets or to the extent that the Fund invests significantly in one region or country. These risks may include different financial reporting practices and regulatory standards, less liquid trading markets, extreme price volatility, currency risks, changes in economic, political, regulatory and social conditions, sustained economic downturns, financial instability, tax burdens, and investment and repatriation restrictions. Lack of information and less market regulation also may affect the value of these securities. Withholding and other non-U.S. taxes may decrease the Fund's return. Non-U.S. issuers may be located in parts of the world that have historically been prone to natural disasters. Investing in depositary receipts is subject to many of the same risks as investing directly in non-U.S. issuers. Depositary receipts may involve higher expenses and may trade at a discount (or premium) to the underlying security.

Below investment grade debt securities and unrated securities risk

Below investment grade debt securities, which are commonly called "junk" bonds, are rated below BBB- by Standard & Poor's Ratings Services ("S&P") or Baa3 by Moody's Investors Service, Inc. ("Moody's"), or have comparable ratings by another rating organization. Debt securities rated below investment grade, called "junk" bonds, are speculative, have a higher risk of default or are already in default, tend to be less liquid and are more difficult to value than higher grade securities. Junk bonds tend to be volatile and more susceptible to adverse events and negative sentiments. These risks are more pronounced for securities that are already in default.

Equity investing risk

The Fund may at times invest directly or indirectly in equity securities, which may be publicly or privately offered. The equity securities in which the Fund invests may be more volatile than the equity markets as a whole. Equity securities risk is the risk that the value of equity instruments to which the Fund is exposed will fall due to general market or economic conditions; overall market changes; local, regional or global political, social or economic instability; currency, interest rate and commodity price fluctuations; perceptions regarding the industries in which the issuers participate, and the particular circumstances and performance of the issuers. The prices of equities are also sensitive to rising interest rates, as the costs of capital rise and borrowing costs increase. Market conditions may affect certain types of equity securities to a greater extent than other types. Although equities have historically generated higher average returns than debt securities over the long term, equity securities also have experienced significantly more volatility in returns.

Preferred securities risk

Preferred securities may pay fixed or adjustable rates of return. Preferred securities are subject to issuer-specific and market risks applicable generally to equity securities. In addition, preferred securities generally pay a dividend and rank ahead of common stocks and behind debt securities in claims for dividends and for assets of the issuer in a liquidation or bankruptcy. For this reason, the value of preferred securities will usually react more strongly than bonds and other debt to actual or perceived changes in the company's financial condition or prospects. Preferred securities may also be sensitive to changes in interest rates. When interest rates rise, the fixed dividend on preferred securities may be less attractive, causing the price of preferred stocks to decline. Preferred securities of smaller companies may be more vulnerable to adverse developments than preferred stock of larger companies.

Leveraging risk

The value of your investment may be more volatile and other risks tend to be compounded if the Fund borrows or has exposure to derivatives or other investments that have embedded leverage. Leverage generally magnifies the effect of any increase or decrease in the value of the Fund's underlying assets and creates a risk of loss of value on a larger pool of assets than the Fund would otherwise have, potentially resulting in the loss of all assets. Engaging in such transactions may cause the Fund to liquidate positions when it may not be advantageous to do so to satisfy its obligations or to meet segregation or coverage requirements. During periods in which the Fund is using leverage, the fees paid to the Adviser for its investment advisory services will be higher than if the Fund did not use leverage because the fees paid will be calculated on the basis of the Fund's average total assets.

Anti-takeover provisions

The Fund's Amended and Restated Agreement and Declaration of Trust and Amended and Restated By-Laws 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.

Borrowing

The Fund has the option to borrow, which such borrowing, if any, the Fund anticipates would be used to satisfy repurchase requests from fund shareholders and otherwise to provide the Fund with temporary liquidity. The amount that the Fund may borrow will be limited by the provisions of Section 18 of the 1940 Act, which, among other limitations contained therein relating to the declaration of dividends or distributions, limits the issuance of a "senior security" (as defined in the 1940 Act) to those instances where immediately after giving effect to such issuance, the Fund will have "net asset coverage" (as defined in the 1940 Act) of at least 300%. To the extent the Fund borrows, the interest on borrowing by the Fund will be at prevailing market rates. Notwithstanding the foregoing, the Fund intends to limit its borrowing, if any, and the overall leverage of its portfolio to an amount that does not exceed 33 1/3% of the Fund's gross asset value.

Investment Adviser

City National Rochdale, LLC ("City National Rochdale" or the "Adviser") is the Fund's investment adviser. The Adviser is responsible on a day-to-day basis for investment of the Fund's portfolio in accordance with its investment objective and principal investment strategies.

The Adviser is a registered investment adviser that specializes in investment management for high-net-worth individuals, families and foundations. The Adviser had approximately $62.7 billion in assets under management as of January 31, 2024, and is a wholly-owned subsidiary of City National Bank ("CNB"), a federally chartered commercial bank founded in the early 1950s, which has provided trust and fiduciary services, including investment management services, to individuals and businesses for over 50 years. CNB currently provides investment management services to individuals, pension and profit sharing plans, endowments and foundations. As of January 31, 2024, CNB and its affiliates had approximately $96.8 billion in assets under administration, which includes approximately $68.9 billion in assets under management. CNB is a wholly-owned indirect subsidiary of RBC USA Holdco Corporation, which is a wholly-owned indirect subsidiary of Royal Bank of Canada.

The Adviser's main office is at 400 North Roxbury Drive, Beverly Hills, California 90210.

The Fund does not currently charge a repurchase fee, and it does not currently expect to impose a repurchase fee.

Advisory Fee

The Fund pays the Adviser, as promptly as possible after the last day of each month, a fee for its investment advisory services in the amount of 0.50% of the Fund's average total assets, less accrued liabilities. See "Management of the Fund."

Expense Limitation

The Adviser has contractually agreed to waive its management fee and/or reimburse expenses to the extent necessary to ensure that the Fund's total annual operating expenses will not exceed 1.00% (after fee waivers and/or expense reimbursements, and exclusive of front-end or contingent deferred loads, taxes, interest, brokerage commissions, acquired fund fees or expenses, extraordinary expenses such as litigation expenses, and other expenses not incurred in the ordinary course of the Fund's business). These arrangements will continue until July 27, 2025 and shall automatically renew for an additional one-year period unless sooner terminated by the Fund or by the Board of Trustees upon 60 days' written notice to the Adviser or termination of the advisory agreement between the Fund and the Adviser. The Adviser may recoup fees waived and expenses reimbursed for a period of three years following the date such reimbursement or reduction was made if such recoupment does not cause current expenses to exceed the expense limit for the Fund in effect at the time the expenses were paid/waived or any expense limit in effect at the time of recoupment.

Portfolio Managers

Thomas H. Ehrlein (the "Portfolio Manager") is primarily responsible for the day-to-day management of the Fund's portfolio.

Expenses

The Fund pays all of its organizational and investment expenses, including, without limitation, brokerage commissions (if any) and all other costs of executing transactions, calculating the Fund's NAV, interest expense, insurance expense, custodial expense and all ongoing ordinary administrative and operational costs of the Fund, including legal costs, accounting costs, taxes and any fees paid to the Administrator (as defined below) and Custodian (as defined below) and all expenses incurred in connection with the offering and sales of its shares and communications with shareholders.

The Adviser bears all ongoing ordinary administrative and operational costs of the Adviser, including employees' salaries, facilities, travel costs, technology costs, office supplies, research and data costs and its own legal, accounting and filing fees.

Fees Paid to Third Parties

The Fund currently invests significantly in Structured Investments issued by Segregated Accounts through which the Fund gains exposure to ILWs and/or Cat Bonds. The Fund may also invest in registered investment companies that invest in insurance- or reinsurance-related securities. A portion of the Fund's investment in any Segregated Accounts and any registered investment companies may be used to pay the operating fees and expenses of those vehicles, such as underwriting commissions and the costs of the set-up, management and/or operation of the vehicles, including registration fees, fees for legal and accounting services and administration fees. With respect to the Segregated Accounts, the Fund as an ELN holder pays NB Re an underwriting commission on all ILWs or other non-cash investments of those Segregated Accounts. No other compensation is payable to NB Re as a result of the Fund's investment in the Segregated Accounts. The Fund bears its allocated portion of the operating fees and expenses of the Special Purposes Entities in which it invests. The fees, expenses and commissions borne by the Fund on investments in Segregated Accounts are not reflected in the fee table and example below. The estimated fees and expenses to be incurred indirectly by the Fund on investments in registered investment companies are reflected in the fee table and example below, and will be separately reflected in the fee table as Acquired Fund Fees and Expenses should such costs exceed 0.01% of the Fund's average net assets. These indirect costs will reduce the return to the Fund on its investment in such vehicles and affect its performance.

Shareholder Servicing Fee

The Fund is subject to a shareholder service agreement pursuant to which the Fund pays a fee of 0.25% of its average net assets to the Adviser for shareholder services provided to shareholders of the Fund. Because this fee is paid out of the Fund's assets, over time the fee will increase the cost of a shareholder's investment.

Administrator, Fund Accounting Agent, Distributor, Custodian and Transfer Agent

SEI Investments Global Funds Services, a wholly-owned subsidiary of SEI Investments, Co., located at One Freedom Valley Drive, Oaks, Pennsylvania 19456, serves as the Fund's administrator and fund accounting agent (the "Administrator"). SEI Investments Distribution Co., a wholly-owned subsidiary of SEI Investments, Co., located at One Freedom Valley Drive, Oaks, Pennsylvania 19456, serves as the

Fund's distributor (the "Distributor"). U.S. Bank National Association, located at 1555 N. Rivercenter Drive, Milwaukee, Wisconsin 53212, serves as the Fund's custodian (the "Custodian"). U.S. Bank Global Fund Services, LLC, located at 615 East Michigan Street, Milwaukee, Wisconsin 53202, serves as the Fund's transfer agent (the "Transfer Agent").

The Fund compensates the Administrator, the Custodian and the Transfer Agent for their services. The Distributor is not compensated for its services to the Fund.

Unlisted Closed-End Fund Structure

The Fund's shares have very limited liquidity. The Fund's shares are not listed and the Fund does not currently intend to list its shares for trading on any securities exchange, and the Fund does not expect there to be any secondary market for the Fund's shares.

Shareholders of the Fund are not able to have their shares redeemed or otherwise sell their shares on a daily basis because the Fund is an unlisted closed-end fund. In order to provide some liquidity to shareholders, the Fund is structured as an "interval fund" and conducts periodic repurchase offers for a portion of its outstanding shares, as described in this Prospectus.

An investment in the Fund is suitable only for long-term investors who can bear the risks associated with the limited liquidity of the shares of the Fund. Investors should consider their investment goals, time horizons and risk tolerance before investing in the Fund.

Distributions

The Fund intends to declare and pay dividends of substantially all net investment income and net realized capital gains at least annually. Unless shareholders specify otherwise, dividends will be reinvested in shares of the Fund.

Tax Considerations

You will normally be subject to federal income taxes, and any state or local taxes, on the dividends and other distributions you receive from the Fund. For U.S. federal income tax purposes, distributions from the Fund's net capital gains (the excess, if any, of its net long-term capital gains over its net short-term capital losses) are considered long-term capital gains and are generally taxable to non-corporate shareholders at a reduced rate. Distributions from the Fund's net short-term capital gains are generally taxable as ordinary income. Other dividends are generally taxable as ordinary income or, in general, if paid from the Fund's "qualified dividend income" and if certain conditions, including holding period requirements, are met by the Fund and the shareholder, as qualified dividend income taxable to individual and certain other non-corporate shareholders at reduced U.S. federal income tax rates. "Qualified dividend income" generally is income derived from dividends paid by U.S. corporations or certain foreign corporations that are either incorporated in a U.S. possession or eligible for tax benefits under certain U.S. income tax treaties. In addition, dividends that the Fund receives in respect of stock of certain foreign corporations may be qualified dividend income if that stock is readily tradable on an established U.S. securities market. A portion of dividends received from the Fund (but none of the Fund's capital gain distributions) may qualify for the dividends-received deduction for corporations.

The Fund reports to shareholders annually the U.S. federal income tax status of all Fund distributions.

If the Fund declares a dividend in October, November or December, payable to shareholders of record in such a month, and pays such dividend in January of the following calendar year, you will be subject to tax on the dividend as if you received it in the calendar year in which it was declared.

You should consult a tax adviser about state, local and foreign taxes on your distributions from the Fund.

See "Dividends and Distributions" and "Federal Income Tax Matters."

SUMMARY OF FUND EXPENSES

The following table describes the fees and expenses you may pay if you buy, hold and sell shares of the Fund. You may pay other fees, such as fees or commissions to financial intermediaries, which are not reflected in the table and example below.

Shareholder Transaction Expenses
(fees paid directly from your investment)

Maximum Repurchase Fee	None
Sales Load	None

Annual Fund Operating Expenses
(as a percentage of net assets attributable to the shares)

Management Fee	0.50%
Shareholder Servicing Fee	0.25%
Other Expenses	0.22%
Recoupment of Previously Waived and Reimbursed Fees	0.03%
Total Annual Fund Operating Expenses	1.00%
Less: Fee Waiver and Expense Reimbursement(1)	(0.00)%
Net Annual Fund Operating Expenses	1.00%

(1) The Adviser has contractually agreed to waive its management fee and/or reimburse expenses to the extent necessary to ensure that the Fund's total annual operating expenses will not exceed 1.00% (after fee waivers and/or expense reimbursements, and exclusive of front-end or contingent deferred loads, taxes, interest, brokerage commissions, acquired fund fees or expenses, extraordinary expenses such as litigation expenses, and other expenses not incurred in the ordinary course of the Fund's business). These arrangements will continue until July 27, 2025 and shall automatically renew for an additional one-year period unless sooner terminated by the Fund or by the Board of Trustees upon 60 days' written notice to the Adviser or termination of the advisory agreement between the Fund and the Adviser. The Adviser may recoup fees waived and expenses reimbursed for a period of three years following the date such reimbursement or reduction was made if such recoupment does not cause current expenses to exceed the expense limit for the Fund in effect at the time the expenses were paid/waived or any expense limit in effect at the time of recoupment.

Example

The following Example is intended to help you understand the various costs and expenses that you, as a holder of shares, would bear directly or indirectly. The Example assumes that you invest $10,000 in shares of the Fund for the time periods indicated. Because there are no costs to you associated with repurchases of your shares, your costs would be the same whether you hold your shares or tender your shares for repurchase at the end of the time periods indicated. The example also assumes that your investment has a 5% return each year, that all dividends and distributions are reinvested at NAV, and that the Fund's operating expenses (as described above) remain the same. The example should not be considered a representation of the Fund's future expenses. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
$ 102	$ 318	$ 552	$ 1,225

The Example should not be considered a representation of future expenses. Actual expenses may be greater or lesser than those assumed for purposes of the Example. The Fund's actual rate of return may be greater or less than the hypothetical 5% return shown in the Example.

FINANCIAL HIGHLIGHTS

The following financial highlights table is intended to help you understand the Fund's financial performance. The information for the fiscal years ended January 31, 2024 and January 31, 2023 has been derived from financial statements audited by Cohen & Company, Ltd. ("Cohen"), the Fund's independent registered public accounting firm, whose report, along with the Fund's financial statements are included in the Fund's 2024 Annual Report (available upon request) and incorporated by reference into the Fund's SAI. Information presented in the financial highlights tables is for a single fund share outstanding throughout the period shown. The total return figures in the tables represent the rate an investor would have earned (or lost) on an investment in the Fund (assuming reinvestment of all dividends and distributions). As of March 6, 2023, Cohen, an independent registered public accounting firm located at 1835 Market St., Suite 310, Philadelphia, PA 19103, serves as independent registered public accounting firm to the Fund.

The financial statements for the fiscal years ended January 31, 2022, 2021 and 2020, were audited by the Fund's prior independent registered public accounting firm.

financial highlights

For a Share Outstanding Throughout each Year Presented

	Net Asset Value Beginning of Year	Net Investment Loss †(2)	Net Realized and Unrealized Gains (Losses)	Total From Operations	Distributions From Realized Capital Gains	Net Asset Value End of Year	Total Return ‡	Net Assets End of Year (000)	Ratio of Expenses to Average Net Assets (1)(2)	Ratio of Expenses to Average Net Assets (Excluding Waivers/ Recoupments) (2)	Ratio of Net Investment Loss to Average Net Assets (1)(2)	Portfolio Turnover Rate
City National Rochdale Select Strategies Fund												
Class 1												
2024	$ 12.41	$ (0.13)	$ 2.06	$ 1.93	$ (0.04)	$ 14.30	15.58%	$ 223,855	1.00%	0.97%	(1.00)%	0%
2023	12.29	(0.12)	0.24	0.12	—	12.41	0.98	197,212	1.00	1.04	(1.00)	2
2022	11.60	(0.12)	0.81	0.69	—	12.29	5.95	197,578	0.99	0.99	(0.99)	0
2021	10.90	(0.11)	0.81	0.70	—	11.60	6.42	154,335	1.00	1.05	(1.00)	0
2020	10.25	(0.11)	0.76	0.65	—	10.90	6.34	123,184	1.00	1.16	(1.00)	0

† Per share calculations are based on average shares outstanding throughout each year.

‡ Fee waivers/recoupments are in effect; if they had not been in effect, performance would have been lower/higher. Returns shown do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

(1) Ratio includes waivers. The impact of the recovered fees may cause a higher net expense ratio.

(2) Ratios do not include income and expenses of underlying Equity Linked Notes.

THE FUND

City National Rochdale Select Strategies Fund (the "Fund") is a continuously offered, non-diversified, closed-end management investment company that is operated as an interval fund. The Fund was organized under the laws of the State of Delaware on December 1, 2016, and has registered under the Investment Company Act of 1940, as amended (the "1940 Act"). The Fund's principal office is located at 400 Park Avenue, New York, New York 10022, and its telephone number is 1-888-889-0799.

USE OF PROCEEDS

The Fund will invest the proceeds of the offering of shares in accordance with the Fund's investment objective and principal investment strategies as stated below.

INVESTMENT OBJECTIVE AND PRINCIPAL INVESTMENT STRATEGIES

When used in this Prospectus, the term "invest" includes both direct investing and indirect investing and the term "investments" includes both direct investments and indirect investments. For example, the Fund may invest indirectly by investing through investment in one or more Segregated Accounts. The Fund may be exposed to the different types of investments described below through such "indirect" investments.

INVESTMENT OBJECTIVE

The Fund seeks to provide total return consisting of income and capital appreciation. There can be no assurance that the Fund will achieve its investment objective.

The Fund's investment objective may be changed without shareholder approval. The Fund will provide notice prior to implementing any change to its investment objective.

PRINCIPAL INVESTMENT STRATEGIES

The Fund generally pursues its investment objective by focusing on particular types of reinsurance investments providing exposure to the insurance risk of natural catastrophes, such as hurricanes and earthquakes. The Fund normally implements its investment strategies by investing significantly in structured reinsurance investments ("Structured Investments"), such as equity-linked notes ("ELNs") and preferred shares, issued by insurance company segregated accounts or special purpose vehicles ("Segregated Accounts") whose return is tied to underlying industry loss warranties ("ILWs") and/or catastrophe bonds ("Cat Bonds," also known as event-linked bonds). Under normal circumstances, the Fund invests primarily in instruments designed to provide exposure to ILWs and/or Cat Bonds, and at least 70% of its total assets in investments designed to provide exposure to ILWs.

In selecting and/or evaluating direct and indirect investments, the Adviser uses a combination of quantitative and qualitative analysis, considering, among other things, data and information obtained from third party models. In particular, the Adviser relies on research provided by two of the leading catastrophe risk modeling companies, which seek to measure catastrophe risks on a probabilistic basis, using simulation techniques. The Adviser analyzes each direct investment and each investment made by a Segregated Account on an individual basis and relative to potential impact within the Fund's entire portfolio. Each investment is assigned a probability of loss based on the modeled projections of an event occurring. In selecting ILWs or Structured Investments with exposure to ILWs, the Adviser considers a wide range of factors, both in terms of portfolio level diversification, as well as broader trends impacting the potential investments, including cyclical seasonal forecasts (i.e., short- to medium-term) and secular/historical data (i.e., long-term averages). The Adviser has been investing in and analyzing investments in the reinsurance market since 2013. The Adviser currently has full transparency into the holdings of each Segregated Account in which the Fund expects to make a Structured Investment.

In implementing the Fund's investment strategy, the Adviser generally seeks to invest directly or indirectly in ILWs and Cat Bonds tied to a varied group of available perils and geographic regions.

The Fund currently gains a significant amount of its exposure to ILWs and Cat Bonds indirectly through Structured Investments in the form of ELNs issued by Segregated Accounts (specifically, segregated accounts, each with distinct and segregated assets and liabilities under Bermuda law and a separate stream of earnings) of NB Reinsurance Ltd., a Bermuda Class 3 insurer registered under the Segregated Accounts Companies Act 2000 of Bermuda as a segregated accounts company ("NB Re"). The Fund normally invests approximately 80% of its assets, on average over time, in Segregated Accounts of NB Re. The Fund will generally not invest more than 25% of its assets in any one such Segregated Account. See "Segregated Accounts of NB Re" under "Principal portfolio composition – Structured reinsurance investments" below.

Many of the ILWs and/or Cat Bonds to which the Fund will have exposure will be shorter-term instruments that are seasonal in nature. ILWs may be documented as insurance contracts or as swaps. All references in this Prospectus to ILWs include ILWs documented in the form of swaps or other derivatives. The Segregated Accounts which issue the Structured Investments normally hold cash and/or cash equivalents when not holding ILWs and/or Cat Bonds, and these periods may be as long as several months.

The Fund may invest in registered investment companies, such as exchange-traded funds ("ETFs"), that invest in insurance- or reinsurance-related securities.

In addition to the above, the Fund may invest in a broad range of other types of equity securities and debt securities, including instruments and obligations of U.S. and non-U.S. corporate and other non-governmental entities, those of U.S. and non-U.S. governmental entities (including government agencies and instrumentalities), floating rate loans and other floating rate securities, subordinated debt securities, certificates of deposit, money market securities, funds that invest primarily in debt securities, and cash, cash equivalents and other short term holdings.

The Fund's other investments may have fixed or variable principal payments and all types of interest rate and dividend payment and reset terms, including fixed rate, adjustable rate, floating rate, contingent, deferred, payment in kind and auction rate features. The Fund's investments may include instruments that allow for balloon payments or negative amortization payments.

To the extent consistent with the repurchase liquidity requirement of an interval fund, the Fund may invest without limitation in illiquid securities.

The Fund's investment strategies and policies may be changed from time to time without shareholder approval, unless specifically stated otherwise in this Prospectus or in the SAI.

Principal portfolio composition

Under normal circumstances, the Fund invests primarily in instruments designed to provide exposure to ILWs and/or Cat Bonds, and at least 70% of its total assets in investments designed to provide exposure to ILWs. The Fund currently gains a significant amount of its exposure to ILWs and Cat Bonds indirectly through investments in Structured Investments in the form of ELNs issued by Segregated Accounts of NB Re.

Structured reinsurance investments

The Fund currently gains a significant percentage of its exposure to ILWs and Cat Bonds by holding Structured Investments, primarily ELNs issued by Segregated Accounts (specifically, segregated accounts) of NB Re. Structured Investments are privately structured securities utilized to gain exposure to the reinsurance market. These customizable instruments facilitate risk-transfer from insurance markets to capital market investors. The Fund, as holder of a Structured Investment, participates in the premiums and losses associated with the underlying ILWs and/or Cat Bonds. Structured Investments are generally considered illiquid investments by the Fund.

The Adviser currently has full transparency into the holdings of each Segregated Account in which the Fund expects to make a Structured Investment.

The reinsurance market is highly cyclical, with coverage being written at the beginning of the year and midyear for coverage for the following 12 months. The pricing of reinsurance is also highly cyclical as premiums for reinsurance coverage are driven, in large part, by insurers' recent loss experience.

Segregated Accounts of NB Re

As of the date of this Prospectus, NB Re has created twenty Segregated Accounts, each with distinct and segregated assets and liabilities under Bermuda law and a separate stream of earnings. NB Re may create additional Segregated Accounts. Each of the Segregated Accounts has an unlimited term. A Segregated Account is not exposed to the financial condition or backing of NB Re or any other Segregated Account. The holders of interests in a Segregated Account may, in that capacity, share only in the income, and bear only the losses, of that Segregated Account, and not of any other Segregated Account or of the general account of NB Re. Each Segregated Account has a separate board of managers. No manager of any Segregated Account is affiliated with NB Re, Neuberger Berman (as defined below) or their respective affiliates.

Each Segregated Account has issued common shares which are held by Neuberger Berman Group LLC, an investment fund partnership ("Neuberger Berman"). All common shares of the general account of NB Re are held by Neuberger Berman and other funds that are managed by the entity that manages Neuberger Berman or one or more of their affiliates. Neuberger Berman holds more of such common shares than any other owner. The common shares are expected to represent only a small economic interest in the respective issuing Segregated Account. The common shares entitle the holder to possess all voting power in respect of a Segregated Account. Neuberger Berman has assigned all of its voting rights attendant to the common shares of the Segregated Accounts among three independent third party administrators. No administrator holds more than 45% of the voting power of the Segregated Accounts in the aggregate, determined on a net asset value dollar-weighted basis. The voting rights are held by the administrators pursuant to contractual arrangements between the administrators and the holders of the common shares. Each administrator independently exercises its voting rights, including with respect to the election of the board of managers of each Segregated Account with respect to which it has voting rights. These arrangements with the independent third party administrators may not be terminated prior to the expiration thereof, provided that Neuberger Berman has the right to terminate an arrangement in the case of malfeasance of the relevant administrator in the discharge of its duties under the arrangement. Upon the expiration of the term of an arrangement which is not renewed, or in the event of the termination by Neuberger Berman of an arrangement, a new arrangement will be entered into with respect to each relevant Segregated Account with a new independent third party administrator meeting certain minimum specified criteria.

Each Segregated Account has also issued non-voting preferred sharing interests, which represent economic interest in the respective Segregated Account. The Fund does not and will not invest in the preferred sharing interests issued by each Segregated Account. The non-voting preferred sharing interests are held directly or indirectly by an unregistered hedge fund and other stakeholders which are not affiliated with the Fund or the Adviser. The hedge fund is advised by an affiliate of NB Re and could create an actual or potential conflict of interest to favor holders of preferred sharing interests. For example, a Segregated Account in which the hedge fund is invested and the Fund is not invested may receive an investment opportunity not allocated to a Segregated Account in which the Fund is invested.

Each Segregated Account may also issue ELNs, a type of Structured Investment. The ELNs are direct, unsecured and unsubordinated obligations of the respective Segregated Accounts and rank pari passu with the preferred sharing interests issued by each Segregated Account. Each ELN is expected to have a term of ten years from initial issue and will include a variety of redemption rights. The Fund will have the right to redeem the ELNs on a quarterly basis subject to certain limitations based on the expected levels of liquidity in the Segregated Accounts during the year, including the right to redeem in full each January. Upon the occurrence of certain events, the ELNs will be mandatorily redeemed or the Fund will have the right to redeem in full. The Fund may sell the ELNs without the consent of NB Re or NB Re's affiliates. The return on the ELNs issued in respect of a Segregated Account is linked to the performance of the preferred sharing interests issued in respect of that Segregated Account. The amount payable on the ELNs will be reduced by any losses on the underlying holdings of the issuing Segregated Account, and such a reduction could result in a partial or full loss of principal on the ELNs. The terms of the ELNs may only be amended with the consent of the holders. The Fund may, in the complete and sole discretion of the Adviser, advance funds to a Segregated Account in exchange for an ELN or exercise the redemption rights provided under an ELN issued by a Segregated Account. The Adviser currently has full transparency into the holdings of each Segregated Account. There is no requirement or understanding that the Fund will invest in any Segregated Account or that the investments in ELNs or redemptions of ELNs by the Fund will be made on a ratable basis across the Segregated Accounts.

None of the Segregated Accounts are expected to meet the definition of "investment company" contained in Section 3(a) of the 1940 Act, because none is expected to hold a meaningful amount of securities. Nonetheless, due to the character of each Segregated Account's investor base, it is expected that each Segregated Account will qualify for the exception from the definition of "investment company" provided in Section 3(c)(7) of the 1940 Act.

The primary business of each Segregated Account is entering into ILWs. The Segregated Accounts may also make investments in Cat Bonds. The Segregated Accounts may use leverage. Many of the ILWs and/or Cat Bonds held by the Special Purposes Entities are shorter-term instruments that are seasonal in nature. ILWs may be documented as insurance contracts or as swaps. All references in this Prospectus to ILWs include ILWs documented in the form of swaps or other derivatives. The Segregated Accounts normally hold cash and/or cash equivalents when not holding ILWs and/or Cat Bonds, and these periods may be as long as several months.

Each Segregated Account is expected to have a distinct risk profile and will hold only those investments which meet the investment guidelines for that Segregated Account as agreed by the Segregated Account and the Fund. The investment guidelines for a Segregated Account may only be amended with the consent of the Fund. The investment guidelines of each Segregated Account are generally distinct from each other Segregated Account by geography, risk, coverage level, insureds and type. For example, while one Segregated Account may focus on all natural perils risks impacting Europe, while another may focus on wind events impacting the U.S., and another may focus on earthquakes in Japan, Australia and New Zealand. In addition, a limited number of Segregated Accounts may focus on a specific type of insurance loss trigger. For example, one Segregated Account may focus on contracts with an "aggregate" trigger (i.e., by reference to the total amount of loss over a series of qualifying events for the term of the contract), while another may focus on contracts that can be triggered by single events above the determined damage threshold. It is possible that, in limited circumstances, two Segregated Accounts may invest in the same ILW or Cat Bond, but such overlap is expected to be immaterial relative to such Segregated Accounts' other holdings and their other assets would be distinct and unique to the respective Segregated Account. Under adverse or unstable conditions and with the consent of the Fund, a Segregated Account may deviate from its investment guidelines.

The Adviser, currently with full transparency into the holdings of each Segregated Account, has complete and sole discretion to choose in which Segregated Account the Fund invests and how to allocate the Fund's assets among the Segregated Accounts.

Premium payments received by a Segregated Account of NB Re are generally not distributed to the Fund, but are instead reinvested consistent with the investment guidelines of that Segregated Account.

Industry loss warranties

Although the Fund currently invests primarily indirectly in ILWs through its investments in Structured Investments, the Fund reserves the ability to invest without limit directly in ILWs. ILWs are a type of short-term reinsurance contract whereby one party agrees to a set payment to its counterparty if insurance industry losses, as determined by an independent, third-party assessor, exceed a specified trigger amount.

ILWs are instruments that are privately negotiated among insurance companies, corporations, financial investors and public entities that seek to minimize commercial disruption in the event of the occurrence of natural disasters that negatively impact business operations. ILWs typically cover, among other things, natural catastrophe events, such as tornadoes, hurricanes, typhoons and windstorms in the United States, Japan and Europe, and earthquakes in the United States and Japan. For example, the buyer of a "$10 million limit US Wind ILW attaching at $2 billion" will pay an upfront premium to a protection writer (i.e., the reinsurer or a Segregated Account) and in return will receive $10 million if total losses to the insurance industry from a single U.S. hurricane exceed $2 billion. The industry loss ($2 billion in this case) is often referred to as the "trigger" and is reported by an independent third party after an event has occurred. The amount of protection offered by the contract ($10 million in this case) is referred to as the "limit." The Fund or Segregated Account, as holder of the ILW or ILW Instrument, would be entitled to a return linked to the premium paid by the buyer and the occurrence or non-occurrence of the trigger event. If the trigger event occurs, the Fund or Segregated Account may lose all or a substantial portion of its investment.

The Adviser currently expects that all or substantially all of the ILWs in which the Fund directly or indirectly invests will be fully collateralized by the counterparties to seek to minimize counterparty risk. In a typical ILW transaction, the counterparty will contribute an agreed-upon premium to an independently administered collateral trust at the commencement of the contract and the Fund or the Segregated Account will contribute funds to such collateral trust in respect of an agreed-upon limit of coverage.

If, within the contract's duration the insured loss event does not occur in a specified magnitude and within pre-determined durations, as determined by an agreed-upon, independent, third-party assessor, all amounts placed in the collateral trust will be released to the Fund or Segregated Account. If the insured event does occur, all of the amounts placed in the collateral trust will be released to the counterparty. Due to the time required to determine triggering events, in some cases, it may take a significant period of time for the underlying transaction to be completed and funds appropriately released.

Catastrophe bonds

Although the Fund currently primarily invests in Cat Bonds (sometimes referred to as insurance-linked bonds or event-linked bonds) on an indirect basis through its investments in Structured Investments, the Fund reserves the ability to invest without limit directly in such instruments. Cat Bonds are instruments that transfer risk from an issuer (such as an insurance company or a reinsurance company) to capital markets investors.

Cat Bonds are often structured as floating rate debt obligations for which the return of principal and the payment of interest are contingent on the non-occurrence of a pre-defined "trigger" event, such as a hurricane or an earthquake of a specific magnitude. The trigger event's magnitude may be based on losses to a company or industry, industry indexes or readings of scientific instruments, or may be based on specified actual losses. If a trigger event, as defined within the terms of a Cat Bond, occurs, the Fund may lose a portion or all of its accrued interest and/or principal invested in such Cat Bond or investment in Structured Investments with exposure to such Cat Bond. The Fund is entitled to receive principal and interest payments so long as no trigger event occurs of the description and magnitude specified by the instrument.

As mentioned above, the Fund may invest in different types of Cat Bonds where the trigger event may be based on issuer company-wide losses ("indemnity triggers"), the occurrence of a catastrophic event with certain defined physical parameters (e.g., wind speed and location of a hurricane or magnitude and location of an earthquake) ("parametric triggers"), the estimated loss for the insurance industry as a whole from a particular catastrophe (where estimates are derived from a reporting service, such as Property Claim Services) ("industry loss triggers"), and a catastrophe-modeling firm's database estimate of an industry loss, or a company's losses compared to a modeling firm's industry estimate of losses ("modeled loss triggers"). Certain investments may have multiple triggers or a combination of the different types of triggers ("hybrid triggers"). For example, a hybrid trigger could involve the occurrence of both a U.S. hurricane and a Japanese earthquake with a different kind of index trigger for each. Another example of a hybrid trigger involves different trigger types occurring in a particular sequence. For example, after the occurrence of a qualifying U.S. earthquake, a modeled-loss index is used to establish a company's overall market share, and then applied to the industry loss index associated with the qualifying event to determine any principal reduction.

Cat Bonds may have trigger events related to a broad range of insurance risks, which can be broken down into three major categories: natural risks, weather risks and non-natural events. Investments in Cat Bonds with trigger events related to natural risks generally provide coverage for natural catastrophes, such as hurricanes and earthquakes. Investments in Cat Bonds linked to weather risks provide insurance to companies, or insurers of companies, whose sales depend on the weather and provide a hedge on the impact of weather-related risks. For example, a weather Cat Bond could provide coverage based on the average temperature in a region over a given period. Investments in Cat Bonds linked to non-natural risks could cover a much broader array of insurable risks, such as aerospace and shipping catastrophes.

Certain Cat Bonds may cover the risk that multiple loss events will occur. While the Fund intends to generally invest in Cat Bonds with trigger events related to natural risks, the Fund has no limit as to the types of events, geographic areas or thresholds of loss referenced by Cat Bonds in which it can invest.

Some Cat Bonds reference only a single event. Other Cat Bonds may reference multiple events, the occurrence of any one (or other number) of which would satisfy these criteria.

Cat Bonds may be issued by government agencies, insurance companies, reinsurers, special purpose corporations or other U.S. or non-U.S. entities. Cat Bonds are often rated by at least one nationally recognized statistical rating organization ("NRSRO"), but also may be unrated. The rating for a Cat Bond, if any, primarily reflects the rating agency's calculated probability that a trigger event will occur. This rating also assesses the Cat Bond's credit risk and the model used to calculate the probability of a trigger event. Cat Bonds are often rated below investment grade or unrated. The Fund generally invests in Cat Bonds that are rated below investment grade or are unrated, but determined by the Adviser to be of comparable credit quality as below investment grade.

The majority of the Fund's direct or indirect investments in Cat Bonds are typically held in collateral trust accounts in conjunction with the formal bond offering. Funds within such collateral account generally are assigned by way of security interest to a trustee pursuant to a deed of charge.

Derivatives

The Fund may have exposure to ILWs documented in the form of swaps or other derivatives through its investments in Structured Investments, but does not expect to invest directly in derivatives instruments.

To the extent obligations created by the Fund's use of derivatives may be deemed to create senior securities, the Fund will segregate or earmark liquid assets with its custodian in accordance with 1940 Act Release No. 10666 (Apr. 18, 1979), and the guidance of related no-action letters issued by the Securities and Exchange Commission ("SEC"), to cover these obligations. The use of leverage may cause the Fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet segregation requirements. The loss on leverage transactions may substantially exceed the initial investment.

Rule 18f-4 under the 1940 Act provides a comprehensive regulatory framework for the use of derivatives by registered investment companies, such as the Fund, and imposes new requirements and restrictions on investments in derivatives made by such investment companies, including establishing a new asset segregation framework previously used by funds to comply with Section 18 of the 1940 Act. Unless a fund qualifies as a "limited derivatives user," as defined under new Rule 18f-4, the new rule, among other things, requires the fund to adopt and implement a derivatives risk management program ("DRMP") and comply with a relative or absolute limit on fund leverage risk calculated based on value-at-risk ("VaR"). The DRMP is administered by a "derivatives risk manager," who is appointed by a fund's board and periodically reviews the DRMP and reports to the board. Generally, the full requirements of Rule 18f-4 do not apply to a fund if it uses derivative instruments in a limited amount, and therefore, qualifies as a "limited derivatives user," as defined in the rule. The Fund intends to qualify as a "limited derivatives user" as defined in Rule 18f-4, and has adopted policies and procedures to monitor compliance with such qualification. In addition, Rule 18f-4 provides special treatment for reverse repurchase agreements and similar financing transactions and unfunded commitment agreements. With the Fund's transition to reliance on Rule 18f-4, as applicable, the Fund's approach to asset segregation or "earmarking" and coverage requirements with respect to derivatives and similar instruments is no longer applicable. The Fund may still segregate cash or other liquid or other assets to cover the funding of its obligations under derivatives contracts or make margin payments when it takes positions in derivatives involving obligations to third parties. The requirements of Rule 18f-4 may limit the Fund's ability to engage in derivatives transactions as part of its investment strategies. These requirements may also increase the cost of the Fund's investments and cost of doing business, which could adversely affect the value of the Fund's investments and/or the performance of the Fund. The rule also may not be effective in limiting the Fund's risk of loss from derivatives. There may be additional regulation of the use of derivatives by registered investment companies which could significantly affect their use. The ultimate impact of the new regulations remains unclear. Additional regulation of derivatives may make them more costly, limit their availability or utility, or otherwise adversely affect their performance or disrupt markets.

Other investment companies

The Fund may invest in the securities of other registered investment companies, including ETFs and money market funds, to the extent that such investments are consistent with the Fund's investment objective and policies and permissible under the 1940 Act and the rules thereunder. Investment in other registered investment companies may provide the Fund with exposure to segments of the insurance and reinsurance market represented by another fund at times when the Fund might not be able to buy the particular type of securities directly. The Fund, as a holder of the securities of other investment companies, will bear its pro rata portion of the other investment companies' expenses, including advisory fees. These expenses are in addition to the direct expenses incurred by the Fund. The Fund does not intend to invest in other investment companies unless the Adviser believes that the potential benefits of the investment justify the payment of any premiums or sales charges. Absent certain statutory exceptions and exemptive rules, the Fund's investments in the securities of other investment companies are subject to the limits that apply to those types of investments under the 1940 Act. However, under Rule 12d1-4, the Fund may invest in other investment companies, including ETFs, in excess of these limits, subject to certain conditions.

Liquidity and restricted securities

A significant percentage of the ILWs and Cat Bonds in which the Fund invests are legally restricted as to resale pursuant to Section 4(2) of the Securities Act of 1933, as amended (the "1933 Act"), and securities eligible for resale pursuant to Rule 144A thereunder. Certain Section 4(2) and Rule 144A securities may be treated as liquid securities pursuant to procedures adopted by the Board of Trustees, and most or all of the Cat Bonds in which the Fund invests are considered liquid securities. Even if determined to be liquid, holdings of Rule 144A securities may increase the level of fund illiquidity if eligible buyers become uninterested in purchasing them. Other insurance- and reinsurance-related, are generally considered illiquid securities by the Fund. The Fund may invest substantially in illiquid securities.

Other investments

Floating rate investments

Floating rate investments are securities and other instruments with interest rates that adjust or "float" periodically based on a specified interest rate or other reference and include repurchase agreements, money market securities and shares of money market and short-term bond funds. For purposes of the Fund's investment policies, the Fund considers as floating rate instruments adjustable rate securities, fixed rate securities with durations of less than or equal to one year, and funds that invest primarily in floating rate instruments.

Floating rate loans

Floating rate loans are provided by banks and other financial institutions to large corporate customers. These loans are rated below investment grade, but typically are secured with specific collateral and have a senior position in the capital structure of the borrower. These loans typically have rates of interest that are reset periodically by reference to a base lending rate, such as the London Interbank Offered Rate ("LIBOR") or Secured Overnight Financing Rate ("SOFR"), plus a premium.

Non-U.S. investments

The Fund may invest without limit in securities of non-U.S. issuers, including securities of emerging market issuers. Because the majority of (re)insurance-related security issuers are domiciled outside the United States, the Fund normally invests significant amounts of its assets in non-U.S. securities. Non-U.S. issuers are issuers that are organized and have their principal offices outside of the United States. Non-U.S. securities may be issued by non-U.S. governments, banks or corporations, or private issuers, and certain supranational organizations, such as the World Bank and the European Union.

Below investment grade debt securities

The Fund may invest in debt securities rated below investment grade or, if unrated, of equivalent quality as determined by the Adviser. Below investment grade securities, which are commonly referred to as "junk" bonds, have high risk, speculative characteristics. A debt security is below investment grade if it is rated Ba/BB or lower or the equivalent rating by at least one NRSRO or determined to be of equivalent credit quality by the Adviser. Below investment grade debt securities involve greater risk of loss, are subject to greater price volatility and are less liquid, especially during periods of economic uncertainty or change, than higher quality debt securities. Below investment grade securities also may be more difficult to value.

If a security receives different ratings from two or more NRSROs, the Fund will use the rating chosen by the Portfolio Managers as most representative of the security's credit quality. The ratings of NRSROs represent their opinions as to the quality of the securities that they undertake to rate and may not accurately describe the risks of the securities. An NRSRO may have a conflict of interest with respect to a security for which it assigns a quality rating. In addition, there may be a delay between a change in the credit quality of a security or other asset and a change in the quality rating assigned to the security or other asset by an NRSRO. If an NRSRO changes the quality rating assigned to one or more of the Fund's portfolio securities, the Adviser will consider if any action is appropriate in light of the Fund's investment objective and strategies. An investor can still lose significant amounts when investing in investment grade securities.

Equity securities

Equity securities include common stocks, warrants and rights, as well as "equity equivalents" such as preferred stocks and securities convertible into common stock. The equity securities in which the Fund invests may be publicly or privately offered. Preferred stocks generally pay a dividend and rank ahead of common stocks and behind debt securities in claims for dividends and for assets of the issuer in a liquidation or bankruptcy. The dividend rate of preferred stocks may cause their prices to behave more like those of debt securities. A convertible security is one that can be converted into or exchanged for common stock of an issuer within a particular period of time at a specified price, upon the occurrence of certain events or according to a price formula. Convertible securities offer the Fund the ability to participate in equity market movements while also seeking some current income. Convertible debt securities pay interest and convertible preferred stocks pay dividends until they mature or are converted, exchanged or redeemed. The Fund considers some convertible securities to be "equity equivalents" because they are convertible into common stock. The credit ratings of those convertible securities generally have less impact on the investment decision, although they may still be subject to credit and interest rate risk.

Reverse repurchase agreements and borrowing

The Fund may enter into reverse repurchase agreements pursuant to which the Fund transfers securities to a counterparty in return for cash, and the Fund agrees to repurchase the securities at a later date and generally for a higher price. Reverse repurchase agreements are treated as borrowings by the Fund, are a form of leverage and may make the value of an investment in the Fund more volatile and increase the risks of investing in the Fund. The Fund also may borrow money from banks or other lenders, including to finance repurchase requests. Entering into reverse repurchase agreements and other borrowing transactions may cause the Fund to liquidate positions when it may not be advantageous to do so in order to satisfy its obligations or to meet segregation requirements.

Repurchase agreements

The Fund may enter into repurchase agreements with broker-dealers, member banks of the Federal Reserve System and other financial institutions. Repurchase agreements are arrangements under which the Fund purchases securities and the seller agrees to repurchase the securities within a specific time and at a specific price. The repurchase price is generally higher than the Fund's purchase price, with the difference being income to the Fund. A repurchase agreement may be considered a loan by the Fund collateralized by securities. Under the direction of the Board of Trustees, the Adviser reviews and monitors the creditworthiness of any institution which enters into a repurchase agreement with the Fund. All repurchase agreements entered into by the Fund shall be fully collateralized with U.S. Treasury and/or agency obligations at all times during the period of the agreement in that the value of the collateral shall be at least equal to an amount of the loan, including interest thereon. Collateral is held by the Fund's custodian in a segregated safekeeping account for the benefit of the Fund. Repurchase agreements afford the Fund an opportunity to earn income on temporarily available cash. In the event of commencement of bankruptcy or insolvency proceedings with respect to the seller of the security before repurchase of the security under a repurchase agreement, the Fund may encounter delay and incur costs before being able to sell the security. Such a delay may involve loss of interest or a decline in price of the security. If the court characterizes the transaction as a loan and the Fund has not perfected a security interest in the collateral, the Fund may be required to return the collateral to the seller's estate and be treated as an unsecured creditor of the seller. As an unsecured creditor, the Fund would be at risk of losing some or all of the principal and interest involved in the transaction.

Cash management and temporary investments

Normally, the Fund invests substantially all of its assets to meet its investment objective. The Fund may invest the remainder of its assets in securities with remaining maturities of less than one year or cash equivalents, or may hold cash. For temporary defensive purposes, including during periods of unusual cash flows, the Fund may depart from its principal investment strategies and invest part or all of its assets in these securities or may hold cash. To the extent that the Fund has any uninvested cash, the Fund would also be subject to risk with respect to the depository institution holding the cash. During such periods, it may be more difficult for the Fund to achieve its investment objective. The Fund may adopt a defensive strategy when the Adviser believes securities in which the Fund normally invests have special or unusual risks or are less attractive due to adverse market, economic, political or other conditions.

Short-term trading

The Fund usually does not trade for short-term profits. The Fund will sell an investment, however, even if it has only been held for a short time, if it no longer meets the Fund's investment criteria. If the Fund does a lot of trading, it may incur additional operating expenses, which would reduce performance, and could cause shareowners to incur a higher level of taxable income or capital gains.

RISK FACTORS

Risk is inherent in all investing. Investing in any investment company security involves risk, including the risk that you may receive little or no return on your investment. Therefore, before purchasing shares of the Fund, you should consider carefully the following risks that you assume when you invest in the Fund.

PRINCIPAL RISKS

General

The Fund is a non-diversified, closed-end management investment company designed primarily as a long-term investment and not as a trading tool. The Fund is not a complete investment program and should be considered only as an addition to an investor's existing portfolio of investments. Because the Fund predominantly provides exposure to ILWs and Cat Bonds, which may carry risk similar to below investment grade (high yield) debt securities, an investment in the Fund's shares is speculative in that it involves a high degree of risk. Due to uncertainty inherent in all investments, there can be no assurance that the Fund will achieve its investment objective. In addition, even though the Fund makes periodic offers to repurchase a portion of its outstanding shares to provide some liquidity to shareholders, shareholders should consider the Fund to be an illiquid investment.

Insurance and reinsurance investments risk

A principal risk of an investment in insurance and reinsurance instruments is that a triggering event(s) (e.g., natural events, such as a hurricane, tornado or earthquake of a particular size/magnitude in a designated geographic area) will occur and the Fund will lose all or a significant portion of the principal it has invested in the security and the right to additional interest and/or dividend payments with respect to the security and an investor will lose money. If multiple triggering events occur that impact a significant portion of the portfolio of the Fund, the Fund could suffer substantial losses. A significant portion of the Fund's assets will generally have exposure to ILWs and Cat Bonds tied to natural events and there is inherent uncertainty as to whether, when, where and to what extent such events will occur. There is no way to accurately predict whether a triggering event will occur and, because of this significant uncertainty, insurance and reinsurance investments carry a high degree of risk. The Fund is subject to the principal risks described herein, whether through the Fund's (i) direct investments, (ii) indirect investment through one or more Segregated Accounts, or (iii) other investments.

Risks of investing in structured reinsurance investments

Structured Investments, such as ELNs and preferred shares, are generally subject to the same risks as the underlying ILWs and/or Cat Bonds, as applicable.

The Fund's successful use of Structured Investments will generally depend on, among other things, the Adviser's quantitative and qualitative analysis of various factors, including the probability of the occurrence of trigger events in the underlying ILWs and/or Cat Bonds. Should the price of the underlying ILWs and/or Cat Bonds move in an unexpected manner, should a triggering event occur on one or more underlying ILWs and/or Cat Bonds, or should the structure of the Structured Investment respond to market conditions differently than anticipated, the Fund may not achieve the anticipated benefits of the investment in the Structured Investment, and it may realize losses, which could be significant and could include the Fund's entire principal investment.

Structured Investments are generally considered illiquid securities by the Fund. An investor in Structured Investments participates in the premiums and losses associated with the underlying ILWs and/or Cat Bonds. Premium payments received by a Segregated Account of NB Re will generally not be distributed to the Fund, but will instead be reinvested consistent with the investment guidelines of that Segregated Account. Structured Investments may be difficult to value.

Segregated Accounts which issue Structured Investments have operating fees and expenses separate from the fees and expenses that the Fund bears directly in connection with its own operations. The Fund will indirectly bear its allocated share of the operating fees and expenses assessable to the holders of those Structured Investments in which the Fund invests. Such fees and expenses, which are not reflected in the fee table and example below, reduce the return to the Fund on such investments and affect its performance.

Risks of investing in industry loss warranties

ILWs are exposed to catastrophic risks that can lead to binary performance of individual transactions. Events that trigger most payouts with respect to ILWs have historically been fairly rare and as such the probability of their occurrence may be difficult to predict. The performance of ILWs depends on determination of industry losses by a recognized third-party assessor. This dependency may cause substantial delays in either releasing the ILW collateral and premium funds to the Fund or paying it to the reinsured party, because the third-party assessor may require time to issue its findings of industry losses. Such delays are typically between one to six months but, in unusual circumstances, may extend up to 36 months or more. Contracts for ILWs typically contain clauses that allow collateral release upon review of certain loss thresholds relative to certain time intervals—the "loss development period." For instance, if a third party assessor estimates at a set point in time that industry-insured losses for the relevant specific event are $15 billion, and the ILW transaction in question is triggered at an industry loss of more than $30 billion, the ILW collateral would normally be released at the time of such determination. In general, if the initial estimated loss is less than 50% of the trigger value, the ILW is released at the defined date of estimation; otherwise, release may be delayed. The majority of the ILWs in which the Fund expects to have exposure are structured so as to release collateral either at the defined date of estimation, assuming no losses or within a twenty-four month loss development period. The Adviser generally seeks to gain exposure to ILW commitments structured to limit any conditional lock-up period to the extent commercially reasonable, but there can be no assurance such conditional lock-up period will coincide with the intended duration of the Fund's investment. It is not expected that any delay will have a material impact on the Fund's ability to make required distributions in order to qualify as a regulated investment company. ILWs in which the Fund invests may be documented as swaps. Such ILW swaps will also be subject to Swaps Risk.

Generally, there will be no readily-available market for ILWs. ILWs are considered illiquid securities by the Fund.

Risks of investing in catastrophe bonds

Cat Bonds (also known as event-linked bonds) carry large uncertainties and major risk exposures to adverse conditions. If a trigger event, as defined within the terms of a Cat Bond, involves losses or other metrics exceeding a specific magnitude in the geographic region and time period specified, the Fund may lose a portion or all of its accrued interest and/or principal invested in such security. Because Cat Bonds cover "catastrophic" events that, if they occur, will result in significant losses, Cat Bonds carry a high degree of risk of loss and carry risk similar to "high yield" or "junk" bonds. The rating of a Cat Bond, if any, primarily reflects the rating agency's calculated probability that a pre-defined trigger event will occur. Thus, lower-rated bonds have been determined to have a greater likelihood of a triggering event occurring and loss to the Fund. Most rating agencies rely upon one or more of the reports prepared by the following three independent catastrophe-modeling firms: EQECAT, Inc., AIR Worldwide Corporation and Risk Management Solutions, Inc. The Adviser may use reports from one or more of these modeling firms as part of its investment process or may create its own internal risk model for this purpose. Different methodologies are used to evaluate the probability of various types of pre-defined trigger events. If the reports used by the rating agency are flawed, it may cause a rating agency to assign a rating to a Cat Bond that is not justified. Therefore, to the extent the Adviser relies on rating agency ratings to select securities for the Fund, the Fund may be exposed to greater risks. Additionally, because there are few major independent catastrophe-modeling firms, the effects of a flawed model or report issued by one or more of such firms will be magnified. In addition to the specified trigger events, Cat Bonds may expose the Fund to certain other risks, including but not limited to issuer (credit) default, adverse regulatory or jurisdictional interpretations and adverse tax consequences.

Swaps risk

The Fund may obtain swap exposure by investing indirectly in ILWs documented as swaps, which typically are contingent, or formulaically related to defined trigger events. Trigger events include hurricanes, earthquakes, weather-related phenomena and other criteria determined by independent parties. If a trigger event(s) occurs, the Fund may lose the swap's notional amount. As derivative instruments, ILW swaps are subject to risks in addition to the risks of investing in insurance- and reinsurance-related instruments, including risks associated with the counterparty and leverage.

Reinsurance market and reinvestment risk

The size of the reinsurance market may change over time, which may limit the availability of ILWs, Cat Bonds and/or Structured Investments for investment by the Fund. The original issuance of ILWs, Cat Bonds and Structured Investments in general, including these investments with desired instrument or risk characteristics, may fluctuate depending on the capital and capacity needs of reinsurers as well as the demand for such investments by institutional investors. The availability of ILWs, Cat Bonds and Structured Investments in the secondary market also may be limited by supply and demand dynamics and prevailing economic conditions. To the extent ILWs, Cat Bonds and Structured Investments held by the Fund mature, or the Fund must sell securities in connection with share repurchases, the Fund may be required to hold more cash or short-term instruments than it normally would until attractive reinsurance investments become available. Holding excess cash and/or reinvestment in securities that are lower yielding or less desirable than securities sold may negatively affect performance.

Illiquidity and restricted securities risk

To the extent consistent with the repurchase liquidity requirement of an interval fund, the Fund may invest without limitation in illiquid investments. Illiquidity risk is the risk that the investments held by the Fund may be difficult or impossible to sell at the time that the Fund would like or at the price that the Fund believes the security is currently worth. As a relatively new type of financial instrument, there is limited trading history for reinsurance investments, even for those instruments deemed to be liquid. There can be no assurance that a liquid market for the Fund's investments will exist or be maintained. At any given time, the Fund's portfolio may be substantially illiquid. The Fund's ability to realize full value in the event of the need to liquidate certain assets may be impaired and/or result in losses to the Fund. The Fund may be unable to sell its investments, even under circumstances when the Adviser believes it would be in the best interests of the Fund to do so. Illiquid investments may also be difficult to value and their pricing may be more volatile than more liquid investments, which could adversely affect the price at which the Fund is able to sell such instruments. Illiquidity risk also may be greater in times of financial stress. The risks associated with illiquid instruments may be particularly acute in situations in which the Fund's operations require cash (such as in connection with repurchase offers) and could result in the Fund borrowing to meet its short-term needs or incurring losses on the sale of illiquid instruments.

Certain of the instruments in which the Fund may invest are subject to restrictions on resale by the federal securities laws or otherwise, such as securities offered privately pursuant to Section 4(a)(2) of the Securities Act of 1933 (the "1933 Act") and securities issued pursuant to Rule 144A under the 1933 Act. While certain restricted securities may, notwithstanding their limitations on resale, be treated as liquid if the Adviser determines, pursuant to the applicable procedures, that such treatment is warranted, there can be no guarantee that any such determination will continue. Restricted securities previously determined to be liquid may subsequently become illiquid while held by the Fund. Even if such restricted securities are not deemed to be illiquid, they may nevertheless be difficult to value and the Fund may be required to hold restricted securities when it otherwise would sell such securities or may be forced to sell securities at a price lower than the price the Fund has valued such securities. This may result in losses to the Fund and investors.

Valuation risk

The sales price the Fund could receive for any particular portfolio investment may differ from the Fund's valuation of the investment, particularly for illiquid investments or investments that are valued using a fair value methodology. The Fund is subject to the risk that one or more of the securities in which the Fund invests are priced incorrectly, due to factors such as incomplete or inaccurate data or information, market instability or volatility, lack of a liquid secondary market or human error. In addition, pricing of insurance and reinsurance investments is subject to the added uncertainty caused by the inability to generally predict whether, when or where a natural disaster or other triggering event will occur, or if occurring or recently concluded, the magnitude of such events. A substantial portion of the Fund's investment is in Structured Investments are valued using a fair value methodology. The administrator of the Segregated Accounts provides a price for the Structured Investments on a periodic basis. Investors who purchase or submit repurchase requests for Fund shares may receive fewer or more shares or lower or higher repurchase request proceeds than they would have received if the securities had not been fair valued or if a different valuation methodology had been used.

The Adviser has been designated by the Board as the valuation designee (the "Valuation Designee") for the Fund pursuant to Rule 2a-5 under the 1940 Act with responsibility for fair valuation subject to oversight by the Board. The Adviser performs such valuation services pursuant to joint valuation procedures of the Fund and the Adviser. The Adviser has formed an internal fair value committee to assist with its designated responsibilities as the Valuation Designee.

Valuing securities in accordance with fair valuation procedures involves greater reliance on judgment than valuing securities based on readily available market quotations. Fair value pricing may require subjective determinations about the value of a security or other asset. As a result, there can be no assurance that fair value pricing will result in adjustments to the prices of securities or other assets, or that fair value pricing will reflect actual market value, and it is possible that the fair value determined for a security or other asset will be materially different from quoted or published prices, from the prices used by others for the same security or other asset and/or from the value that actually could be or is realized upon the sale of that security or other asset.

Reinsurance industry risk

The performance of the Fund's investments and the reinsurance industry itself are tied to the occurrence of various triggering events, including weather, natural disasters (hurricanes, earthquakes, etc.) and other specified events causing physical and/or economic loss. Triggering events are typically defined by three criteria: an event; a geographic area in which the event must occur; and a threshold of economic or physical loss (either actual or modeled) caused by the event, together with a method to measure such loss. Generally, the event is a natural peril of a kind that results in significant physical or economic loss. Natural perils include disasters such as hurricanes, earthquakes, windstorms, fires and floods. Major natural disasters in populated areas (such as in the cases of Hurricane Ian in Florida and the Carolinas in 2022, Hurricane Harvey in the Houston metropolitan area in 2017, Hurricane Irma in Florida and the Caribbean Islands in 2017, Superstorm Sandy in the New York City metropolitan area in 2012 and Hurricane Katrina in New Orleans in 2005) or related to high-value insured property (such as plane crashes) can result in significant losses and investors in ILWs, Cat Bonds and Structured Investments tied to such exposures may also experience substantial losses. If the likelihood and severity of natural and other large disasters increase, the risk of significant losses to reinsurers may increase. Typically, one significant triggering event (even in a major metropolitan area) will not result in financial failure to a reinsurer. However, a series of major triggering events could cause the failure of a reinsurer. Similarly, to the extent the Fund invests in ILWs, Cat Bonds or Structured Investments for which a triggering event occurs, losses associated with such event will result in losses to the Fund and a series of major triggering events affecting a large portion of the ILWs, Cat Bonds or Structured Investments held by the Fund will result in substantial losses to the Fund. In addition, unexpected events such as natural disasters or terrorist attacks could lead to government intervention. Political, judicial and legal developments affecting the reinsurance industry could also create new and expanded theories of liability or regulatory or other requirements; such changes could have a material adverse effect on the Fund.

Risk-modeling risk

The Adviser, in selecting investments for the Fund, may consider risk models created by independent third parties, the sponsor of a reinsurance-related security and/or a broker. The sponsor of a reinsurance-related security may be incentivized to skew risk models to minimize risks associated with such security in order to entice investors, thereby jeopardizing the integrity of the Adviser's investment analysis process. The Adviser may also consider its own risk models based on comparable prior transactions, quantitative analysis, and industry knowledge. Risk models are designed to assist investors, governments, and businesses understand the potential impact of a wide variety of catastrophic events and allow such parties to analyze the probability of loss in regions with the highest exposure.

The Adviser uses the output of the risk models before and after investment to assist the Adviser in assessing the risk of a particular reinsurance-related security or a group of such securities. Risk models are created using historical, scientific and other related data. Because such risk models are based in part upon historical data and averages, there is no guarantee that such information will accurately predict the future occurrence, location or severity of any particular catastrophic event and thus may fail to accurately calculate the probability of a trigger event and may underestimate the likelihood of a trigger event. In addition, any errors or imperfections in a risk model or in the data on which it is based or any technical issues with the construction of the models (including, for example, data problems and/or software or other implementation issues) could adversely affect the ability of the Adviser to use such analyses or models effectively, which in turn could adversely affect the Fund's performance. Risk models are used by the Adviser as one input in its risk analysis process for Fund investments. The Adviser also considers available information related to any known market impacts on the various investments within the parameters of the Fund's principal investment strategies.

Risks of investing in Segregated Accounts of NB Re

NB Re is a registered Bermuda Class 3 insurer. As such, it is subject to regulation and supervision in Bermuda. Bermuda insurance statutes, regulations and policies of the Bermuda Monetary Authority may affect NB Re's ability to write reinsurance policies or the ability of its segregated accounts to distribute funds. It is not presently intended that NB Re will be admitted to do business in any jurisdiction in the United States or elsewhere (other than Bermuda). However, there can be no assurance that insurance regulators in the United States or elsewhere will not review the activities of NB Re or related companies or its segregated accounts or agents and claim that NB Re is subject to such jurisdiction's licensing requirements. The process of obtaining licenses is very time consuming and costly, and NB Re may not be able to become licensed in a jurisdiction other than Bermuda, which could significantly and adversely affect NB Re's business by limiting its ability to conduct business as well as subjecting it to penalties and fines. If, in the future, NB Re becomes subject to any insurance laws of the United States or any state thereof or of any other jurisdiction, there is no assurance that it would be in compliance with those laws or that coming into compliance with those laws would not have a significant and negative effect on its business.

Because NB Re is incorporated in Bermuda, it is subject to changes of Bermuda law and regulation that may have an adverse impact on its operations, including imposition of tax liability or increased regulatory supervision. In addition, the Bermuda insurance and reinsurance regulatory framework has become subject to increased scrutiny in many jurisdictions, including in the United States and in various states within the United States. The future impact on NB Re's operations of any future changes in the laws and regulations to which it is or may become subject cannot be predicted.

Focused investing risk

At any given time, the Fund's investments or portfolio risks may be focused on particular types of reinsurance investments, on a limited group of available perils and geographic regions or in reinsurance contracts written by one or more reinsurers. Such focused investing could expose the Fund to losses disproportionate to other comparable funds.

The Fund concentrates in the financial services group of industries. Such concentration of risk may increase any losses suffered by the Fund. Issuers of ILWs, Cat Bonds and Structured Investments are generally classified as belonging to the financial services group of industries. Although, the Fund has no current intention to invest in banks or other issuers that may be commonly considered in the financial services group of industries, as a result of this categorization of reinsurance investments, the Fund may be subject to concentration risk. The industries within the financial services group of industries are subject to extensive government regulation, which can limit both the amounts and types of loans and other financial commitments they can make, and the interest rates and fees they can charge. Profitability can be largely dependent on the availability and cost of capital funds and the rate of corporate and consumer debt defaults, and can fluctuate significantly when interest rates change. Credit losses resulting from financial difficulties of borrowers can negatively affect the financial services group of industries. Insurance companies can be subject to severe price competition. The financial services group of industries are currently undergoing relatively rapid change as existing distinctions between financial service segments become less clear. For example, recent business combinations have included insurance, finance, and securities brokerage under single ownership. Non-U.S. financial services companies, including insurance companies, may be subject to different levels of regulation than that to which similar companies operating in the U.S. are subject. Similarly, to the extent the Fund has exposure to a significant extent in investments tied economically to a specific geographic region, country or a particular market, it will have more exposure to regional and country economic risks than it would if it had more geographically diverse investments.

Non-diversification risk

The Fund is classified as "non-diversified," which means that it can invest a higher percentage of its assets in the securities of any one or more issuers than a diversified fund. Being non-diversified may magnify the Fund's losses from adverse events affecting a particular issuer, and the value of its shares may be more volatile than if it invested more widely.

Market risk

The market prices of the Fund's securities may go up or down, sometimes rapidly or unpredictably, due to general market conditions, such as overall economic trends or events, government actions, market disruptions caused by trade disputes or other factors, political and geopolitical factors, economic sanctions, adverse investor sentiment, cybersecurity events, or local, regional or global events such as wars, terrorism, epidemics, pandemics or other public health issues These fluctuations may cause a security to be worth less than the price originally paid for it, or less than it was worth at an earlier time. Market risk may affect a single issuer, industry or sector of the economy, or the market as a whole. The increasing interconnectivity between global economies and financial markets increases the likelihood that events or conditions in one region or financial market may adversely impact issuers in a different country, region or financial market. The value of a Fund's investments may decline in tandem with a drop in the overall value of the stock market based on negative developments in the U.S. and global economies. Adverse market conditions may be prolonged and may not have the same impact on all types of investments. High public debt in the United States and other countries creates ongoing systemic and market risks and policymaking uncertainty. In addition, policy and legislative changes in the United States and in other countries are affecting many aspects of financial regulation, and may in some instances contribute to decreased liquidity and increased volatility in the financial markets. The impact of these changes, and the practical implications for market participants, may not be fully known for some time.

Raising the ceiling on U.S. Government debt has become increasingly politicized. Any failure to increase the total amount that the U.S. Government is authorized to borrow could lead to a default on U.S. Government obligations, with unpredictable consequences for economies and markets in the United States and elsewhere.

Recent Market Events. Periods of market volatility may occur in response to market events and other economic, political, geopolitical, and global macro factors. The COVID-19 pandemic, Russia's invasion of Ukraine, and higher inflation have resulted in extreme volatility in the financial markets, economic downturns around the world, and severe losses, particularly to some sectors of the economy and individual issuers, and reduced liquidity of certain instruments. These events caused significant disruptions to business operations, including business closures; strained healthcare systems; disruptions to supply chains and employee availability; large fluctuations in consumer demand; large expansion of government deficits and debt as a result of government actions to mitigate the effects of such events; and widespread uncertainty regarding the long-term effects of such events.

In March 2023, the financial distress of certain financial institutions raised economic concerns over disruption in the U.S. banking system and the solvency of certain financial services firms. There can be no certainty that the actions taken by the U.S. Government to strengthen public confidence in the U.S. banking system will be effective in mitigating the effects of financial institution failures on the economy and restoring public confidence in the U.S. banking system.

Any of the events described above could adversely affect the value and liquidity of a Fund's investments, impair the Fund's ability to satisfy redemption requests, and negatively impact the Fund's performance. Other market events may cause similar disruptions and effects.

Cash management risk

The value of the investments held by the Fund for cash management or temporary defensive purposes may be affected by changing interest rates and by changes in credit ratings of the investments. To the extent that the Fund has any uninvested cash, the Fund will be subject to risk with respect to the depository institution holding the cash. During such periods, it may be more difficult for the Fund to achieve its investment objectives.

Management and operational risk

The Fund is subject to management risk because it relies on the Adviser's ability to achieve its investment objective. The Fund runs the risk that the Adviser's investment techniques, judgment and decisions will fail to produce desired results and cause the Fund to incur significant losses. The Adviser may select investments that do not perform as anticipated by the Adviser and may choose to hedge or not to hedge positions at disadvantageous times. Any imperfections, errors, or limitations in quantitative analyses, models, tools, resources, information and data used by the Adviser as part of its investment process, or if such analyses, models, tools, resources, information or data are used incorrectly or do not work as intended, could affect the Fund's performance.

The Fund also is subject to the risk of loss as a result of other services provided by the Adviser and other service providers, including pricing, administrative, accounting, tax, legal, custody, transfer agency and other services.

Operational risk includes the possibility of loss caused by inadequate procedures and controls, human error and cyber-attacks, disruptions and failures affecting, or by, a service provider. For example, trading delays or errors (both human and systematic) could prevent the Fund from benefiting from potential investment gains or avoiding losses.

With the increased use of technologies and the dependence on computer systems to perform necessary business functions, investment companies (such as the Fund) and their service providers (including the Adviser) may be prone to operational and information security risks resulting from cyber-attacks and/or other technological malfunctions. In general, cyber-attacks are deliberate, but unintentional events may have similar effects.

Cyber-attacks include, among others, stealing or corrupting data maintained online or digitally, preventing legitimate users from accessing information or services on a website, releasing confidential information without authorization, and causing operational disruption. Successful cyber-attacks against, or security breakdowns of, the Fund, the Adviser, or the custodian, transfer agent, or other third-party service provider may adversely affect the Fund or its shareholders. For instance, cyber-attacks may interfere with the processing of shareholder transactions, affect the Fund's ability to calculate its NAV, cause the release of private shareholder information or confidential fund information, impede trading, cause reputational damage, and subject the Fund to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and additional compliance costs. While the Adviser has established business continuity plans and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified or that an attack may not be detected given that technology is changing and new ways to carry out cyber attacks are continuously developing.

Cybersecurity risk

Cybersecurity incidents may allow an unauthorized party to gain access to Fund assets, customer data (including private shareholder information), or proprietary information, or cause the Fund, the Adviser, and/or other service providers (including custodians, sub-custodians, transfer agents and financial intermediaries) to suffer data breaches, data corruption or loss of operational functionality. A cybersecurity incident may disrupt the processing of shareholder transactions, impact the Fund's ability to calculate its net asset values, and prevent shareholders from redeeming their shares. Issuers of securities in which the Fund invests are also subject to cybersecurity risks, and the value of those securities could decline if the issuers experience cybersecurity incidents. Because technology is frequently changing, new ways to carry out cyber attacks are always developing. Therefore, there is a chance that some risks have not been identified or prepared for, or that an attack may not be detected, which puts limitations on the fund's ability to plan for or respond to a cyber attack. Like other funds and business enterprises, the Fund, the Adviser, transfer agent, the Distributor and their respective service providers are subject to the risk of cyber incidents occurring from time to time.

Model and data risk

The Adviser may use quantitative methods and/or third party information or data to select investments.

If quantitative models, algorithms or calculations (whether proprietary and developed by the Adviser or supplied by third parties) ("Models") or information or data supplied by third parties ("Data") prove to be incorrect or incomplete, any decisions made, in whole or part, in reliance thereon expose the Fund to additional risks. Models can be predictive in nature. The use of predictive Models has inherent risks. The success of relying on or otherwise using Models depends on a number of factors, including the validity, accuracy and completeness of the Model's development, implementation and maintenance, the Model's assumptions, factors, algorithms and methodologies, and the accuracy and reliability of the supplied historical or other Data. Models rely on, among other things, correct and complete Data inputs. If incorrect Data is entered into even a well-founded Model, the resulting information will be incorrect. However, even if Data is input correctly, Model prices may differ substantially from market prices, especially for securities with complex characteristics. Investments selected with the use of Models may perform differently than expected as a result of the design of the Model, inputs into the Model or other factors. There also can be no assurance that the use of Models will result in effective investment decisions for the Fund.

Tax risk

As described in more detail later in this Prospectus under "Federal Income Tax Matters", in order to qualify for the favorable tax treatment generally available to regulated investment companies, at least 90% of the Fund's gross income each taxable year must consist of qualifying income, the Fund must meet certain asset diversification tests at the end of each quarter of its taxable year, and the Fund must meet certain distribution requirements for each taxable year. The Fund might generate more non-qualifying income than anticipated, might not be able to generate qualifying income in a particular taxable year at levels sufficient to meet the qualifying income test, or might not be able to determine the percentage of qualifying income it has derived for a taxable year until after year-end. The Fund may determine not to make an investment that it otherwise would have made, or may dispose of an investment it otherwise would have retained (potentially resulting in the recognition of taxable gain or loss, and potentially under disadvantageous circumstances), in an effort to meet the qualifying income test.

The Fund normally invests a significant portion of its assets in Structured Investments in the form of ELNs issued by Segregated Accounts. The federal income tax treatment of these Structured Investments and Segregated Accounts, both generally and with respect to the requirements applicable to regulated investment companies, is not entirely clear. Under proposed Treasury Regulations, it is expected that each of the Segregated Accounts will be treated as a separate entity for U.S. federal income tax purposes. If a Segregated Account were to instead be treated as a division of a larger entity consisting of multiple Segregated Accounts, then the Fund could fail to meet the asset diversification tests applicable to regulated investment companies. Additionally, it is expected that the ELNs will be treated as non-voting equity interests in the Segregated Accounts for U.S. federal income tax purposes. If the ELNs were to instead be treated as voting equity investments, the Fund could fail to meet the asset diversification tests applicable to regulated investment companies.

The Fund has received an opinion from Morgan, Lewis & Bockius LLP, counsel to the Fund, that, for federal income tax purposes and subject to and based upon certain facts, assumptions and limitations, the Segregated Accounts of NB Re the primary business of which will be entering into ILWs (the "NB Re Segregated Accounts") will more likely than not be treated as separate corporations. The Fund has not sought, and will not seek, any ruling from the Internal Revenue Service (the "IRS") regarding the conclusion reached in the opinion, and the opinion has no official status of any kind and is not binding on the IRS. In addition, some of the facts and issues under existing law that could significantly affect the opinion have not been definitively addressed by the IRS or the courts. Accordingly, there can be no assurance that the IRS will not assert, or a court will not sustain, a position contrary to the conclusion set forth in the opinion. As discussed above and later in this Prospectus under "Federal Income Tax Matters," the Fund could be adversely affected, perhaps significantly, should the IRS or a court disagree with the conclusion reached in the opinion. In such a case, the Fund will seek to mitigate any adverse impact of the position of the IRS or a court on the Fund and its shareholders by exercising its available redemption rights under the terms of the ELNs issued by the NB Re Segregated Accounts. No assurance can be given that the Fund will be able to avoid, through redemption or any other action, adverse federal income tax consequences for the Fund and, consequently, for the Fund's shareholders.

The tax treatment of certain insurance- and reinsurance-related instruments is also not entirely clear. Certain of the Fund's investments (including, potentially, certain ILWs, Cat Bonds and Structured Investments) may generate income that is not qualifying income. Investments in the Segregated Accounts and certain other investments directly or indirectly held by the Fund (including certain ILWs, Cat Bonds and Structured Investments) may be treated as equity interests in PFICs for U.S. federal income tax purposes. In general, a PFIC is a foreign corporation (i) that earns at least 75% of its annual gross income from passive sources (such as interest, dividends, certain rents and royalties, or capital gains) or (ii) where at least 50% of its assets (computed based on average fair market value) either produce or are held for the production of passive income. If the Fund directly or indirectly holds any equity interest in a PFIC, the Fund could be subject to U.S. federal income tax and additional interest charges on "excess distributions" received (directly or indirectly) from the PFIC or on any gain recognized by the Fund (directly or indirectly) from the sale or other disposition of stock in the PFIC, even if all income or gain actually earned by the Fund is timely distributed to its shareholders. The Fund would not be able to pass through to its shareholders any credit or deduction for such a tax. A "qualified electing fund" election or a "mark to market" election may be available that would ameliorate these adverse tax consequences, but such elections could require the Fund to recognize taxable income or gain (which would be subject to the distribution requirements applicable to regulated investment companies, as described above) without the concurrent receipt of cash. In order to satisfy the distribution requirements with respect to such income or gain and avoid a tax on the Fund, the Fund may be required to liquidate portfolio securities that it might otherwise have continued to hold (potentially resulting in the recognition of taxable gain or loss, and potentially under disadvantageous circumstances), or the Fund may be required to borrow cash. Gains recognized by the Fund from the sale or other disposition of stock of PFICs may also be treated as ordinary income. In order for the Fund to make a qualified electing fund election with respect to a PFIC, the PFIC would have to agree to provide certain tax information to the Fund on an annual basis, which it might not agree to do. The Fund may limit and/or manage its holdings in PFICs to limit its tax liability or maximize its after-tax return from these investments.

The Segregated Accounts and certain other issuers of insurance- and reinsurance-related securities may be treated as CFCs for U.S. federal income tax purposes. If a sufficient portion of the vote or, under legislation enacted in late 2017, value of interests in a foreign issuer that is treated as a corporation for U.S. federal income tax purposes is directly or indirectly held (or treated as held) by the Fund, independently or together with certain other U.S. persons, that issuer may be treated as a CFC with respect to the Fund, in which case the Fund will be required to take into account each year, as ordinary income, its share of certain portions of that issuer's income, whether or not such amounts are distributed. Prior to the 2017 change in tax law, it was expected, but not guaranteed, that the Segregated Accounts of NB Re would not be treated as CFCs for U.S. federal income tax purposes. If the Segregated Accounts or other issuers of insurance- and reinsurance-related securities are treated as CFCs for U.S. federal income tax purposes, the Fund may have to dispose of its portfolio securities (potentially resulting in the recognition of taxable gain or loss, and potentially under disadvantageous circumstances) to generate cash, or may have to borrow the cash, to meet its distribution requirements and avoid Fund-level taxes. In addition, some Fund gains recognized from the sale or other disposition of interests in such an issuer may be treated as ordinary income. The Fund may limit and/or manage its holdings in issuers that could be treated as CFCs in order to limit its tax liability or maximize its after-tax return from these investments.

If the Fund were to fail to qualify for treatment as a regulated investment company, it would generally be subject to tax in the same manner as an ordinary corporation, and distributions to its shareholders generally would not be deductible by the Fund in computing its taxable income. Under certain circumstances, the Fund may be able to cure a failure to meet the qualifying income test or the diversification test if such failure was due to reasonable cause and not willful neglect, but in order to do so the Fund may incur a significant penalty tax that would reduce (and potentially could eliminate) the Fund's returns.

Repurchase offers risk

The Fund is operated as an "interval fund" and, in order to provide some liquidity to shareholders, the Fund, subject to applicable law, conducts quarterly repurchase offers of the Fund's outstanding shares at NAV subject to approval of the Board of Trustees. In all cases such repurchases will be for at least 5% and not more than 25%, and are currently expected to be for 5%, of its outstanding shares at NAV, pursuant to Rule 23c-3 under the 1940 Act. The Fund believes that these repurchase offers are generally beneficial to the Fund's shareholders, and repurchases generally will be funded from available cash, borrowings or sales of portfolio securities. However, repurchase offers and the need to fund repurchase obligations may affect the ability of the Fund to be fully invested or force the Fund to maintain a higher percentage of its assets in liquid investments, which may harm the Fund's investment performance. Moreover, diminution in the size of the Fund through repurchases may result in untimely sales of portfolio securities (with associated imputed transaction costs, which may be significant), and may limit the ability of the Fund to participate in new investment opportunities or to achieve its investment objective. If the Fund employed investment leverage, repurchases of shares would compound the adverse effects of leverage in a declining market. In addition, if the Fund borrows money to finance repurchases, interest on that borrowing will negatively affect shareholders who do not tender their shares by increasing fund expenses and reducing any net investment income. If a repurchase offer is oversubscribed, the Fund will repurchase the shares tendered on a pro rata basis, and shareholders will have to wait until the next repurchase offer to make another repurchase request. As a result, shareholders may be unable to liquidate all or a given percentage of their investment in the Fund during a particular repurchase offer. Some shareholders, in anticipation of proration, may tender more shares than they wish to have repurchased in a particular quarter, thereby increasing the likelihood that proration will occur. A shareholder may be subject to market and other risks, and the NAV of shares tendered in a repurchase offer may decline between the repurchase request deadline and the date on which the NAV for tendered shares is determined. In addition, the repurchase of shares by the Fund may be a taxable event to shareholders.

Borrowing risk

The Fund may borrow to meet repurchase requests or for investment purposes (i.e., to purchase additional portfolio securities). The Fund's borrowings may be on a secured or unsecured basis and at fixed or variable rates of interest. The Fund's ability to obtain leverage through borrowings is dependent upon its ability to establish and maintain an appropriate line of credit. The use of leverage, including through borrowings, will increase volatility of the Fund's investment portfolio and magnify the Fund's investment losses or gains. Borrowing will also cost the Fund interest expense and other fees. The cost of borrowing may reduce the Fund's return. In addition to any more stringent terms imposed by a lender, the 1940 Act requires a closed-end fund to maintain asset coverage of not less than 300% of the value of the outstanding amount of senior securities representing indebtedness (as defined in the 1940 Act) and generally requires a closed-end fund to make provision to prohibit the declaration of any dividend (except a dividend payable in stock of the Fund) or distribution on the Fund's stock or the repurchase of any of the Fund's stock, unless, at the time of the declaration or repurchase, there is asset coverage of at least 300% after deducting the amount of the dividend, distribution or purchase price, as the case may be. To satisfy 1940 Act requirements in connection with leverage or to meet obligations, the Fund may be required to dispose of portfolio securities when such disposition might not otherwise be desirable. There can be no assurances that the Fund's use of leverage will be successful.

LIBOR and LIBOR transition risks

LIBOR was a leading benchmark or reference rate for various commercial and financial contracts, including corporate and municipal bonds, bank loans, asset-backed and mortgage-related securities, interest rate swaps and other derivatives. On July 27, 2017, the United Kingdom's Financial Conduct Authority (FCA) announced the gradual phase out of the LIBOR rate, with nearly all LIBOR rate publications having ceased as of June 30, 2023 (some LIBOR rates continue to be published, but only on a temporary and synthetic basis). Alternatives to LIBOR have been established and others may be developed. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, has identified the Secured Overnight Financial Rate ("SOFR") as the preferred alternative rate to LIBOR. SOFR is a relatively new index calculated by short-term repurchase agreements, backed by U.S. Treasury securities. There remains uncertainty surrounding the nature of any replacement rates.

The transition to a new reference rate may result in (i) increased volatility or illiquidity in markets for instruments or contracts that previously relied on or still rely on LIBOR; (ii) a reduction in the value of certain instruments or contracts held by the Fund; (iii) reduced effectiveness of related Fund transactions, such as hedging; (iv) additional tax, accounting and regulatory risks; or (v) costs incurred in connection with closing out positions and entering into new trades. Any pricing adjustments to the Fund's investments resulting from a substitute reference rate may also adversely affect the Fund's performance and/or NAV. There is no assurance that the composition or characteristics of any such alternative reference rate will be similar to or produce the same value or economic equivalence as LIBOR or that instruments or contracts using an alternative rate will have the same volume or liquidity.

Expense risk

Your actual costs of investing in the Fund may be higher than the expenses shown in "Annual Fund Operating Expenses" for a variety of reasons. For example, expense ratios may be higher than those shown if overall net assets decrease or if an expense limitation is changed. Net assets are more likely to decrease and the Fund's expense ratio is more likely to increase when markets are volatile.

Conflicts of interest

The Adviser and its affiliates are engaged in a variety of businesses and have interests other than those related to managing the Fund. The broad range of activities and interests of the Adviser and its affiliates gives rise to actual and potential conflicts of interest that could affect the Fund and its shareholders. Certain actual and potential conflicts are described below. Other conflicts may arise from time to time.

The Adviser recognizes that in certain circumstances a conflict of interest may arise when voting a proxy. For example, a conflict of interest is deemed to occur when the Adviser or one of its affiliated persons has a financial interest in a matter presented by a proxy to be voted on behalf of the Fund, which may compromise the Adviser's independence of judgment and action in voting the proxy. When a proxy proposal raises a material conflict of interest between the Adviser's interests and those of the Fund, the Adviser will seek to resolve the conflict in accordance with its adopted procedures.

The Adviser, its affiliates and the Fund have adopted practices, policies and procedures that are intended to identify, manage and, when possible, mitigate conflicts of interest. There is no assurance, however, that these practices, policies and procedures will be effective, and these practices, policies and procedures may limit or restrict the Fund's investment activities and adversely affect its performance.

The Adviser, its affiliates and other financial service providers have conflicts associated with their promotion of the Fund or other dealings with the Fund that would create incentives for them to promote the Fund. The Adviser and/or its affiliates make revenue sharing payments to brokers and other financial intermediaries to promote the distribution of the Fund. The Adviser and its affiliates will benefit from increased assets under management.

The Adviser has been designated as the Fund's Valuation Designee with responsibility for fair valuation subject to oversight by the Fund's Board of Trustees. The Adviser's service as Valuation Designee is expressly permitted by applicable regulations. The Adviser performs such valuation services in accordance with joint valuation policies and procedures of the Fund and the Adviser. The Adviser may value an identical asset differently than an affiliate. This is particularly the case in respect of difficult-to-value assets. The Adviser faces a conflict with respect to valuations generally because of their effect on the Adviser's fees and other compensation. Valuation decisions by the Adviser may also result in improved performance of the Fund.

The Adviser and/or its affiliates have existing and may have other future business dealings or arrangements with current or proposed fund service providers (or their affiliates) recommended by the Adviser. Such other business dealings or arrangements present conflicts of interest. For example, the Adviser may have an incentive to hire as a service provider an entity with which the Adviser or one or more of its affiliates have, or would like to have, significant or other business dealings or arrangements, and the Adviser may have a disincentive to recommend the termination of such service provider.

Further discussion of conflicts of interest appears in the SAI. These discussions are not, and are not intended to be, a complete enumeration or description of all the actual and potential conflicts that the Adviser and its affiliates have now or may have in the future.

OTHER RISKS

Floating rate instrument risks

Floating rate loans and similar investments may be illiquid or less liquid than other investments. Market quotations for these securities may be volatile and/or subject to large spreads between bid and ask prices. No active trading market may exist for many floating rate loans, and many loans are subject to restrictions on resale. Any secondary market may be subject to irregular trading activity and extended trade settlement periods. In particular, loans may take longer than seven days to settle, potentially leading to the sale proceeds of loans not being available to meet repurchase offers for a substantial period of time after the sale of the loans. To the extent that sale proceeds of loans are not available, the Fund may sell securities that have shorter settlement periods or may access other sources of liquidity to meet redemption requests. Loans may not be considered "securities," and purchasers, such as the Fund, therefore may not be entitled to rely on the anti-fraud protections afforded by federal securities laws. The ILWs, Cat Bonds and Structured Investments in which the Fund directly or indirectly invests may be variable rate, or floating rate.

In addition, while the collateral securing most Cat Bonds in which the Fund currently intends to invest is typically invested in low-risk investments, certain Segregated Accounts in which the Fund invests may permit investment of collateral in higher risk, higher yielding investments. Thus, the value of collateral, if any, securing the Fund's investments in Cat Bonds can decline or may be insufficient to meet the issuer's obligations and the collateral, if repaid to the Fund, may be difficult to liquidate. Market quotations for these securities may be volatile and/or subject to large spreads between bid and ask prices.

Risks of inverse floating rate obligations

The interest rate on inverse floating rate obligations will generally decrease as short-term interest rates increase, and increase as short-term rates decrease. Due to their leveraged structure, the sensitivity of the market value of an inverse floating rate obligation to changes in interest rates is generally greater than a comparable long-term bond issued by the same issuer and with similar credit quality, redemption and maturity provisions. Inverse floating rate obligations may be volatile and involve leverage risk.

Investing in other investment companies risk

Investing in other investment companies subjects the Fund to the risks of investing in the underlying securities or assets held by those investment companies. When investing in another investment company, the Fund will bear a pro rata portion of the underlying fund's expenses, in addition to its own expenses.

Interest rate risk

The market prices of securities may fluctuate significantly when interest rates change. When interest rates rise, the value of fixed income securities generally falls. Recently, the U.S. Federal Reserve has been raising interest rates from historically low levels. It may continue to raise interest rates. Any additional interest rate increases in the future could cause the value of the Fund's holdings to decrease. A general rise in interest rates may cause investors to move out of fixed income securities on a large scale, which could adversely affect the price and liquidity of fixed income securities and could also result in increased redemptions from the Fund. A change in interest rates will not have the same impact on all fixed income securities. Generally, the longer the maturity (i.e., measure of time remaining until the final payment on a security) or duration (i.e., measure of the underlying portfolio's price sensitivity to changes in prevailing interest rates) of a fixed income security, the greater the impact of a rise in interest rates on the security's value. For example, if interest rates increase by 1%, the value of a fund's portfolio with a portfolio duration of ten years would be expected to decrease by 10%, all other things being equal. In addition, different interest rate measures (such as short- and long-term interest rates and U.S. and foreign interest rates), or interest rates on different types of securities or securities of different issuers, may not necessarily change in the same amount or in the same direction.

Rising interest rates can lead to increased default rates as payment obligations increase. Unlike fixed rate securities, floating rate securities generally will not increase in value if interest rates decline. Changes in interest rates also will affect the amount of interest income the Fund earns on its floating rate investments.

Credit risk

If an issuer or guarantor of a security held by the Fund or a counterparty to a financial contract with the Fund defaults on its obligation to pay principal and/or interest, has its credit rating downgraded or is perceived to be less creditworthy, or the credit quality or value of any underlying assets declines, the value of your investment will decline. In addition, the Fund may incur expenses and may be hindered or delayed in enforcing its rights against an issuer, obligor or counterparty. A security may change in price for a variety of reasons. For example, floating rate securities may have final maturities of ten or more years, but their effective durations will tend to be very short. If there is an adverse credit event, or a perceived change in the issuer's creditworthiness, these securities could experience a far greater negative price movement than would be predicted by the change in the security's yield in relation to their effective duration. The Fund evaluates the credit quality of issuers and counterparties prior to investing in securities. Credit risk is broadly gauged by the credit ratings of the securities in which the Fund invests. However, ratings are only the opinions of the companies issuing them and are not guarantees as to quality. Securities rated in the lowest category of investment grade (Baa/BBB) may possess certain speculative characteristics.

Prepayment or call risk

Many issuers have a right to prepay their securities. If interest rates fall, an issuer may exercise this right. If this happens, the Fund would be forced to reinvest prepayment proceeds at a time when yields or securities available in the market are lower than the yield on the prepaid security. The Fund may also lose any premium it paid on the security.

Risks of subordinated securities

A holder of securities that are subordinated or "junior" to more senior securities of an issuer is entitled to payment after holders of more senior securities of the issuer. Subordinated securities are more likely to suffer a credit loss than non-subordinated securities of the same issuer, any loss incurred by the subordinated securities is likely to be proportionately greater, and any recovery of interest or principal may take more time. As a result, even a perceived decline in creditworthiness of the issuer is likely to have a greater impact on them. Certain Segregated Accounts in which the Fund invests may issue multiple tranches of interests to investors.

Risks of non-U.S. investments

Investing in non-U.S. issuers, or in U.S. issuers that have significant exposure to foreign markets, may involve unique risks compared to investing in securities of U.S. issuers. These risks are more pronounced for issuers in emerging markets or to the extent that the Fund invests significantly in one region or country. These risks may include different financial reporting practices and regulatory standards, less liquid trading markets, extreme price volatility, currency risks, changes in economic, political, regulatory and social conditions, sustained economic downturns, financial instability, tax burdens, and investment and repatriation restrictions. Lack of information and less market regulation also may affect the value of these securities. Withholding and other non-U.S. taxes may decrease the Fund's return. Non-U.S. issuers may be located in parts of the world that have historically been prone to natural disasters. Investing in depositary receipts is subject to many of the same risks as investing directly in non-U.S. issuers. Depositary receipts may involve higher expenses and may trade at a discount (or premium) to the underlying security.

There may be restrictions on imports from certain countries, such as Russia, and dealings with certain state-sponsored entities. For example, following Russia's large-scale invasion of Ukraine, the President of the United States signed an Executive Order in February 2022 prohibiting U.S. persons from entering transactions with the Central Bank of Russia and Executive Orders in March 2022 prohibiting U.S. persons from importing oil and gas from Russia as well as other popular Russian exports, such as diamonds, seafood and vodka. There may also be restrictions on investments in Chinese companies. For example, the President of the United States signed an Executive Order in June 2021 affirming and expanding U.S. policy prohibiting U.S. persons from purchasing or investing in publicly-traded securities of companies identified by the U.S. Government as "Chinese Military-Industrial Complex Companies." The list of such companies can change from time to time, and as a result of forced selling or an inability to participate in an investment the Adviser or a sub-adviser otherwise believes is attractive, the Fund may incur losses. Any of the above factors may adversely affect the Fund's performance or the Fund's ability to pursue its investment goal(s).

Below investment grade debt securities and unrated securities risk

Below investment grade debt securities, which are commonly called "junk" bonds, are rated below BBB- by Standard & Poor's Ratings Services ("S&P") or Baa3 by Moody's Investors Service, Inc. ("Moody's"), or have comparable ratings by another rating organization. Debt securities rated below investment grade are commonly referred to as "junk" bonds and are considered speculative. Below investment grade debt securities involve greater risk of loss, are subject to greater price volatility and are less liquid, especially during periods of economic uncertainty or change, than higher quality debt securities. Below investment grade securities also may be more difficult to value.

Below investment grade investments may be subject to greater risks than other investments, including greater levels of risk related to changes in interest rates, credit risk (including a greater risk of default), and illiquidity risk. Below investment grade investments or unrated investments judged by the Adviser to be of comparable quality may be more susceptible to real or perceived adverse economic and competitive industry or business conditions than higher-grade investments. Yields on below investment grade investments will fluctuate.

Equity investing risk

The Fund may at times invest directly or indirectly in equity securities, which may be publicly or privately offered. The equity securities in which the Fund invests may be more volatile than the equity markets as a whole. Equity securities risk is the risk that the value of equity instruments to which the Fund is exposed will fall due to general market or economic conditions; overall market changes; local, regional or global political, social or economic instability; currency, interest rate and commodity price fluctuations; perceptions regarding the industries in which the issuers participate, and the particular circumstances and performance of the issuers. Market conditions may affect certain types of equity securities to a greater extent than other types. Although equities have historically generated higher average returns than debt securities over the long term, equity securities also have experienced significantly more volatility in returns. Equities to which the Fund will be exposed are structurally subordinated to bonds and other debt instruments in a company's capital structure, in terms of priority to corporate income, and, therefore, will be subject to greater dividend risk than debt instruments of such issuers. Finally, the prices of equities are sensitive to rising interest rates, as the costs of capital rise and borrowing costs increase.

Preferred securities risk

Preferred securities may pay fixed or adjustable rates of return. Preferred securities are subject to issuer-specific and market risks applicable generally to equity securities. In addition, preferred securities generally pay a dividend and rank ahead of common stocks and behind debt securities in claims for dividends and for assets of the issuer in a liquidation or bankruptcy. For this reason, the value of preferred securities will usually react more strongly than bonds and other debt to actual or perceived changes in the company's financial condition or prospects. Preferred securities may also be sensitive to changes in interest rates. When interest rates rise, the fixed dividend on preferred securities may be less attractive, causing the price of preferred stocks to decline. Preferred securities of smaller companies may be more vulnerable to adverse developments than preferred stock of larger companies.

Leveraging risk

The value of your investment may be more volatile and other risks tend to be compounded if the Fund borrows or has exposure to derivatives or other investments that have embedded leverage. Leverage generally magnifies the effect of any increase or decrease in the value of the Fund's underlying assets and creates a risk of loss of value on a larger pool of assets than the Fund would otherwise have, potentially resulting in the loss of all assets. Engaging in such transactions may cause the Fund to liquidate positions when it may not be advantageous to do so to satisfy its obligations or to meet segregation or coverage requirements. During periods in which the Fund is using leverage, the fees paid to the Adviser for its investment advisory services will be higher than if the Fund did not use leverage because the fees paid will be calculated on the basis of the Fund's average total assets.

Anti-takeover provisions

The Fund's Amended and Restated Agreement and Declaration of Trust and Amended and Restated By-Laws 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.

MANAGEMENT OF THE FUND

Trustees and Officers

The Fund's Board of Trustees provides broad supervision over the affairs of the Fund. The officers of the Fund are responsible for the Fund's operations. The Trustees and officers of the Fund, together with their principal occupations and other affiliations during the past five years, are listed in the SAI.

Investment Adviser

The Adviser is responsible on a day-to-day basis for investment of the Fund's portfolio in accordance with its investment objective and principal investment strategies, for managing the Fund's overall investment program, supervising the Fund's overall compliance program and providing for the general management of the business affairs of the Fund.

The Adviser is a registered investment adviser that specializes in investment management for high-net-worth individuals, families and foundations. The Adviser had approximately $62.7 billion in assets under management as of January 31, 2024, and is a wholly-owned subsidiary of City National Bank ("CNB"), a federally chartered commercial bank founded in the early 1950s, which has provided trust and fiduciary services, including investment management services, to individuals and businesses for over 50 years. CNB currently provides investment management services to individuals, pension and profit sharing plans, endowments and foundations. As of January 31, 2024, CNB and its affiliates had approximately $96.8 billion in assets under administration, which includes approximately $68.9 billion in assets under management. CNB is a wholly-owned indirect subsidiary of RBC USA Holdco Corporation, which is a wholly-owned indirect subsidiary of Royal Bank of Canada.

The Adviser's main office is at 400 North Roxbury Drive, Beverly Hills, California 90210.

Advisory Fee

Under the terms of the advisory agreement between the Fund and the Adviser (the "Advisory Agreement"), the Fund pays the Adviser, as promptly as possible after the last day of each month, a fee for its investment advisory services in the amount of 0.50% of the Fund's average total assets, less accrued liabilities.

For the fiscal years ended January 31, 2024, January 31, 2023 and January 31, 2022, the Fund paid to the Adviser the following investment management fees and the Adviser waived the indicated amounts.

Fiscal Year Ended January 31, 2024		Fiscal Year Ended January 31, 2023		Fiscal Year Ended January 31, 2022	
Fees Paid	**Fees Waived**	**Fees Paid**	**Fees Waived**	**Fees Paid**	**Fees Waived**
$ 1,049,827	$ 0	$ 996,123	$ 83,214	$ 883,030	$ 0

A discussion regarding the Advisory Agreement and the factors that the Board of Trustees considered in the Board's recent renewal of the Advisory Agreement will be available in the semi-annual report to shareholders for the fiscal period ending July 31, 2024.

Expense Limitation

The Adviser has contractually agreed to waive its management fee and/or reimburse expenses to the extent necessary to ensure that the Fund's total annual operating expenses will not exceed 1.00% (after fee waivers and/or expense reimbursements, and exclusive of front-end or contingent deferred loads, taxes, interest, brokerage commissions, acquired fund fees or expenses, extraordinary expenses such as litigation expenses, and other expenses not incurred in the ordinary course of the Fund's business). These arrangements will continue until July 27, 2025 and shall automatically renew for an additional one-year period unless sooner terminated by the Fund or by the Board of Trustees upon 60 days' written notice to the Adviser or termination of the Advisory Agreement. The Adviser may recoup fees waived and expenses reimbursed for a period of three years following the date such reimbursement or reduction was made if such recoupment does not cause current expenses to exceed the expense limit for the Fund in effect at the time the expenses were paid/waived or any expense limit in effect at the time of recoupment.

For the fiscal year ended January 31, 2024, the Adviser recaptured fees it had previously waived in the amount of $65,369.

Portfolio Manager

Thomas H. Ehrlein (the "Portfolio Manager") is primarily responsible for the day-to-day management of the Fund's portfolio. Mr. Ehrlein has served as portfolio manager of the Fund since its inception.

Thomas H. Ehrlein, the Director of Investment Solutions at the Adviser, joined City National Rochdale (formerly Rochdale Investment Management) in 2005. He is responsible for Manager Research and Product Development of Investment Strategies. Mr. Ehrlein's day to day responsibilities involve Portfolio Management responsibilities on several City National Rochdale Funds. In addition, he leads all Alternative Investment Due Diligence, including Private Equity and Private Debt. Mr..Ehrlein's work is an essential part of asset allocation and investment decisions at the firm. He is a voting member of the City National Rochdale Investment Strategy Committee. Prior to 2005, Mr. Ehrlein was a Senior Consultant in the Investment Management division of FactSet Research Systems, Inc., where he performed financial market and portfolio management research and quantitative analysis for institutional money management firms, and a middle market lending credit analyst at ABN-Amro, North America. Mr. Ehrlein earned his BS in Finance from the University of Scranton and his MBA in Finance from Hofstra University.

The SAI provides additional information about the Portfolio Manager's compensation, other accounts managed by the Portfolio Manager and the Portfolio Manager's ownership of shares of the Fund.

DIVIDENDS AND DISTRIBUTIONS

The Fund intends to declare and pay dividends of substantially all net investment income and net realized capital gains at least annually.

The Fund may pay dividends annually. Unless shareholders specify otherwise, dividends will be reinvested in shares of the Fund. You may notify the Transfer Agent in writing up to five days prior to the record date of the next dividend or distribution to:

- choose to receive dividends or distributions (or both) in cash; or
- change the way you currently receive distributions.

If you elect to receive distributions and/or dividends by check and the check relating to any distribution or dividend remains uncashed for six months after the date thereof, the Fund will have the right, after such six month period, to reinvest the distribution or dividend relating to the check in shares of the Fund at the then current NAV per share and to reinvest all subsequent distributions and/or dividends in shares of the Fund until you again elect to receive distributions and/or dividends.

DISTRIBUTION

SEI Investments Distribution Co. (the "Distributor") and the Fund are parties to a distribution agreement (the "Distribution Agreement") with respect to shares of the Fund. The Distribution Agreement is renewable annually by approval of the Board of Trustees and of the Independent Trustees. The Distribution Agreement may be terminated by the Distributor, by a majority vote of the Independent Trustees who have no financial interest in the Distribution Agreement or by a majority vote of the outstanding securities of the Fund upon not more than 60 days' written notice by either party or upon assignment by the Distributor. The Distributor is not obligated to sell any specific amount of shares of the Fund. The Distributor also acts as agent for the Fund in connection with repurchases of shares.

Shares of the Fund are continuously offered through the Distributor, as the exclusive distributor of the Fund's shares. The Fund has authorized one or more intermediaries (e.g., brokers, investment advisers, etc. (collectively, "intermediaries")), including affiliates of City National Rochdale, to receive orders on its behalf. Such intermediaries are authorized to designate other intermediaries to receive orders on the Fund's behalf. The Fund will be deemed to have received an order when an authorized broker or, if applicable, a broker's authorized designee, receives the order. The shares are offered at the NAV per share calculated each regular business day.

Any continuous offering may be discontinued at any time. The Fund has the sole right to accept orders to purchase shares and reserves the right to reject any order in whole or in part.

Additional conditions may apply to investments in the Fund made by shareholders investing through financial intermediaries, programs sponsored by financial intermediaries and retirement plans. The investment professional or intermediary may charge you a transaction-based, administrative or other fee for its services. These conditions and fees are in addition to those imposed by the Fund and its affiliates. You should ask your investment professional or financial intermediary about its services and any applicable fees. In addition, when you invest through an account that is not in your name, you generally may buy and sell shares and complete other transactions only through the account. Ask your investment professional or financial intermediary for more information.

No market currently exists for the Fund's shares. The Fund's shares are not listed and the Fund does not currently intend to list its shares for trading on any securities exchange, and the Fund does not expect there to be any secondary market for the Fund's shares. Neither the Adviser nor the Distributor intends to make a market in the Fund's shares. The Distributor is not obligated to buy any of the shares. The Distributor is located at One Freedom Valley Drive, Oaks, Pennsylvania 19456.

Payments to financial intermediaries

Your financial intermediary may receive compensation from the Adviser and its affiliates for the sale of fund shares and related services, including administrative services and transaction processing.

The Adviser and its affiliates may make additional payments to your financial intermediary. These payments may provide your financial intermediary with an incentive to favor the Fund over other mutual funds or assist in efforts to promote the sale of the Fund's shares. Financial intermediaries include broker-dealers, banks (including bank trust departments), registered investment advisers, financial planners, retirement plan administrators and other types of intermediaries.

The Adviser and its affiliates make these additional payments (sometimes referred to as "revenue sharing") to financial intermediaries out of their past profits and other available sources, which may include profits derived from services provided to the Fund. These payments may be based on a variety of criteria, including the amount of sales or assets of the Fund attributable to the financial intermediary or as a per transaction fee.

Not all financial intermediaries receive additional compensation and the amount of compensation paid varies for each financial intermediary. In certain cases, these payments may be significant. The Adviser and its affiliates determine which firms to support and the extent of the payments they are willing to make, generally choosing firms that have a strong capability to effectively distribute shares of the Fund and that are willing to cooperate with the Adviser's promotional efforts. The Adviser and its affiliates also may compensate financial intermediaries (in addition to amounts that may be paid by the Fund) for providing certain administrative services and transaction processing services.

The Adviser may benefit from revenue sharing if the intermediary features the Fund in its sales system (such as by placing the Fund on its preferred fund list or giving access on a preferential basis to members of the financial intermediary's sales force or management). In addition, the financial intermediary may agree to participate in the Fund's marketing efforts (such as by helping to facilitate or provide financial assistance for conferences, seminars or other programs at which City National Rochdale personnel may make presentations on the Fund to the intermediary's sales force). To the extent intermediaries sell more shares of the Fund or retain shares of the Fund in their clients' accounts, the Adviser receives greater advisory and other fees due to the increase in the Fund's assets. The intermediary may earn a profit on these payments if the amount of the payment to the intermediary exceeds the intermediary's costs.

Your intermediary may charge you additional fees or commissions other than those disclosed in this Prospectus. Intermediaries may categorize and disclose these arrangements differently than in the discussion above and in the SAI. You can ask your financial intermediary about any payments it receives from the Adviser or the Fund, as well as about fees and/or commissions it charges.

The Adviser and its affiliates may have other relationships with your financial intermediary relating to the provision of services to the Fund, such as providing omnibus account services or effecting portfolio transactions for the Fund. If your intermediary provides these services, the Adviser or the Fund may compensate the intermediary for these services. In addition, your intermediary may have other relationships with the Adviser or its affiliates that are not related to the Fund.

PURCHASE OF SHARES

Shares of beneficial interest in the Fund are offered on a continuous basis at NAV per share. The Fund generally accepts orders to purchase shares on a monthly basis. However, the Fund's ability to accept orders to purchase shares may be limited, including during periods when, in the judgment of the Adviser, appropriate investments for the Fund are not available. The Fund reserves the right to suspend subsequent offerings or to accept purchases on a basis more or less frequent than once a month.

Any continuous offering may be discontinued at any time. The Fund has the sole right to accept orders to purchase shares and reserves the right to reject any order in whole or in part.

All initial investments in the Fund by or through the Adviser, its advisory partners and its advisory affiliates are subject to a $1,000,000 minimum per registered investment adviser or intermediary. The Adviser and its advisory partners and affiliates may impose different or additional minimum investment and eligibility requirements from those of the Fund. Please contact your registered investment adviser or financial intermediary for more information. The Adviser may waive these minimum investment requirements. All investments in the Fund are subject to the approval of the Fund and the Fund reserves the right to reject a purchase order for any reason.

Please contact the Distributor or your registered investment adviser or other qualified intermediary for more information.

PERIODIC REPURCHASE OFFERS

The Fund is a closed-end "interval" fund and, to provide some liquidity and the ability to receive NAV on a disposition of at least a portion of your shares, makes periodic offers to repurchase shares. Except as permitted by the Fund's interval structure, no shareholder has the right to require the Fund to repurchase its shares. No public market for shares exists, and none is expected to develop in the future. Consequently, shareholders generally will not be able to liquidate their investment other than as a result of repurchases of their shares by the Fund.

The Fund has adopted, pursuant to Rule 23c-3 under the 1940 Act, a fundamental policy, which cannot be changed without shareholder approval, requiring the Fund to offer to repurchase at least 5% and up to 25% of its shares at NAV on a regular schedule. Although the policy permits repurchases of between 5% and 25% of the Fund's outstanding shares, for each repurchase offer, the Fund expects to offer to repurchase 5% of its outstanding shares unless the Fund's Board of Trustees has approved a higher amount for that repurchase offer.

The Fund is required to make repurchase offers every three months. Quarterly repurchase offers are made in the months of January, April, July and October.

The date on which the repurchase price for shares is determined shall occur no later than the 14th day after the repurchase request deadline (or the next business day, if the 14th day is not a business day). The "repurchase request deadline" is the date by which shareholders wishing to tender shares for repurchase must respond to the repurchase offer.

When a repurchase offer commences, the Fund sends, at least 21 days before the repurchase request deadline, written notice to each shareholder setting forth, among other things:

- The percentage of outstanding shares that the Fund is offering to repurchase and how the Fund will purchase shares on a pro rata basis if the offer is oversubscribed.
- The date on which a shareholder's repurchase request is due (the repurchase deadline).
- The date that will be used to determine the Fund's NAV applicable to the repurchase offer (the "repurchase pricing date"). See "Net Asset Value" in this Prospectus.
- The date by which the Fund will pay to shareholders the proceeds from their shares accepted for repurchase.
- The NAV of the shares as of a date no more than seven days before the date of the written notice and the means by which shareholders may ascertain the NAV.
- The procedures by which shareholders may request that their shares be repurchased and the right of shareholders to withdraw or modify their repurchase requests before the repurchase request deadline.
- The circumstances in which the Fund may suspend or postpone the repurchase offer.

This notice may be included in a shareholder report or other fund document. If a shareholder's shares are held in an advisory account over which an investment adviser has full discretionary authority, this notice may be sent solely to such investment adviser. **The repurchase request deadline will be strictly observed.** A repurchase request is received in good order if it is properly completed and signed. If a shareholder fails to submit a repurchase request in good order by the repurchase request deadline, the shareholder will be unable to liquidate shares until a subsequent repurchase offer, and will have to resubmit a request in the next repurchase offer. Shareholders may withdraw or change a repurchase request with a proper instruction submitted in good order at any point before the repurchase request deadline.

Determination of Repurchase Price and Payment for Shares

The date on which the repurchase price for shares is determined shall occur no later than the 14th day after the repurchase request deadline (or the next business day, if the 14th day is not a business day). The Fund expects to distribute payment to shareholders between one and three business days after the repurchase pricing date and will distribute such payment no later than seven (7) calendar days after such date. The Fund's NAV per share may change materially between the date a repurchase offer is mailed and the repurchase request deadline, and it may also change materially between the repurchase request deadline and repurchase pricing date. The method by which the Fund calculates NAV is discussed under "Net Asset Value" in this Prospectus. During the period an offer to repurchase is open, shareholders may obtain the current NAV by calling the Fund's transfer agent at 1-888-889-0799.

The Fund does not currently charge a repurchase fee, and it does not currently expect to impose a repurchase fee.

Suspension or Postponement of Repurchase Offers

The Fund may suspend or postpone a repurchase offer in limited circumstances set forth in Rule 23c-3 under the 1940 Act, as described below, but only with the approval of a majority of the Trustees, including a majority of Trustees who are not "interested persons" of the Fund, as defined in the 1940 Act.

The Fund may suspend or postpone a repurchase offer only: (1) if making or effecting the repurchase offer would cause the Fund to lose its status as a regulated investment company under the Internal Revenue Code of 1986, as amended (the "Code"), (2) for any period during which the New York Stock Exchange (the "NYSE") or any other market in which the securities owned by the Fund are principally traded is closed, other than customary weekend and holiday closings, or during which trading in such market is restricted; (3) for any period during which an emergency exists as a result of which disposal by the Fund of securities owned by it is not reasonably practicable, or during which it is not reasonably practicable for the Fund fairly to determine the value of its net assets; or (4) for such other periods as the SEC may by order permit for the protection of shareholders of the Fund.

Oversubscribed Repurchase Offers

There is no minimum number of shares that must be submitted for repurchase before the Fund will honor repurchase requests. However, the Fund's Trustees set for each repurchase offer a maximum percentage of shares that may be repurchased by the Fund. In the event a repurchase offer by the Fund is oversubscribed, the Fund may repurchase, but is not required to repurchase, additional shares up to a maximum amount of 2% of the outstanding shares of the Fund. If the Fund determines not to repurchase additional shares beyond the repurchase offer amount, or if shareholders submit for repurchase an amount of shares greater than that which the Fund is entitled to repurchase, the Fund will repurchase the shares submitted for repurchase on a pro rata basis. The Fund does not currently expect to offer to repurchase additional shares in the event a repurchase offer is oversubscribed.

If any shares that you wish to have repurchased by the Fund are not repurchased because of proration, you will have to wait until the next repurchase offer and resubmit your repurchase request, and your repurchase request will not be given any priority over other shareholders' requests. Thus, there is a risk that the Fund may not purchase all of the shares you wish to have repurchased in a given repurchase offer or in any subsequent repurchase offer. In anticipation of the possibility of proration, some shareholders may submit for repurchase more shares than they wish to have repurchased in a particular quarter, increasing the likelihood of proration.

There is no assurance that you will be able to have your shares repurchased by the Fund when or in the amount that you desire.

Consequences of Repurchase Offers

From the time the Fund distributes or publishes each repurchase offer notification until the repurchase pricing date for that offer, the Fund must maintain liquid assets at least equal to the percentage of its shares subject to the repurchase offer. For this purpose, "liquid assets" means assets that may be sold or otherwise disposed of in the ordinary course of business, at approximately the price at which the Fund values them, within the period between the repurchase request deadline and the repurchase payment date, or which mature by the repurchase payment date. The Fund is also permitted to borrow up to the maximum extent permitted under the 1940 Act to meet repurchase requests.

If the Fund borrows to finance repurchases, interest on that borrowing will negatively affect shareholders who do not submit their shares for repurchase by increasing the Fund's expenses and reducing any net investment income. There is no assurance that the Fund will be able sell a significant amount of additional shares so as to mitigate these effects.

These and other possible risks associated with the Fund's repurchase offers are described under "Risk Factors" in this Prospectus. The repurchase of shares by the Fund will be a taxable event to shareholders, potentially even to those shareholders that do not participate in the repurchase. For a discussion of these tax consequences, see "Federal Income Tax Matters" below and "Tax Status" in the SAI.

Proceeds from the repurchase of shares are paid in cash (in U.S. dollars).

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 acquiring, holding or disposing of shares of the Fund. This discussion addresses only U.S. federal income tax consequences to U.S. shareholders who hold their shares as capital assets (within the meaning of Section 1221 of the Code) 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, real estate investment trusts, other regulated investment companies, dealers in securities or foreign currencies, foreign shareholders, shareholders who hold their shares as or in a hedge, a constructive sale, or a conversion transaction, S corporations, shareholders who are subject to an alternative minimum tax, shareholders subject to the income inclusion timing rules of Code Section 451(b), shareholders whose functional currency (as defined in Section 985 of the Code) is not the U.S. dollar, or governments or their agencies or instrumentalities. In addition, the discussion does not address any state, local, or non-U.S. or non-income tax consequences, and it does not address the effect of any treaty. The discussion reflects applicable 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 retroactively or prospectively. No attempt is made to present a detailed explanation of all U.S. federal income tax concerns affecting the Fund and its shareholders. Investors are urged to consult their own tax advisers to determine the specific tax consequences to them of acquiring, holding and disposing of shares in the Fund, including the applicable federal, state, local and foreign tax consequences to them and the effect of possible changes in tax laws.

The Fund has elected to be treated, and intends to continue to qualify each year, as a "regulated investment company" under Subchapter M of the Code, so that it will not be subject to U.S. federal income tax on income and capital gains distributed as dividends for U.S. federal income tax purposes to shareholders. In order to qualify as a regulated investment company under Subchapter M of the Code, the Fund must, among other things, (i) 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, or 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 an interest in a qualified publicly traded partnership (as defined in Section 851(h) of the Code) (the "90% income test") and (ii) diversify its holdings so that, at the end of each quarter of each taxable year (subject to certain exceptions and special rules): (a) at least 50% of the value of the Fund's total assets is represented by (1) cash and cash items, U.S. Government securities, securities of other regulated investment companies, and (2) other securities, with such other securities limited, in respect of any one issuer, to an amount not greater 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 (b) not more than 25% of the value of the Fund's total assets is invested in (1) the securities (other than U.S. Government securities and securities of other regulated investment companies) of any one issuer, (2) the securities (other than securities of other regulated investment companies) of two or more issuers that the Fund controls and that are engaged in the same, similar, or related trades or businesses, or (3) the securities of one or more qualified publicly traded partnerships (collectively, the "asset diversification tests").

For purposes of the 90% income test, the character of gross income earned by any entities in which the Fund may invest that are not treated as corporations for U.S. federal income tax purposes (e.g., partnerships other than certain publicly traded partnerships or trusts that have not elected to be classified as corporations under the "check-the-box" regulations) will generally pass through to the Fund. Consequently, in order to qualify as a regulated investment company, the Fund may be required to limit its equity investments in such entities that earn fee income, rental income, insurance income or other non-qualifying gross income.

If the Fund qualifies as a regulated investment company and properly distributes to its shareholders each taxable year dividends for U.S. federal income tax purposes in an amount equal to or exceeding the sum of (i) 90% of its "investment company taxable income" as that term is defined in the Code (which includes, among other things, dividends, taxable interest, and the excess of any net short-term capital gains over net long-term capital losses, as reduced by certain deductible expenses) without regard to the deduction for dividends paid and (ii) 90% of the excess of its gross tax-exempt interest income, if any, over certain disallowed deductions, the Fund generally will not be subject to U.S. federal income tax on any income of the Fund, including "net capital gain" (the excess of net long-term capital gain over net short-term capital loss), distributed as dividends for U.S. federal income tax purposes to shareholders. However, if the Fund meets such distribution requirements, but chooses to retain some portion of its taxable income or gains, it generally will be subject to U.S. federal income tax at the applicable corporate rate on the amount retained. The Fund may designate certain amounts retained as undistributed net capital gain in a notice to its shareholders, who (i) will be required to include in income for U.S. federal income tax purposes, as long-term capital gain, their proportionate shares of the undistributed amount so designated, (ii) will be entitled to credit their proportionate shares of the income tax paid by the Fund on that undistributed amount against their federal income tax liabilities and to claim refunds to the extent such credits exceed their liabilities and (iii) will be entitled to increase their tax basis, for federal income tax purposes, in their shares by an amount equal to the excess of the amount of undistributed net capital gain included in their respective income over their respective income tax credits. The Fund intends to distribute at least annually all or substantially all of its investment company taxable income (computed without regard to the dividends-paid deduction), net tax-exempt interest income, and net capital gain.

The Fund normally invests a significant portion of its assets in Structured Investments in the form of ELNs issued by Segregated Accounts. The federal income tax treatment of these Structured Investments and Segregated Accounts, both generally and with respect to the requirements applicable to regulated investment companies, is not entirely clear. Under proposed Treasury Regulations, it is expected that each of the Segregated Accounts will be treated as a separate entity for U.S. federal income tax purposes. If a Segregated Account were to instead be treated as a division of a larger entity consisting of multiple Segregated Accounts, then the Fund could fail to meet the asset diversification tests applicable to regulated investment companies. Additionally, it is expected that the ELNs will be treated as non-voting equity interests in the Segregated Accounts for U.S. federal income tax purposes. If the ELNs were to instead be treated as voting equity investments, the Fund could fail to meet the asset diversification tests applicable to regulated investment companies. The tax treatment of certain insurance- and reinsurance-related instruments is not entirely clear. Certain of the Fund's investments (including, potentially, certain insurance- and reinsurance-related instruments and Structured Investments) may generate gross income that is not qualifying gross income for purposes of the 90% income test. The Fund might generate more non-qualifying gross income than anticipated, might not be able to generate qualifying gross income in a particular taxable year at levels sufficient to meet the 90% income test, or might not be able to determine the percentage of qualifying gross income it has derived for a taxable year until after year-end. The Fund may determine not to make an investment that it otherwise would have made, or may dispose of an investment it otherwise would have retained (potentially resulting in the recognition of taxable gain or loss, and potentially under disadvantageous circumstances), in an effort to meet the 90% income test.

If, for any taxable year, the Fund does not qualify as a regulated investment company or does not satisfy the 90% distribution requirement, it generally will be treated as a U.S. corporation subject to U.S. federal income tax, thereby subjecting any income earned by the Fund to tax at the corporate level and to a further tax at the shareholder level when such income is distributed. Under certain circumstances, the Fund may be able to cure a failure to qualify as a regulated investment company, but in order to do so, the Fund may incur significant Fund-level taxes and may be forced to dispose of certain assets.

Under the Code, the Fund will be subject to a nondeductible 4% U.S. federal excise tax on a portion of its undistributed ordinary income and capital gain net income if it fails to meet certain distribution requirements with respect to each calendar year and generally for the twelve-month period ending October 31, respectively. The Fund intends to make distributions in a timely manner and accordingly does not expect to be subject to the excise tax.

The Fund expects to declare and pay dividends of net investment income and net realized capital gains annually. Dividends from income and/or capital gains may also be paid at such other times as may be necessary for the Fund to avoid U.S. federal income or excise tax.

Unless a shareholder specifies otherwise, all distributions from the Fund to that shareholder will be automatically reinvested in additional shares of the Fund. For U.S. federal income tax purposes, all dividends generally are taxable whether a shareholder takes them in cash or they are reinvested in additional shares of the Fund.

In general, assuming that the Fund has sufficient earnings and profits, dividends from net investment income and net short-term capital gains are taxable either as ordinary income or, if certain conditions are met, as "qualified dividend income," taxable to individual and certain other non-corporate shareholders at reduced U.S. federal income tax rates.

In general, dividends may be reported by the Fund as qualified dividend income if they are attributable to qualified dividend income received by the Fund. Qualified dividend income, with respect to dividends received by a Fund shareholder, generally means dividend income received from the Fund's investments, if any, in common and preferred stock of U.S. companies and stock of certain qualified foreign corporations, provided that certain holding period and other requirements are met by both the Fund and the Fund shareholder in question. The Fund is permitted to acquire stock of corporations and instruments treated as stock of corporations for U.S. federal income tax purposes, and it is therefore possible that a portion of the Fund's distributions may be eligible for treatment as qualified dividend income.

A foreign corporation is treated as a qualified foreign corporation for this purpose if it is incorporated in a possession of the United States or it is eligible for the benefits of certain income tax treaties with the United States and meets certain additional requirements. Certain foreign corporations that are not otherwise qualified foreign corporations will be treated as qualified foreign corporations with respect to dividends paid by them if the stock with respect to which the dividends are paid is readily tradable on an established securities market in the United States. PFICs (including certain PFICs issuing insurance and reinsurance-related instruments) are not qualified foreign corporations for this purpose. The Segregated Accounts are not expected to be treated as qualified foreign corporations for this purpose, and Fund distributions attributable to dividends and other distributions received on Structured Investments issued by the Segregated Accounts are not expected to be eligible for qualified dividend income treatment.

A dividend that is attributable to qualified dividend income of the Fund that is paid by the Fund to a shareholder will not be taxable as qualified dividend income to such shareholder (1) if the dividend is received with respect to any share of the Fund 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 became 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), (2) to the extent that the shareholder 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, or (3) if the shareholder elects to have the dividend treated as investment income for purposes of the limitation on deductibility of investment interest. The "ex-dividend" date is the date on which the owner of the share at the commencement of such date is entitled to receive the next issued dividend payment for such share even if the share is sold by the owner on that date or thereafter.

Distributions by the Fund in excess of the Fund's current and accumulated earnings and profits will be treated as a return of capital to the extent of (and in reduction of) the shareholder's tax basis in its shares and any such amount in excess of that basis will be treated as gain from the sale of shares, as discussed below.

Certain dividends received by the Fund from U.S. corporations (generally, dividends received by the Fund in respect of any share of stock (1) with a tax holding period of at least 46 days during the 91-day period beginning on the date that is 45 days before the date on which the stock becomes ex-dividend as to that dividend and (2) that is held in an unleveraged position) and distributed and appropriately so reported by the Fund may be eligible for the 50% dividends-received deduction generally available to certain corporations under the Code.

Certain preferred stock must have a holding period of at least 91 days during the 181-day period beginning on the date that is 90 days before the date on which the stock becomes ex-dividend as to that dividend in order to be eligible for this corporate dividends-received deduction. Capital gain dividends distributed to the Fund from other regulated investment companies are not eligible for the dividends-received deduction. The Fund is permitted to acquire stock of U.S. domestic corporations, and it is therefore possible that a portion of the Fund's distributions may qualify for this deduction. In order to qualify for the deduction, corporate shareholders must meet the minimum holding period requirement stated above with respect to their Fund shares, taking into account any holding period reductions from certain hedging or other transactions or positions that diminish their risk of loss with respect to their Fund shares, and, if they borrow to acquire or otherwise incur debt attributable to Fund shares, they may be denied a portion of the dividends-received deduction with respect to those shares. Any corporate shareholder should consult its tax adviser regarding the possibility that its tax basis in its shares may be reduced, for U.S. federal income tax purposes, by reason of "extraordinary dividends" received with respect to the shares and, to the extent such basis would be reduced below zero, current recognition of income may be required.

Distributions from net capital gains, if any, that are reported to a Fund shareholder as capital gain dividends by the Fund are taxable as long-term capital gains for U.S. federal income tax purposes without regard to the length of time the shareholder has held shares of the Fund. Capital gain dividends distributed by the Fund to individual and certain other noncorporate shareholders will be taxable as long-term capital gains, which are generally taxable to noncorporate taxpayers at reduced U.S. federal income tax rates. A shareholder should also be aware that the benefits of the favorable tax rates applicable to long-term capital gains and qualified dividend income may be affected by the application of the alternative minimum tax applicable to individuals.

The U.S. federal income tax status of all distributions will be reported to shareholders annually.

A 3.8% Medicare contribution tax generally applies to all or a portion of the net investment income of a shareholder who is an individual and not a nonresident alien for federal income tax purposes and who has adjusted gross income (subject to certain adjustments) that exceeds a threshold amount. This 3.8% tax also applies to all or a portion of the undistributed net investment income of certain shareholders that are estates and trusts. For these purposes, interest, dividends and certain capital gains (among other categories of income) are generally taken into account in computing a shareholder's net investment income.

Although dividends generally will be treated as distributed when paid, any dividend declared by the Fund in October, November or December and payable to shareholders of record in such a month that is paid during January of the following calendar year will be treated for U.S. federal income tax purposes as received by shareholders on December 31 of the calendar year in which it was declared. In addition, certain distributions made after the close of a taxable year of the Fund may be "spilled back" and treated for certain purposes as paid by the Fund during such taxable year. In such case, however, shareholders generally will be treated as having received such dividends in the taxable year in which the distributions were actually made. For purposes of calculating the amount of a regulated investment company's undistributed income and gain subject to the 4% excise tax described above, such "spilled back" dividends are treated as paid by the regulated investment company when they are actually paid.

For U.S. federal income tax purposes, the Fund is permitted to carry forward indefinitely a net capital loss incurred in any taxable year to offset its capital gains, if any, in taxable years following the taxable year of the loss. To the extent subsequent capital gains are offset by such losses, they will not cause the Fund to incur a U.S. federal income tax liability and may not be distributed as capital gain dividends to shareholders. Generally, the Fund may not carry forward any losses other than net capital losses. Under certain circumstances, the Fund may elect to treat certain losses as though they were incurred on the first day of the taxable year immediately following the taxable year in which they were actually incurred.

At the time of a purchase of Fund shares, a portion of the purchase price paid by a Fund shareholder may be attributable to unrealized appreciation in the Fund's portfolio, or to undistributed investment income or capital gains of the Fund. Consequently, subsequent distributions by the Fund with respect to these shares from such appreciation, investment income or gains 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.

A repurchase by the Fund of its shares from a shareholder generally is expected to be treated as a sale of the shares by the shareholder. If, however, the shareholder continues to own shares of the Fund after the repurchase (including shares owned by attribution), and if the repurchase does not otherwise qualify under the Code for treatment as a sale of shares, some or all of the amounts received by a shareholder in a repurchase may be recharacterized either as an ordinary income dividend or as a capital gain dividend. There is also a risk that shareholders who do not participate in the repurchase may be deemed to have received such a distribution as a result of their proportionate increase in the ownership of the Fund. The Fund will use its judgment in reporting repurchases as sales or deemed distributions of ordinary income dividends or capital gain dividends for U.S. federal income tax purposes, but the IRS may disagree with the Fund's reporting. Shareholders should consult their own tax advisers with reference to their individual circumstances to determine whether any particular transaction in Fund shares (including a repurchase) is properly treated as a sale for tax purposes, as the following discussion assumes, and to ascertain the tax treatment of any gains or losses recognized in such transactions.

In general, if Fund shares are sold, the selling shareholder will recognize gain or loss equal to the difference between the amount realized on the sale and the shareholder's adjusted basis in the shares. Such gain or loss generally will be treated as long-term capital gain or loss if the shares were held for more than one year and otherwise generally will be treated as short-term capital gain or loss. Any loss recognized 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 to the shareholder of long-term capital gain with respect to such shares (including any amounts credited to the shareholder as undistributed capital gains).

The Fund may report to the IRS the amount of proceeds that a shareholder receives from a repurchase of Fund shares. The Fund may also report the shareholder's basis in those shares and whether any gain or loss that the shareholder realizes on the repurchase is short-term or long-term gain or loss. If a shareholder has a different basis for different shares of the Fund in the same account (e.g., if a shareholder purchased Fund shares in the same account at different times for different prices, including as the result of reinvestment of dividends), the Fund will calculate the basis of the shares using its default method unless the shareholder has properly elected to use a different method. The Fund's default method for calculating basis will be the average basis method, under which the basis per share is reported as the average of the bases of all of the shareholder's Fund shares in the account. A shareholder may elect, on an account-by-account basis, to use a method other than average basis by following procedures established by the Fund. If such an election is made on or prior to the date of the first repurchase of shares in the account and on or prior to the date that is one year after the shareholder receives notice of the Fund's default method, the new election will generally apply as if the average basis method had never been in effect for such account. If such an election is not made on or prior to such dates, the shares in the account at the time of the election will generally retain their averaged bases. Shareholders should consult their tax advisers concerning the tax consequences of applying the average basis method or electing another method of basis calculation.

Losses on repurchases of shares may be disallowed under "wash sale" rules in the event of other investments in the Fund (including those made pursuant to reinvestment of distributions) within a period of 61 days beginning 30 days before and ending 30 days after a repurchase or other disposition of shares. In such a case, the disallowed portion of any loss generally would be included in the U.S. federal tax basis of the shares acquired in the other investments.

Under Treasury regulations, if a shareholder recognizes a loss with respect to Fund shares of $2 million or more for an individual shareholder, or $10 million or more for a corporate shareholder, in any single taxable year (or certain greater amounts over a combination of years), the shareholder must file with the IRS a disclosure statement on IRS Form 8886. Shareholders who own portfolio securities directly are in many cases excepted from this reporting requirement but, under current guidance, shareholders of regulated investment companies are not excepted. A shareholder who fails to make the required disclosure to the IRS may be subject to adverse tax consequences, including substantial penalties. The fact that a loss is reportable under these regulations does not affect the legal determination of whether or not the taxpayer's treatment of the loss is proper. Shareholders should consult with their tax advisers to determine the applicability of these regulations in light of their individual circumstances.

Shareholders that are exempt from U.S. federal income tax, such as retirement plans that are qualified under Section 401 of the Code, generally are not subject to U.S. federal income tax on Fund dividends or distributions, or on repurchases of Fund shares unless the Fund shares are "debt-financed property" within the meaning of the Code. However, in the case of Fund shares held through a non-qualified deferred compensation plan, Fund dividends and distributions received by the plan and gains from repurchases of Fund shares by the plan generally are taxable to the employer sponsoring such plan in accordance with the U.S. federal income tax laws that are generally applicable to shareholders receiving such dividends or distributions from regulated investment companies such as the Fund.

A plan participant whose retirement plan invests in the Fund, whether such plan is qualified or not, generally is not subject to tax on Fund dividends or distributions received by the plan or on gains from repurchases of Fund shares by the plan for U.S. federal income tax purposes. However, distributions to plan participants from a retirement plan account generally are taxable as ordinary income, and different tax treatment, including penalties on certain excess contributions and deferrals, certain pre-retirement and post-retirement distributions and certain prohibited transactions, is accorded to accounts maintained as qualified retirement plans. Shareholders should consult their tax advisers for more information.

Certain tax-exempt educational institutions will be subject to a 1.4% tax on net investment income. For these purposes, certain dividends and capital gain distributions, and certain gains from the disposition of Fund shares (among other categories of income), are generally taken into account in computing a shareholder's net investment income.

Foreign exchange gains and losses realized by the Fund in connection with certain transactions involving foreign currency-denominated debt securities, certain options, futures contracts, forward contracts and similar financial instruments relating to foreign currency, foreign currencies, or payables or receivables denominated in a foreign currency are subject to Section 988 of the Code, which generally causes such gains and losses to be treated as ordinary income and losses and may affect the amount, timing and character of distributions to shareholders. Under Treasury regulations that may be promulgated in the future, any gains from such transactions that are not directly related to the Fund's principal business of investing in stock or securities (or its options contracts or futures contracts with respect to stock or securities) may have to be limited in order to enable the Fund to satisfy the 90% income test.

Investments in the Segregated Accounts and certain other investments directly or indirectly held by the Fund (including certain ILWs, Cat Bonds and Structured Investments) may be treated as equity interests in PFICs for U.S. federal income tax purposes. In general, a PFIC is a foreign corporation (i) that earns at least 75% of its annual gross income from passive sources (such as interest, dividends, certain rents and royalties, or capital gains) or (ii) where at least 50% of its assets (computed based on average fair market value) either produce or are held for the production of passive income. If the Fund directly or indirectly holds any equity interest (under Treasury regulations that may be promulgated in the future, generally including not only stock but also an option to acquire stock such as is inherent in a convertible bond) in a PFIC, the Fund could be subject to U.S. federal income tax and additional interest charges on "excess distributions" received (directly or indirectly) from the PFIC or on any gain recognized by the Fund (directly or indirectly) from the sale or other disposition of stock in the PFIC, even if all income or gain actually earned by the Fund is timely distributed to its shareholders. The Fund would not be able to pass through to its shareholders any credit or deduction for such a tax. Gains recognized by the Fund from the sale or other disposition of stock of PFICs may also be treated as ordinary income.

A "qualified electing fund" election or a "mark to market" election may be available that would ameliorate these adverse tax consequences, but such elections could require the Fund to recognize taxable income or gain (which would be subject to the distribution requirements applicable to regulated investment companies, as described above) without the concurrent receipt of cash. In order to satisfy the distribution requirements with respect to such income or gain and avoid a tax on the Fund, the Fund may be required to liquidate portfolio securities that it might otherwise have continued to hold (potentially resulting in taxable gain or loss to the Fund and potentially under disadvantageous circumstances), or the Fund may be required to borrow cash. In order for the Fund to make a qualified electing fund election with respect to a PFIC, the PFIC would have to agree to provide certain tax information to the Fund on an annual basis, which it might not agree to do. If the Fund makes a valid qualified electing fund election with respect to a PFIC, the Fund will include in its income each year its pro rata share of the PFIC's net capital gains (as long-term capital gain) and other earnings and profits (as ordinary income), whether or not any amounts are distributed from the PFIC to the Fund. If the qualified electing fund election is made, actual cash distributions by the PFIC paid out of earnings and profits already included in taxable income will not be taken into account in determining the taxable income of the Fund. Any gain or loss recognized by the Fund from the sale or other disposition of stock of a PFIC for which the Fund has made a qualified electing fund election will generally be treated as a capital gain or loss. If the Fund makes a mark-to-market election with respect to a PFIC, the Fund generally will include as ordinary income each taxable year the excess, if any, of the fair market value of its stock in the PFIC at the end of the year over its adjusted tax basis in that stock, and the Fund generally will be allowed to take an ordinary loss in respect of the excess, if any, of its adjusted tax basis in that stock over the fair market value of that stock at the end of the year (but only to the extent of the net amount of income previously included by the Fund as a result of the mark-to-market election). If the Fund makes a mark-to-market election with respect to a PFIC, then any gain recognized by the Fund from the sale or other disposition of the stock of a PFIC will generally be treated as ordinary income, and any loss so recognized will be treated as an ordinary loss to the extent of the net amount of income previously included by the Fund as a result of the mark-to-market election. The Fund may limit and/or manage its holdings in PFICs to limit its tax liability or maximize its after-tax return from these investments.

The Segregated Accounts and certain other issuers of insurance- and reinsurance-related securities may be treated as CFCs for U.S. federal income tax purposes. If a sufficient portion of the vote or, under legislation enacted in late 2017, value of interests in a foreign issuer that is treated as a corporation for U.S. federal income tax purposes is directly or indirectly held (or treated as held) by the Fund, independently or together with certain other U.S. persons, that issuer may be treated as a CFC with respect to the Fund, in which case the Fund will be required to take into account each year, as ordinary income, its share of certain portions of that issuer's income, whether or not such amounts are distributed. Prior to the 2017 change in tax law, it was expected, but not guaranteed, that the Segregated Accounts of NB Re would not be treated as CFCs for U.S. federal income tax purposes. If the Segregated Accounts or other issuers of insurance- and reinsurance-related securities are treated as CFCs for U.S. federal income tax purposes, the Fund may have to dispose of its portfolio securities (potentially resulting in the recognition of taxable gain or loss, and potentially under disadvantageous circumstances) to generate cash, or may have to borrow the cash, to meet its distribution requirements and avoid Fund-level taxes. In addition, some Fund gains recognized from the sale or other disposition of interests in such an issuer may be treated as ordinary income. The Fund may limit and/or manage its holdings in issuers that could be treated as CFCs in order to limit its tax liability or maximize its after-tax return from these investments.

Under Section 163(j) of the Code, a taxpayer's business interest expense is generally deductible to the extent of its business interest income plus certain other amounts. If the Fund earns business interest income, it may report a portion of its dividends as "Section 163(j) interest dividends," which its shareholders may be able to treat as business interest income for purposes of Section 163(j) of the Code. The Fund's "Section 163(j) interest dividend" for a tax year will be limited to the excess of its business interest income over the sum of its business interest expense and other deductions properly allocable to its business interest income. In general, the Fund's shareholders may treat a distribution reported as a Section 163(j) interest dividend as interest income only to the extent the distribution exceeds the sum of the portions of the distribution reported as other types of tax-favored income (which would generally include exempt-interest income). To be eligible to treat a Section 163(j) interest dividend as interest income, a shareholder may need to meet certain holding period requirements in respect of the shares and must not have hedged its position in the shares in certain ways.

If the Fund invests in certain payment-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 generally must accrue income on such investments for each taxable year, which generally will be recognized by the Fund as a component of its investment company taxable income prior to the receipt of the corresponding cash payments. However, the Fund must distribute to its shareholders, at least annually, all or substantially all of its investment company taxable income (determined without regard to the deduction for dividends paid), including such accrued income, in order to qualify to be treated as a regulated investment company under the Code and avoid U.S. federal income and excise taxes. Therefore, the Fund may have to dispose of its portfolio securities, potentially under disadvantageous circumstances, to generate cash, or may have to borrow the cash, to satisfy distribution requirements. Such a disposition of securities may potentially result in additional taxable gain or loss to the Fund.

The Fund may invest to a significant extent in, or hold, debt instruments that are below investment grade or that are unrated, including debt instruments of issuers not currently paying interest or that are in default. Investments in debt instruments that are at risk of or are in default present special tax issues for the Fund. Federal income 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 debt instruments in default should be allocated between principal and interest and whether certain exchanges of debt instruments in a workout context are taxable events for U.S. federal income tax purposes. These and other issues will be addressed by the Fund, in the event it invests in or holds such debt instruments, in order to seek to mitigate the risk that it fails to distribute sufficient income to preserve its qualification for treatment as a regulated investment company and minimize U.S. federal income or excise tax.

Options written or purchased and futures contracts entered into by the Fund on certain securities, indices and foreign currencies, as well as certain forward foreign currency contracts and similar financial instruments, may cause the Fund to recognize gains or losses from marking-to-market even though such options may not have lapsed or been closed out or exercised, or such futures or forward contracts or similar financial instruments may not have been performed or closed out. The tax rules applicable to these contracts, options and similar financial instruments may affect the characterization of some capital gains and losses realized by the Fund as long-term or short-term. Certain options, futures and forward contracts and similar financial instruments relating to foreign currency may be subject to Section 988 of the Code, as described above, and accordingly may produce ordinary income or loss. Additionally, the Fund may be required to recognize gain if an option, futures contract, forward contract, short sale or similar transaction that is not subject to the mark-to-market rules is treated as a "constructive sale" of an "appreciated financial position" held by the Fund under Section 1259 of the Code. Any net mark-to-market gains and/or gains from constructive sales may also have to be distributed to satisfy the distribution requirements referred to above even though the Fund may receive no corresponding cash amounts, possibly requiring the disposition of portfolio securities or borrowing to obtain the necessary cash. Such a disposition of securities may potentially result in additional taxable gain or loss to the Fund. Losses on certain options, futures or forward contracts and similar financial instruments, and/or offsetting positions (portfolio securities or other positions with respect to which the Fund's risk of loss is substantially diminished by one or more options, futures or forward contracts) may also be deferred under the tax straddle rules of the Code, which may also affect the characterization of capital gains or losses from straddle positions and certain successor positions as long-term or short-term. Certain tax elections may be available that would enable the Fund to ameliorate some adverse effects of the tax rules described in this paragraph. The tax rules applicable to options, futures, forward contracts and straddles may affect the amount, timing and character of the Fund's income and gains or losses and hence of its distributions to shareholders.

The Fund will not be considered a "publicly offered" regulated investment company if it does not have at least 500 shareholders at all times during a taxable year and its shares are not treated as continuously offered pursuant to a public offering. If for any taxable year the Fund were not a "publicly offered" regulated investment company within the meaning of Section 67(c)(2)(B) of the Code, certain of the Fund's direct and indirect expenses would be subject to special rules relating to expenses. Very generally, pursuant to Treasury Regulations, expenses of a regulated investment company that is not "publicly offered," except those specific to its status as a regulated investment company or separate entity (e.g., registration fees or transfer agency fees), are treated as additional dividends to certain fund shareholders (generally including other regulated investment companies that are not "publicly offered," individuals and entities that compute their taxable income in the same manner as individuals) and, for years beginning after December 31, 2017 and before January 1, 2026, are not deductible by those shareholders that are individuals (or entities that compute their taxable income in the same manner as individuals).

The Fund may be subject to withholding and other taxes imposed by foreign countries, including taxes imposed on interest, dividends and capital gains with respect to its investments in those countries. Any such taxes would, if imposed, reduce the yield on or return from those investments. Tax conventions between certain countries and the U.S. may reduce or eliminate such taxes in some cases. If more than 50% of the Fund's total assets at the close of any taxable year consist of stock or securities of foreign corporations, the Fund may elect to pass through to its shareholders their pro rata shares of qualified foreign taxes paid by the Fund for that taxable year. If the Fund so elects, shareholders would be required to include such taxes in their gross incomes (in addition to the dividends and distributions they actually receive), would treat such taxes as foreign taxes paid by them, and as described below may be entitled to a tax deduction for such taxes or a tax credit, subject to a holding period requirement and other limitations under the Code.

Qualified foreign taxes generally include taxes that would be treated as income taxes under U.S. tax regulations but do not include certain taxes, such as stamp taxes, securities transaction taxes, and similar taxes. If the Fund qualifies to make, and makes, the election described above, shareholders may deduct their pro rata portion of qualified foreign taxes paid by the Fund for that taxable year in computing their income subject to U.S. federal income taxation or, alternatively, claim them as credits, subject to applicable limitations under the Code, against their U.S. federal income taxes. Shareholders who do not itemize deductions for U.S. federal income tax purposes will not, however, be able to deduct their pro rata portion of qualified foreign taxes paid by the Fund, although such shareholders will be required to include their shares of such taxes in gross income if the Fund makes the election described above. No deduction for such taxes will be permitted to individuals in computing their alternative minimum tax liability.

If the Fund makes this election and a shareholder chooses to take a credit for the foreign taxes deemed paid by such shareholder, the amount of the credit that may be claimed in any taxable year may not exceed the same proportion of the U.S. tax against which such credit is taken that the shareholder's taxable income from foreign sources (but not in excess of the shareholder's entire taxable income) bears to his entire taxable income. For this purpose, long-term and short-term capital gains the Fund realizes and distributes to shareholders will generally not be treated as income from foreign sources in their hands, nor will distributions of certain foreign currency gains subject to Section 988 of the Code or of any other income recognized by the Fund that is deemed, under the Code, to be U.S.-source income in the hands of the Fund. This foreign tax credit limitation may also be applied separately to certain specific categories of foreign-source income and the related foreign taxes. As a result of these rules, which may have different effects depending upon each shareholder's particular tax situation, certain shareholders may not be able to claim a credit for the full amount of their proportionate share of the foreign taxes paid by the Fund. Shareholders who are not liable for U.S. federal income taxes, including tax-exempt shareholders, will ordinarily not benefit from this election. If the Fund does make the election, it will provide required tax information to shareholders. The Fund generally may deduct any foreign taxes that are not passed through to its shareholders in computing its income available for distribution to shareholders to satisfy applicable tax distribution requirements. Under certain circumstances, if the Fund receives a refund of foreign taxes paid in respect of a prior year, the value of Fund shares could be affected, or any foreign tax credits or deductions passed through to shareholders in respect of the Fund's foreign taxes for the current year could be reduced.

The Fund is required to withhold (as "backup withholding") a portion of reportable payments, including dividends, capital gain distributions and the proceeds of repurchases of Fund shares, paid to shareholders who have not complied with certain IRS regulations. The backup withholding rate is currently 24%. In order to avoid this withholding requirement, shareholders, other than certain exempt entities, must generally certify 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 backup withhold if it receives notice from the IRS or a broker that the number provided is incorrect or backup withholding is applicable as a result of previous underreporting of interest or dividend income.

Backup withholding is not an additional tax. Any amounts withheld may be credited against the applicable shareholder's federal income tax liability, provided the appropriate information is timely furnished to the IRS.

Persons holding Fund shares who are not U.S. persons may be subject to different U.S. federal income tax treatment, including a non-resident alien U.S. withholding tax at the rate of 30% or any lower applicable treaty rate on amounts treated as ordinary dividends from the Fund (other than certain dividends reported by the Fund as (i) interest-related dividends, to the extent such dividends are derived from the Fund's "qualified net interest income," or (ii) short-term capital gain dividends, to the extent such dividends are derived from the Fund's "qualified short-term gain") or, in certain circumstances, unless an effective IRS Form W-8BEN or other applicable and authorized U.S. nonresident withholding certificate is on file, to backup withholding on certain other payments from the Fund. "Qualified net interest income" is generally the Fund's net income derived from U.S.-source interest and original issue discount, subject to certain exceptions and limitations. "Qualified short-term gain" generally means the excess of the net short-term capital gain of the Fund for the taxable year over its net long-term capital loss, if any. Backup withholding will not be applied to payments that have been subject to the 30% (or lower applicable treaty rate) withholding tax described in this paragraph.

Unless certain non-U.S. entities that hold Fund shares comply with IRS requirements that will generally require them to report information regarding U.S. persons investing in, or holding accounts with, such entities, a 30% withholding tax may apply to Fund distributions payable to such entities. A non-U.S. shareholder may be exempt from the withholding described in this paragraph under an applicable intergovernmental agreement between the U.S. and a foreign government, provided that the shareholder and the applicable foreign government comply with the terms of such agreement.

Income earned by a non-U.S. shareholder from the Fund that is effectively connected with a trade or business conducted by the non-U.S. shareholder in the U.S. ("effectively connected income") generally will be subject to federal income tax at the graduated rates applicable to U.S. citizens, residents or domestic corporations, whether such income is received in cash or reinvested in Fund shares and, in the case of a non-U.S. corporation, may also be subject to a branch profits tax. If a non-U.S. shareholder is eligible to claim the benefits of a tax treaty with the U.S., any such effectively connected income generally will be subject to federal income tax on a net basis only if it is also attributable to a permanent establishment maintained by the non-U.S. shareholder in the U.S.

Shareholders should consult their own tax advisers on these matters and on state, local, foreign and other applicable tax laws.

If, as anticipated, the Fund qualifies as a regulated investment company under the Code, it is expected that the Fund will not be subject to pay any Delaware corporation income tax; however, the Fund may be subject to certain other state, local or foreign income, franchise or other taxes.

A state income (and possibly local income and/or intangible property) tax exemption is generally available to the extent the Fund's distributions are derived from interest on (or, in the case of intangible property taxes, to the extent the value of its assets is attributable to) certain U.S. Government obligations, provided, in some states, that certain thresholds for holdings of such obligations and/or reporting requirements are satisfied. The Fund will not seek to satisfy any threshold or reporting requirements that may apply in particular taxing jurisdictions, although the Fund may in its sole discretion provide relevant information to shareholders.

NET ASSET VALUE

The NAV of the Fund's shares is determined by dividing the total value of the Fund's portfolio investments, plus cash and other assets, less any liabilities (including accrued expenses or dividends), by the total number of shares outstanding. The Fund's shares are valued as of a particular time (the "Valuation Time") each day that the NYSE opens for business.[1] The Valuation Time is ordinarily at the close of regular trading on the NYSE (normally 4:00 p.m. Eastern time). The Fund's most recent NAV is available on the Fund's website, www.citynationalrochdalefunds.com.

Generally, the Fund's investments are valued at market value or, in the absence of a market value, at fair value as determined in good faith by the Adviser pursuant to joint valuation procedures of the Fund and the Adviser. The Board of Trustees has designated the Adviser as the Fund's Valuation Designee responsible for making good faith determinations of fair value when appropriate, subject to oversight by the Board. The Valuation Designee carries has formed an internal fair value committee (the "Fair Value Committee") to assist with its designated responsibilities as the Valuation Designee. The Valuation Designee is subject to the general oversight of the Board.

The Fair Value Committee makes fair value determinations, in good faith, utilizing methodologies approved by and under the ultimate oversight of the Board of Trustees. When prices or market quotations are unavailable or are considered by the Adviser to be unreliable, the Fair Value Committee will determine the security's fair value. In determining the fair value of a security, the Fair Value Committee will consider the Valuation Designee's valuation recommendation and information supporting the recommendation, including factors such as the type of security, last trade price, fundamental analytical data relating to the security, forces affecting the market in which the security is purchased and sold, the price and extent of public trading in similar securities of the issuer or comparable companies, and other relevant factors. The Fair Value Committee determines fair value in a manner that seeks to reflect the market value of the security on the valuation date based on consideration of any information or factors it deems appropriate as further described below. For purposes of determining the fair value of securities, the Fair Value Committee may consider, without limitation: (i) indications or quotes from brokers; (ii) valuations provided by a third-party pricing agent; (iii) internal models that take into consideration different factors determined to be relevant by the Committee; (iv) the Adviser's valuation recommendation and information supporting the recommendation; or (v) any combination of the above. Valuing securities in accordance with fair valuation procedures involves greater reliance on judgment than valuing securities based on readily available market quotations. Fair value pricing may require subjective determinations about the value of an asset or liability. Fair value determinations can also involve reliance on quantitative models employed by a fair value pricing service.

It is possible that the fair value determined for a security may be materially different than the value that could be realized upon the sale of such security. Thus, fair valuation may have an unintended dilutive or accretive effect on the value of shareholders' investments in the Fund. Investors who purchase or submit repurchase requests for Fund shares may receive fewer or more shares or lower or higher repurchase requests proceeds than they would have received if the securities had not been fair valued or if a different valuation methodology had been used.

Currently, a substantial portion of the Fund's investments is in ELNs issued by Segregated Accounts which have no readily available market quotations and are valued using fair value methods. The Segregated Accounts may hold ILWs, for which market quotations are not readily available, and/or Cat Bonds, for which prices are generally readily available from third-party pricing services. The administrator of the Segregated Accounts provides a price for the Fund's ELN investments on a periodic basis, including at the time of investment, redemption and maturity. The Fund's ELN investments are valued using a fair value methodology. This fair value methodology is generally the same valuation methodology utilized by the administrator, though certain inputs may differ. The methodology and related procedures are approved by the Board of Trustees. In pricing an ELN, the fair value methodology includes a variety of inputs, including the price of each underlying ILW and/or Cat Bond held in the Segregated Account as provided by the Segregated Account and the fees and expenses borne by the Fund as a holder of ELNs issued by the Segregated Account. The underlying ILWs are generally priced by the applicable Segregated Accounts based upon a third party model that estimates risk dissipation and premium accrual rates in respect of each of the ILWs. NB Re will, on behalf of the Segregated Accounts, provide the model price of each underlying ILW to the Fund. The Fair Value Committee will normally convene upon the occurrence of an event with the potential to impact an ILW or Cat Bond, such as a hurricane, to consider any fair value adjustments to the ELN with exposure to that ILW or Cat Bond.

To the extent the Fund invests in open-end management companies that are registered under the 1940 Act, the Fund's NAV will be calculated based upon the NAV of such funds. The prospectuses for such funds explain the circumstances under which they will use fair value pricing and its effects. Short-term debt securities, which have a maturity date of 60 days or less, are valued at amortized cost.

The values of the Fund's investments in publicly traded foreign equity securities generally will be determined by a pricing service using pricing models designed to estimate likely changes in the values of those securities between the times in which the trading in those securities is substantially completed and the close of the NYSE. Fair values used to determine the Fund's NAV may differ from quoted or published prices, or from prices that are used by others, for the same investments. The use of fair value pricing may not always result in adjustments to the prices of securities or other assets or liabilities held by the Fund.

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1 As of the date of this Prospectus, the NYSE is open from Monday through Friday, 9:30 a.m. to 4:00 p.m., Eastern Time, and will generally close on, and in observation of the following holidays: New Year's Day, Martin Luther King, Jr. Day, Washington's Birthday, Good Friday, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

A substantial portion of the Fund's investments is expected to be U.S. dollar denominated investments. Investments initially valued in currencies other than the U.S. dollar are converted to U.S. dollars using exchange rates obtained from pricing services. As a result, the NAV of the Fund's shares may be affected by changes in the value of currencies in relation to the U.S. dollar. International markets are sometimes open on days when U.S. markets are closed, which means that the value of foreign securities owned by the Fund could change on days when fund shares cannot be bought or sold. The value of investments traded in markets outside the U.S. or denominated in currencies other than the U.S. dollar may be affected significantly on a day that the NYSE is closed, and the NAV of the Fund's shares may change on days when an investor is not able to purchase, shares or have their shares repurchased by the Fund. The calculation of the Fund's NAV may not take place contemporaneously with the determination of the prices of foreign securities used in NAV calculations.

DESCRIPTION OF SHARES

The Fund is authorized to issue an unlimited number of common shares, without par value. All shares have equal rights to the payment of dividends and other distributions and the distribution of assets upon liquidation. Shares, when issued and outstanding, will be fully paid and non-assessable. Shareholders are entitled to share pro rata in the net assets of the Fund available for distribution to common shareholders upon liquidation of the Fund. Common shareholders are entitled to one vote for each share held.

As of May 1, 2024, the following number of shares were outstanding:

Title of Class	Amount Authorized	Amount Held by the Fund for its Own Account	Outstanding Shares
Common Shares	Unlimited	0	15,680,631.874

The following is a list of the record holders of 5% or more of any class of the Fund's outstanding shares as of May 1, 2024.

Record Holder	Share Class	Number of Shares	% of Class
SEI PRIVATE TRUST CO C/O CITY NATIONAL BANK ID 541 ATTN: MUTUAL FUND ADMIN 1 FREEDOM VALLEY DR OAKS PA 19456-9989	Common Shares	7,607,544.914	44.17%
NATIONAL FINANCIAL SERVICES LLC 499 WASHINGTON BLVD JERSEY CITY NJ 07310-1995	Common Shares	4,207,249.095	26.31%
PERSHING LLC PO BOX 2052 JERSEY CITY NJ 07303-2052	Common Shares	4,032,731.185	24.92%

As of May 1, 2024, the following record holders held more than 25% of the outstanding shares of the Fund. A person may be deemed to control the Fund if such person owns more than 25% of the outstanding shares of the Fund.

Record Holder	Share Class	Number of Shares	% of Class
SEI PRIVATE TRUST CO C/O CITY NATIONAL BANK ID 541 ATTN: MUTUAL FUND ADMIN 1 FREEDOM VALLEY DR OAKS PA 19456-9989	Common Shares	7,607,544.914	44.17%
NATIONAL FINANCIAL SERVICES LLC 499 WASHINGTON BLVD JERSEY CITY NJ 07310-1995	Common Shares	4,207,249.095	26.31%
PERSHING LLC PO BOX 2052 JERSEY CITY NJ 07303-2052	Common Shares	4,032,731.185	24.92%

CERTAIN PROVISIONS OF THE AGREEMENT AND DECLARATION OF TRUST AND BY-LAWS

The Fund's Amended and Restated Declaration of Trust (the "Declaration of Trust") includes provisions that could have the effect of limiting the ability of other entities or persons to acquire control of the Fund or to change the composition of its Board of Trustees and could have the effect of depriving shareholders of an opportunity to sell their shares at a premium over prevailing market prices by discouraging a third party from seeking to obtain control of the Fund.

Although the Fund is not required to hold annual meetings of its shareholders, except as required by law, a special meeting of shareholders may be called at any time by the Chairman, President or Trustees of the Fund. A special meeting of shareholders may also be called by the Secretary of the Fund at the written request of shareholders holding at least a majority of the outstanding shares entitled to vote at such meeting, under certain circumstances, as provided in the Declaration of Trust or in the By-Laws.

A Trustee may be removed from office only (i) by action of at least a majority of the remaining Trustees if such removal is approved by the action of at least three-quarters (3/4) of the outstanding shares, or (ii) by the action of at least three-quarters (3/4) of the remaining Trustees, specifying the date when such removal shall become effective.

The Declaration of Trust provides for shareholder voting as required by the 1940 Act or other applicable laws but otherwise permits, consistent with Delaware law, actions by the Trustees without seeking the consent of shareholders. The Trustees may, without shareholder approval, where approval of shareholders is not otherwise required under the 1940 Act, merge or consolidate the Fund into other entities, reorganize the Fund into another trust or entity or a series or class of another entity, sell the assets of the Fund to another entity, or terminate the Fund.

The Fund may be converted to an open-end investment company at any time by a vote of the outstanding shares. Conversion of the Fund to an open-end investment company would require the affirmative vote of three-quarters (3/4) of the Trustees the in office, followed by a favorable vote of the holders of at least a majority of fund's outstanding shares. Such a vote also would satisfy a separate requirement in the 1940 Act that the change be approved by the shareholders. Shareholders of an open-end investment company may require the company to redeem their shares of common stock at any time (except in certain circumstances as authorized by or under the 1940 Act) at their NAV, NAV per share less such redemption charge, if any, as might be in effect at the time of a redemption. All such redemptions generally will be made in cash. If the Fund is converted to an open-end investment company, it could be required to liquidate portfolio securities to meet requests for redemption.

Conversion to an open-end investment company would also require changes in certain of the Fund's investment policies and restrictions, such as those relating to leverage and the purchase of illiquid securities.

The Declaration of Trust requires the favorable vote of the holders of at least three-quarters (3/4) of the outstanding shares of the Fund to approve, adopt or authorize certain transactions with 5% or greater holders of the outstanding shares of the Fund and their affiliates or associates. For purposes of these provisions, a 5% or greater holder of the outstanding shares of the Fund (a "Principal Shareholder") refers to any person who, whether directly or indirectly and whether alone or together with its affiliates and associates, beneficially owns 5% or more of the outstanding shares of the Fund. The 5% holder transactions subject to these special approval requirements are:

- the merger or consolidation of the Fund or any subsidiary of the Fund with or into any Principal Shareholder;
- the issuance of any securities of the Fund to any Principal Shareholder for cash, other than pursuant to a dividend reinvestment or similar plan available to all shareholders of the Fund;
- the sale, lease or exchange of all or any substantial part of the assets of the Fund to any Principal Shareholder, except assets having an aggregate fair market value of less than $1,000,000, aggregating for the purpose of such computation all assets sold, leased or exchanged in any series of similar transactions within a 12-month period; and
- the sale, lease or exchange to the Fund or any subsidiary of the Fund, in exchange for securities of the Fund, of any assets of any Principal Shareholder, except assets having an aggregate fair market value of less than $1,000,000, aggregating for purposes of such computation all assets sold, leased or exchanged in any series of similar transactions within a 12-month period.

ADMINISTRATOR, FUND ACCOUNTING AGENT, DISTRIBUTOR, CUSTODIAN AND TRANSFER AGENT

SEI Investments Global Funds Services, a wholly-owned subsidiary of SEI Investments, Co., located at One Freedom Valley Drive, Oaks, Pennsylvania 19456, serves as the Fund's administrator and fund accounting agent (the "Administrator"). SEI Investments Distribution Co., a wholly-owned subsidiary of SEI Investments, Co., located at One Freedom Valley Drive, Oaks, Pennsylvania 19456, serves as the

Fund's distributor (the "Distributor"). U.S. Bank National Association, located at 1555 N. Rivercenter Drive, Milwaukee, Wisconsin 53212, serves as the Fund's custodian (the "Custodian"). U.S. Bank Global Fund Services, LLC, located at 615 East Michigan Street, Milwaukee, Wisconsin 53202, serves as the Fund's transfer agent (the "Transfer Agent").

The Fund compensates the Administrator, the Custodian and the Transfer Agent for their services. The Distributor is not compensated for its services to the Fund.

TABLE OF CONTENTS FOR THE STATEMENT OF ADDITIONAL INFORMATION

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PRIVACY PRINCIPLES

The Fund knows our shareholders expect and rely upon us to maintain the confidentiality and privacy of all of the information about them in our possession and control. Maintaining the trust and confidence of our shareholders is our highest priority. The Fund has adopted and a Privacy Policy to guide the Fund's conduct when it collects, uses, maintains or releases nonpublic personal information from the Fund's shareholders and prospective shareholders. Certain information regarding the Privacy Policy is summarized below.

We will obey all applicable laws respecting the privacy of nonpublic personal information and will comply with the obligations of the law respecting nonpublic personal information provided to us. The Fund may obtain nonpublic personal information from and about its shareholders and prospective shareholders from different sources, including the following: (i) information we receive from shareholders and prospective shareholders directly or through their financial intermediaries, on subscription agreements, forms or other documents; (ii) information about shareholder transactions with the Fund, its affiliates or others; (iii) information about a shareholder's transactions with nonaffiliated third parties; (iv) information from or about a shareholder collected online; and (v) information we receive from a consumer reporting agency. We collect, use and retain the information, including nonpublic personal information, about our shareholders and prospective shareholders that we believe is necessary for us to, among other things, understand and better meet their financial needs and requests, administer and maintain their accounts, provide them with our products and services, anticipate their future needs, protect them and us from fraud or unauthorized transactions, and meet legal requirements.

We may share information regarding our shareholders with our affiliates as permitted by law because some of our products and services are delivered through or in conjunction with our affiliates. We instruct our colleagues and applicable affiliates to limit the availability of all shareholder information within their respective organizations to those colleagues responsible for servicing the needs of the shareholder and those colleagues who reasonably need such information to perform their duties and as required or permitted by law.

We do provide shareholder information, including nonpublic personal information, to our vendors and other outside service providers whom we use when appropriate or necessary to perform and enhance our shareholder services. When we provide shareholder information to anyone outside our organization, we only do so as required or permitted by law. We require all of our vendors and service providers who receive shareholder information from us to agree to maintain the information in confidence, to limit the use and dissemination of the information to the purpose for which it is provided and to abide by the law. To the extent permitted by law, we undertake to advise a shareholder of any government or other legal process served on us requiring disclosure of information about that shareholder.

We generally limit our disclosure of nonpublic personal information to third parties to the following circumstances: (i) when requested to do so by the shareholder; (ii) when necessary, in our opinion, to effect, administer, or enforce a shareholder initiated transaction or a shareholder request for a product or service; and (iii) when required or permitted to do so by law or regulation, including authorized requests from government agencies and if we are the victim of fraud or otherwise suffer loss caused by the unlawful act of the shareholder.

We maintain physical, electronic and procedural safeguards that are designed to guard all shareholder information. In addition, we educate all our colleagues about the Privacy Policy and their obligations to maintain confidentiality and privacy of shareholder information as summarized here and we take appropriate disciplinary measures to enforce these obligations.

A full copy of the Fund's Privacy Policy is available upon request from the Fund. Should you have any questions regarding the Policy, please contact your investment professional or the Fund at 1-888-889-0799.

City National Rochdale Select Strategies Fund

PROSPECTUS

May 30, 2024

You should rely only on the information contained in or incorporated by reference into 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.