PROSPECTUS

Shares

BNY Mellon Alcentra Global Multi-Strategy Credit Fund, Inc.

Common Shares

$100.00 per Share

The Fund. BNY Mellon Alcentra Global Multi-Strategy Credit Fund, Inc., a Maryland corporation (the “Fund”), is a non-diversified, closed-end management investment company with no operating history. The Fund’s investment objective is to seek to provide total return consisting of high current income and capital appreciation. There is no assurance the Fund will achieve its investment objective.

The Offering. The Fund is offering, pursuant to this prospectus on a reasonable best efforts basis, shares of common stock, par value $0.001 per share (“Common Shares”), at a purchase price equal to $100.00 per Common Share. The purchase of Common Shares is not subject to a sales load. The minimum required purchase by each investor is 250 Common Shares. The Fund, however, in its sole discretion, may accept investments below the minimum. BNY Mellon Securities Corporation (the “Distributor”) or one or more selling agents may establish a higher minimum investment amount for its clients. You should consult with your own professional advisors as to the legal, tax, financial or other matters relevant to the suitability of an investment in the Fund. See “Plan of Distribution.”

Limited Term. In accordance with the Fund’s charter, the Fund will terminate at the close of business on 2025, the sixth anniversary of the closing date of the Fund’s initial public offering (the “Termination Date”). The Fund’s Board of Directors may choose to commence the liquidation and termination of the Fund prior to the Termination Date, which would cause the Fund to miss any market appreciation that occurs after the termination is implemented. The Board of Directors may also, in its sole discretion and without shareholder approval, extend the Termination Date by up to one year to a date on or before 2026, the seventh anniversary of the Fund’s initial public offering, which date shall then become the Termination Date. The Fund is not a target term fund and thus does not seek to return the Fund’s initial public offering price of $100.00 per Common Share upon termination. The final distribution of net assets upon termination may be more than, equal to or less than $100.00 per Common Share. (continued on inside front cover)

This prospectus sets forth concisely information about the Fund that a prospective investor should know before investing, and should be retained for future reference. Investing in Common Shares involves certain risks. The Fund may invest without limitation in credit instruments of below investment grade quality. These instruments are regarded as predominantly speculative with respect to the issuer’s capacity to pay interest and repay principal and are commonly referred to as “junk” or “high yield” instruments. An investment in the Fund is subject to investment risk, including the possible loss of the entire principal amount that you invest. See “Risks” beginning on page 63 of this prospectus. You should carefully consider these risks together with all of the other information contained in this prospectus before making a decision to purchase the Common Shares.

<table>
<thead>
<tr>
<th>Per Share</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Offering Price</td>
<td>$100.00</td>
</tr>
<tr>
<td>Sales Load(1)</td>
<td>$0.00</td>
</tr>
<tr>
<td>Proceeds, After Expenses, to the Fund(2)</td>
<td>$100.00</td>
</tr>
</tbody>
</table>

(Notes on inside front cover)

Neither the Securities and Exchange Commission 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 Distributor and selling agents expect to deliver the Common Shares to purchasers on or about , 2019.

The date of this prospectus is , 2019.
· The Fund has no operating history. The Common Shares will not be listed for trading on any securities exchange. Accordingly, no secondary market for the Common Shares is expected to exist, and an investment in the Common Shares should be considered illiquid. Common Shares are not redeemable at an investor’s option nor are they exchangeable for shares of any other fund, nor can there be any assurance that the Fund will conduct tender offers on a quarterly basis or at all. The Fund is designed primarily for long-term investors who are prepared to hold Common Shares until the Termination Date, or until the Fund accepts an investor’s Common Shares for repurchase in a tender offer conducted by the Fund, if any.

· Because the Common Shares will not be listed on a securities exchange, you should not expect to be able to sell your Common Shares regardless of how the Fund performs and, as a result, you may be unable to reduce your exposure during any market downturn.

· The Fund intends to terminate and provide liquidity for investors on or before the Termination Date. You should consider that you may not have access to the money you invest until that time, and may never recover all or a portion of your initial investment in the Fund. An investment in Common Shares is not suitable for you if you need access to the money you invest.

· Although it is anticipated that the Fund will have distributed substantially all of its net assets to investors as soon as practicable after the Termination Date, securities for which no market exists or securities trading at depressed prices may be placed in a liquidating trust. Securities placed in a liquidating trust may be held for an indefinite period of time, potentially several years or longer, until they can be sold or pay out all of their cash flows.

· There is no guarantee that the Fund will return its initial public offering price of $100.00 per Common Share upon termination. If you are able to sell your Common Shares, you may receive less than your original investment.

Beginning approximately one year after the completion of this offering and ending upon the adoption of a plan of liquidation, the Fund intends, but is not obligated, to conduct quarterly tender offers for up to 2.5% of the Common Shares then outstanding in the sole discretion of the Fund’s Board of Directors.

(footnotes from previous page)

(1) The Common Shares will be sold at $100.00 per share. Investors purchasing Common Shares in this offering will not be charged a sales load. BNY Mellon Investment Adviser, Inc. (“BNYM Investment Adviser”), and not the Fund, has agreed to pay from its own assets compensation of up to $2.00 per share to the Dealers (as defined below) in connection with the offering and has agreed to reimburse the Distributor for the compensation paid by the Distributor to certain of its representatives that participate in the offering and marketing of the Common Shares. See “Plan of Distribution.”

(2) BNYM Investment Adviser (and not the Fund) has agreed to pay all of the organizational and offering expenses of the Fund, which are estimated to be $900,000 or $0.45 per Common Share.
Investment Manager and Sub-Investment Adviser. BNY Mellon Investment Adviser, Inc. is the Fund’s investment manager, and has engaged its affiliate, Alcentra NY, LLC (“Alcentra”), to serve as the Fund’s sub-investment adviser. BNYM Investment Adviser and Alcentra are subsidiaries of The Bank of New York Mellon Corporation.

Principal Investment Strategies and Investment Policies. Under normal market conditions, the Fund will invest at least 80% of its Managed Assets (as defined on page 4 of this prospectus) in credit instruments and other investments with similar economic characteristics. Such credit instruments include: first and second lien senior secured loans, as well as investments in participations and assignments of such loans; senior unsecured, mezzanine and other collateralized and uncollateralized subordinated loans; unitranche loans; corporate debt obligations other than loans; and structured products, including collateralized bond, loan and other debt obligations, structured notes and credit-linked notes. The Fund expects to invest a substantial portion of its Managed Assets, and may invest without limit, in credit instruments that, at the time of investment, are rated below investment grade (i.e., below BBB- or Baa3) by one or more of the nationally recognized statistical rating organizations that rate such instruments, or, if unrated, determined to be of comparable quality by Alcentra. These instruments are regarded as predominantly speculative with respect to the issuer’s capacity to pay interest and repay principal and are commonly referred to as “junk” or “high yield” instruments. The Fund may invest in distressed or defaulted credit instruments. See “Risks—Principal Risks of Investing in the Fund—Below Investment Grade Instruments Risk.” The Fund may invest in credit instruments of any credit quality, maturity and/or duration.

Alcentra intends to construct the Fund’s investment portfolio by allocating the Fund’s assets to credit instruments and related investments in the following strategies: (i) Senior Secured Loans; (ii) Direct Lending and Subordinated Loans; (iii) Special Situations; (iv) Structured Credit; and (v) Corporate Debt (collectively, the “Credit Strategies”). Alcentra intends to allocate the Fund’s Managed Assets to the Credit Strategies and among different types of credit instruments within the Credit Strategies based on absolute and relative value considerations and its analysis of the credit markets. Alcentra has considerable latitude in allocating the Fund’s Managed Assets and the composition of the Fund’s investment portfolio will vary over time, based on the allocation to the Credit Strategies and the Fund’s exposure to different types of credit instruments. Allocations among the Credit Strategies will vary over time, perhaps significantly, and the Fund may not be invested in all of the Credit Strategies at all times and may maintain zero exposure to a particular Credit Strategy or type of credit instrument.

As a global fund, the Fund may invest in issuers located anywhere in the world. Under normal market conditions, the Fund will invest at least 40% (unless market conditions are not deemed favorable, in which case the Fund would invest at least 30%) of its Managed Assets in issuers that have significant exposure to the economies of countries other than the United States, although the Fund will not invest more than 25% of its Managed Assets in securities of issuers located in any single country outside the United States and will not invest more than 25% of its Managed Assets in companies located in emerging markets. The Fund currently expects that it will invest at least 25% of its Managed Assets in U.S. issuers. The Fund expects that, under current market conditions, it will seek to hedge substantially all of its exposure to foreign currencies against the value of the U.S. dollar. The Fund will not invest more than 25% of its Managed Assets in issuers in any one particular industry. For more information on the Fund’s investment strategies and principal investment policies, see “Investment Objective and Policies” and “Risks.”

The Fund may use derivative instruments as a substitute for investing directly in an underlying asset, to increase returns, to manage credit or interest rate risk, to manage the effective maturity or duration of the Fund’s portfolio, to manage foreign currency risk, or as part of a hedging strategy. Although the Fund is not limited in the types of derivatives it can use, the Fund currently expects that its use of derivatives will consist principally of options, total return swaps, credit default swaps and foreign currency forward and futures contracts. For more information on the Fund’s use of derivatives, see “Investment Objective and Policies—Principal Portfolio Investments—Use of Derivatives.”
Leverage. The Fund may employ leverage to enhance its potential for achieving its investment objective. The Fund’s use of leverage may increase or decrease from time to time in its discretion and the Fund may, in the future, determine not to use leverage. The Fund is permitted to borrow money in an amount up to 33-1/3% of its total assets. The Fund currently intends to employ leverage through borrowings, including loans from certain financial institutions and/or the issuance of debt securities (collectively, “Borrowings”), in an aggregate amount of approximately 30% of the Fund’s total assets immediately after such Borrowings. See “Use of Leverage” and “Risks—Principal Investment Risks—Leverage Risk.”

Distributor. BNY Mellon Securities Corporation, a wholly-owned subsidiary of BNYM Investment Adviser, acts as principal underwriter and distributor for the Common Shares and serves in that capacity on a reasonable best efforts basis, subject to various conditions. The principal business address of the Distributor is 240 Greenwich Street, New York, New York 10286. The Distributor may appoint additional selling agents (each, a “Dealer”) to assist in the sale of the Common Shares on a reasonable best efforts basis. See “Plan of Distribution.”

Periodic Tender Offers. Beginning approximately one year after the completion of this offering and ending upon the adoption by the Board of a plan of liquidation, the Fund intends, but is not obligated, to conduct quarterly tender offers for up to 2.5% of the Common Shares then outstanding in the sole discretion of the Board. If the Board elects to conduct a tender offer, the Fund will offer to repurchase outstanding Common Shares at the Fund’s most recent quarter-end net asset value per Common Share or a percentage of the Fund’s most recent quarter-end net asset value per Common Share. In any given quarter, BNYM Investment Adviser and Alcentra may or may not recommend to the Board that the Fund conduct a tender offer, and even if BNYM Investment Adviser and Alcentra do recommend to the Board that the Fund conduct a tender offer, the Board may not authorize such a tender offer. Accordingly, there may be periods during which no tender offer is made, and it is possible that no tender offers will be conducted during the term of the Fund.

You should read this prospectus, which contains important information about the Fund, before deciding whether to invest in the Common Shares, and retain it for future reference. A statement of additional information (the “SAI”), dated   , 2019, containing additional information about the Fund, has been filed with the Securities and Exchange Commission and is incorporated by reference in its entirety into this prospectus. You may request a free copy of the SAI, the table of contents of which is on page 109 of this prospectus, the Fund’s annual and semi-annual reports to shareholders (when available), and other information about the Fund, and make shareholder inquiries by calling (800) 334-6899, by writing to the Fund at 240 Greenwich Street, New York, New York 10286, or by visiting www.bnymellonim.com/us. You also may obtain a copy of the SAI (and other information regarding the Fund) from the Securities and Exchange Commission’s website (www.sec.gov).

The Common 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.
### TABLE OF CONTENTS

Prospectus Summary ........................................................................................................... 1
Summary of Fund Expenses ................................................................................................. 42
The Fund ............................................................................................................................ 43
Use of Proceeds .................................................................................................................. 44
Investment Objective and Policies ...................................................................................... 44
Use of Leverage ................................................................................................................ 60
Risks .................................................................................................................................... 63
Management of the Fund ................................................................................................... 85
Net Asset Value .................................................................................................................. 89
Dividends and Distributions .............................................................................................. 91
Description of Shares ....................................................................................................... 92
Certain Provisions of the Charter and By-Laws ............................................................... 93
Closed-End Fund Structure ............................................................................................... 95
Limited Term .................................................................................................................... 95
Periodic Tender Offers ...................................................................................................... 96
Certain Material U.S. Federal Income Tax Consequences .................................................. 98
Plan of Distribution .......................................................................................................... 107
Custodian and Transfer Agent .......................................................................................... 108
Reports to Shareholders .................................................................................................. 108
Legal Opinions and Independent Registered Public Accounting Firm ......................... 108
Table of Contents of the Statement of Additional Information ....................................... 109

You should rely only on the information contained or incorporated by reference in this prospectus. The Fund has not authorized anyone 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 of these securities in any jurisdiction where the offer 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 prospects and, after it commences investment operations, its business, financial condition and results of operations, each may have changed since the date on the front of this prospectus.
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 Common Shares. You should review the more detailed information contained in this prospectus and in the statement of additional information (“SAI”), especially the information set forth under the heading “Risks.”

The Fund

BNY Mellon Alcentra Global Multi-Strategy Credit Fund, Inc., a Maryland corporation (the “Fund”), is a non-diversified, closed-end management investment company with no operating history. Shares of the Fund’s common stock, $0.001 par value (“Common Shares”), will not be listed for trading on any securities exchange. The Fund intends, but is not obligated, to offer limited liquidity to investors through quarterly tender offers beginning approximately one year after the completion of this offering.

The Offering

The Fund is offering, pursuant to this prospectus on a reasonable best efforts basis, Common Shares, at a purchase price equal to $100.00 per share. The purchase of Common Shares is not subject to a sales load. The minimum required purchase by each investor is 250 Common Shares. The Fund, however, in its sole discretion, may accept investments below this minimum. Please note that BNY Mellon Securities Corporation (the “Distributor”) or a selling agent (each, a “Dealer”) may establish a higher minimum investment amount for its clients. See “Plan of Distribution.”

BNY Mellon Investment Adviser, Inc. (“BNYM Investment Adviser”) (and not the Fund) has agreed to pay from its own assets compensation of up to $2.00 per Common Share to the Dealers in connection with the offering, which amount will not exceed % of the total price to the public of the Common Shares sold in this offering. BNYM Investment Adviser (and not the Fund) also has agreed to reimburse the Distributor for the compensation paid by the Distributor to certain of its representatives that participate in the offering and marketing of the Common Shares, which compensation will not exceed % of the total price to the public of the Common Shares sold in this offering.

You should consult with your own professional advisors as to the legal, tax, financial or other matters relevant to the suitability of an investment in the Fund.

Limited Term

In accordance with the Fund’s charter (the “Charter”), the Fund will terminate at the close of business on , 2025, the sixth anniversary of the closing date of the Fund’s initial public offering (the “Termination Date”). The Fund’s Board of Directors (the “Board”) may choose to commence the liquidation and termination of the Fund prior to the Termination Date, which would cause the Fund to miss any market appreciation that occurs after the termination is implemented.
The Board may also, in its sole discretion and without shareholder approval, extend the Termination Date by up to one year to a date on or before , 2026, the seventh anniversary of the Fund's initial public offering, which date shall then become the Termination Date. The Board may, to the extent it deems appropriate and without shareholder approval, adopt a plan of liquidation at any time preceding the anticipated Termination Date, which plan of liquidation may set forth the terms and conditions for implementing the termination of the Fund’s existence, including the commencement of the winding down of its investment operations (the “wind-down period”) and the making of one or more liquidating distributions to holders of its Common Shares (“Common Shareholders”) prior to the Termination Date. Under normal market conditions, the Fund currently expects to commence the wind-down period approximately six months before the Termination Date; however, the Fund retains broad flexibility to liquidate its portfolio, wind up its business and make liquidating distributions to Common Shareholders in a manner and on a schedule it believes will best contribute to the achievement of its investment objective. Accordingly, during the wind-down period and as the Fund nears the Termination Date, BNYM Investment Adviser and Alcentra NY, LLC (“Alcentra”), the Fund's sub-investment adviser, may begin liquidating all or a portion of the Fund's portfolio through opportunistic sales. During this time, the Fund may not achieve its investment objective, comply with the investment guidelines described in this prospectus or be able to sustain its historical distribution levels.

The Fund intends to limit its investment in instruments in the Direct Lending and Subordinated Loans Strategy (as defined below) and in any other Level 3 Investments (as defined below) that, in each case, have a maturity date beyond the Termination Date if, immediately after the investment, those investments would exceed 5% of the Fund's total assets; provided, however, the Fund may exceed this amount if approved by a majority of the Fund's Board of Directors (or a designated committee of Directors who are not “interested persons” (as defined in the 1940 Act) of the Fund ("Independent Directors")).

Although it is anticipated that the Fund will have distributed substantially all of its net assets to Common Shareholders as soon as practicable after the Termination Date, securities for which no market exists or securities trading at depressed prices, if any, may be placed in a liquidating trust. Securities placed in a liquidating trust may be held for an indefinite period of time, potentially several years or longer, until they
can be sold or pay out all of their cash flows. During such time, Common Shareholders will be exposed to the risks associated with the securities held in the liquidating trust and the value of their interest in the liquidating trust will fluctuate with the value of the liquidating trust’s remaining assets. To the extent the costs associated with a liquidating trust exceed the value of the remaining securities, the liquidating trust trustees may elect to write off or donate the remaining securities to charity. The Fund cannot predict the amount of securities, if any, that will be required to be placed in a liquidating trust or how long it will take to sell or otherwise dispose of such securities. See “Risks—Principal Risks—Limited Term Risk.”

As soon as practicable after the Termination Date, the Fund will complete the liquidation of its portfolio (to the extent possible and not already liquidated), retire or redeem its leverage facilities (to the extent not already retired or redeemed), distribute all of its liquidated net assets to its Common Shareholders (to the extent not already distributed), and the Fund will cease to exist under Maryland law.

The Fund is not a target term fund and thus does not seek to return its initial public offering price of $100.00 per Common Share upon termination. The final distribution of net assets upon termination may be more than, equal to or less than $100.00 per Common Share.

**Investment Objective**

The Fund’s investment objective is to seek to provide total return consisting of high current income and capital appreciation. There is no assurance the Fund will achieve its investment objective. The Fund’s investment objective is fundamental and may not be changed without prior approval of the Fund’s shareholders. See “Investment Objective and Policies” and “Risks.”

**Principal Investment Strategies and Investment Policies**

Under normal market conditions, the Fund will invest at least 80% of its Managed Assets (as defined below) in credit instruments and other investments with similar economic characteristics. Such credit instruments include: first and second lien senior secured loans, as well as investments in participations and assignments of such loans; senior unsecured, mezzanine and other collateralized and uncollateralized subordinated loans; unitranche loans; corporate debt obligations other than loans; and structured products, including collateralized bond, loan and other debt obligations, structured notes and credit-linked notes. To the extent that the Fund invests in derivative instruments with
economic characteristics similar to those credit instruments, the value of such investments will be included for purposes of the Fund’s 80% investment policy.

“Managed Assets” of the Fund means the total assets of the Fund, including any assets attributable to leverage (i.e., any Borrowings, preferred stock or other similar preference securities (“Preferred Shares”), or the use of derivative instruments that have the economic effect of leverage), minus the Fund’s accrued liabilities, other than any liabilities or obligations attributable to leverage obtained through (i) indebtedness of any type (including, without limitation, Borrowings), (ii) the issuance of Preferred Shares, and/or (iii) any other means, all as determined in accordance with generally accepted accounting principles.

The Fund expects to invest a substantial portion of its Managed Assets, and may invest without limit, in credit instruments that, at the time of investment, are rated below investment grade (i.e., below BBB- or Baa3) by one or more of the nationally recognized statistical rating organizations (“NRSROs”) that rate such instruments, or, if unrated, determined to be of comparable quality by Alcentra. These instruments are regarded as predominantly speculative with respect to the issuer’s capacity to pay interest and repay principal and are commonly referred to as “junk” or “high yield” instruments. The Fund also may invest in investment grade credit instruments. The Fund may invest in credit instruments that, at the time of investment, are: (i) distressed or defaulted; (ii) of any credit quality, maturity and/or duration; and (iii) illiquid, unregistered (but are eligible for purchase and sale by certain qualified institutional buyers) or subject to contractual restrictions on their resale (“restricted securities”).

As a global fund, the Fund may invest in issuers located anywhere in the world. Under normal market conditions, the Fund will invest at least 40% (unless market conditions are not deemed favorable, in which case the Fund would invest at least 30%) of its Managed Assets in issuers that have significant exposure to the economies of countries other than the United States. Issuers that have significant exposure to the economies of countries other than the United States are issuers that are organized or domiciled in a foreign country or have at least 50% of their assets outside the United States or at least 50% of their revenues or profits are from goods produced or sold, investments made, or services performed outside the United States. The Fund expects to focus its foreign investments in countries in Western and Northern Europe, although the Fund will not invest more than 25% of its Managed Assets in securities of issuers located in any single country outside the United States.
United States and will not invest more than 25% of its Managed Assets in companies located in emerging markets. The Fund currently expects that it will invest at least 25% of its Managed Assets in U.S. issuers. The Fund will not invest more than 25% of its Managed Assets in issuers in any one particular industry.

The Fund’s investments in European companies are generally anticipated to be in companies in Western and Northern European countries, including the United Kingdom, Ireland, France, Germany, Austria and Switzerland, as well as the Benelux and Scandinavian countries. Other European countries in which the Fund may seek to invest include, but are not limited, to Spain, Italy, Greece and Portugal. The Fund expects that, under current market conditions, it will seek to hedge substantially all of its exposure to foreign currencies against the value of the U.S. dollar.

The Fund may use derivative instruments as a substitute for investing directly in an underlying asset, to increase returns, to manage credit or interest rate risk, to manage the effective maturity or duration of the Fund’s portfolio, to manage foreign currency risk, or as part of a hedging strategy. Although the Fund is not limited in the types of derivatives it can use, the Fund currently expects that its use of derivatives will consist principally of options, total return swaps, credit default swaps and foreign currency forward and futures contracts. The Fund’s use of derivatives will be limited by the Investment Company Act of 1940, as amended (the “1940 Act”). See “Investment Objective and Policies—Principal Portfolio Investments—Use of Derivatives.”

The Fund may employ leverage to enhance its potential for achieving its investment objective. The Fund’s use of leverage may increase or decrease from time to time in its discretion and the Fund may, in the future, determine not to use leverage. The Fund is permitted to borrow money in an amount up to 33-1/3% of its total assets. The Fund currently intends to employ leverage through borrowings, including loans from certain financial institutions and/or the issuance of debt securities (collectively, “Borrowings”), in an aggregate amount of approximately 30% of the Fund’s total assets immediately after such Borrowings.

During temporary defensive periods or in order to keep the Fund’s cash fully invested, including the period during which the net proceeds of the offering of Common Shares are being invested or during the wind-down period of the Fund, the Fund may deviate from its investment objective and policies. During such periods, the Fund may invest up to 100% of its assets in money market instruments, including U.S. Government
securities, repurchase agreements, bank obligations and commercial paper, as well as cash, cash equivalents or high quality short-term fixed-income and other securities. Accordingly, during such periods, the Fund may not achieve its investment objective.

For a more complete discussion of the Fund’s investment strategies and policies, see “Investment Objective and Policies—Principal Investment Strategies and Investment Policies” and “—Principal Portfolio Investments.”

Credit Strategies

Alcentra intends to construct the Fund’s investment portfolio by allocating the Fund’s assets to credit instruments and related investments in the following strategies: (i) Senior Secured Loans; (ii) Direct Lending and Subordinated Loans; (iii) Special Situations; (iv) Structured Credit; and (v) Corporate Debt (collectively, the “Credit Strategies”).

• **Senior Secured Loans Strategy:** includes investments in first lien secured floating rate loans, which typically are syndicated, as well as investments in participations and assignments of such loans.

• **Direct Lending and Subordinated Loans Strategy:** includes investments in directly originated senior secured loans and unitranche loans, investments in second lien, senior unsecured, mezzanine and other collateralized and uncollateralized subordinated loans, and investments in related equity instruments.

• **Special Situations Strategy:** includes investments in loans and other instruments related to companies engaged in extraordinary transactions, such as mergers and acquisitions, litigation, rights offerings, liquidations outside of bankruptcy, covenant defaults, refinancings, recapitalizations and other special situations.

• **Structured Credit Strategy:** includes investments in collateralized bond, loan and other debt obligations, structured notes and credit-linked notes that provide exposure to floating rate senior secured loans, as well as investments in asset-backed securities, including mortgage-backed securities.

• **Corporate Debt Strategy:** includes investments in fixed rate unsecured corporate debt obligations, senior secured floating rate notes and subordinated corporate debt obligations.

Alcentra has considerable latitude in allocating the Fund’s Managed Assets and the composition of the Fund’s investment portfolio will vary over time, based on the allocation to the
Credit Strategies and the Fund’s exposure to different types of credit instruments. Allocations among the Credit Strategies will vary over time, perhaps significantly, and the Fund may not be invested in all of the Credit Strategies at all times and may maintain zero exposure to a particular Credit Strategy or type of credit instrument.

The Fund’s primary portfolio managers will make all determinations regarding allocations and reallocations of the Fund’s Managed Assets to each Credit Strategy. The Fund’s primary portfolio managers will set target allocations for each Credit Strategy, which may be modified at any time. The percentage allocations among Credit Strategies may, from time to time, be out of balance with the target allocations set by the Fund’s primary portfolio managers due to various factors, such as varying investment performance among Credit Strategies, illiquidity of certain portfolio investments or a change in the target allocations. At least quarterly, the Fund’s primary portfolio managers will review the percentage allocations to each Credit Strategy and rebalance the Fund’s portfolio and/or modify the target allocations as they deem necessary or appropriate in light of economic and market conditions, available investment opportunities and the relative returns and risks then represented by each type of security.

**Senior Secured Loans Strategy.** The Senior Secured Loans Strategy seeks to generate attractive returns by investing in the secured debt of borrowers in the higher credit quality categories of the below investment grade corporate debt market. As part of this strategy, the Fund may invest in first lien secured floating rate loans (“Senior Secured Loans”), which typically are syndicated. Senior Secured Loans are loans secured by specific collateral of the borrower and are senior to most other securities of the borrower (e.g., common stock or debt instruments) in the event of bankruptcy. The Fund also may purchase participations and assignments in, and commitments to purchase, Senior Secured Loans.

**Direct Lending and Subordinated Loans Strategy.** The Direct Lending Strategy seeks to generate attractive returns by lending to “middle market” businesses with an enterprise value of up to $1 billion (or the foreign currency equivalent). As part of this strategy, the Fund may originate direct loans to companies where the Fund would benefit from a first lien senior priority ranking in the company’s capital structure. The Fund also may engage in unitranche lending, in which a senior loan tranche and a mezzanine loan tranche of an issuer are blended into a single first ranking tranche of debt. These loans are typically arranged so that they pay a floating rate of interest made up of a base rate, such as London-
Interbank Offered Rate ("LIBOR"), plus an additional margin to compensate for credit risk (such margin may be paid fully in cash or may incorporate a "payment-in-kind" or "PIK" component which is not paid in cash, but which accrues and is added to the outstanding principal amount to be paid on the contractual maturity date). As part of the Direct Lending Strategy, in certain circumstances, the Fund may take an equity position in a company it lends to.

The Fund also may invest in second lien, senior unsecured, mezzanine and other collateralized and uncollateralized subordinated loans ("Subordinated Loans"). Subordinated Loans sit below the senior secured debt in a company’s capital structure, but have priority over the company’s bonds and equity securities. The Fund, from time to time, also may seek to participate in the upside gain of a business through the exercise of warrants or other equity securities acquired in connection with its investment in a Subordinated Loan.

**Special Situations Strategy.** The Special Situations Strategy seeks to generate attractive total return driven by income and capital appreciation by investing in specialized credit opportunities in the below investment grade debt markets, on both a long-term and short-term basis. As part of this strategy, the Fund may invest in loans and other credit instruments related to companies engaged in extraordinary transactions, such as mergers and acquisitions, litigation, rights offerings, liquidations outside of bankruptcy, covenant defaults, refinancings, recapitalizations and other special situations (collectively, “Special Situations Investments”). Alcentra will focus the Fund’s Special Situations Investments in companies that have experienced, or are currently experiencing, financial difficulties as a result of deteriorating operations, changes in macro-economic conditions, changes in governmental monetary or fiscal policies, adverse legal judgments, or other events which may adversely impact their credit standing. As part of this strategy, the Fund may acquire equity securities incidental to the purchase or ownership of Special Situations Investments.

**Structured Credit Strategy.** The Structured Credit Strategy seeks to generate income with the potential for capital appreciation by investing predominately in the mezzanine tranches (i.e., those rated below the senior tranches but above the most junior tranches) and most junior tranches of collateralized loan obligations ("CLOs") backed by Senior Secured Loans. In addition to investing in CLOs and other collateralized debt obligations backed by Senior Secured Loans, the Fund also may invest in structured notes and credit-linked notes that provide exposure to Senior Secured Loans, as well as investments in asset-backed securities,
including mortgage-backed securities. These instruments collectively are referred to in this prospectus as “Structured Credit Investments.”

**Corporate Debt Strategy.** The Corporate Debt Strategy seeks to generate high current income by capturing the higher yields offered by below investment grade corporate credit instruments while managing the Fund’s exposure to interest rate movements. As part of this strategy, the Fund may invest in corporate debt obligations including corporate bonds, debentures, notes, commercial paper and other similar instruments, such as certain convertible securities (“Corporate Debt”). Alcentra expects that most of the Corporate Debt the Fund will invest in will be rated below investment grade (commonly referred to as “junk” or “high yield” instruments). The fixed rate Corporate Debt in which the Fund invests typically will be unsecured, while the floating rate Corporate Debt in which the Fund invests typically will be secured.

For a more detailed discussion of the Credit Strategies and Alcentra’s investment process, see “Investment Objective and Policies—Principal Investment Strategies and Investment Policies—Credit Strategies” and “—Investment Process.”

**Principal Portfolio Investments**

The following are the principal investments that will be used by Alcentra when investing the Fund’s assets in the Credit Strategies described above.

**Below Investment Grade Instruments.** The Fund expects to invest a substantial portion of its Managed Assets, and may invest without limit, in credit instruments that, at the time of investment, are rated below investment grade by one or more of the NRSROs that rate such instruments, or, if unrated, determined to be of comparable quality by Alcentra. Moody’s Investors Service, Inc. (“Moody’s”) considers securities rated Ba1 or lower to be below investment grade. Standard & Poor’s Ratings Group, a division of The McGraw-Hill Companies, Inc. (“S&P”), and Fitch Ratings, Inc. (“Fitch”) consider securities rated BB+ or lower to be below investment grade. Instruments of below investment grade quality, commonly referred to as “junk” or “high yield” instruments, are regarded as having predominantly speculative characteristics with respect to an issuer’s capacity to pay interest and repay principal.

The Fund may invest in high yield instruments rated in the lower rated categories (Caa1 or lower by Moody’s, and CCC+ or lower by S&P and Fitch) by an NRSRO or, if unrated, determined to be of comparable quality by Alcentra. The Fund also may invest in issuers that are in default at the time of purchase, including investments in debtor-in-possession or super senior financings, which are financings that take priority
or are considered senior to all other debt, equity or other outstanding securities of an issuer. Such securities are subject to a very high credit risk. See “Investment Objective and Policies—Principal Portfolio Investments—Below Investment Grade Instruments.”

**Investment Grade Debt Instruments.** The Fund may invest in credit instruments that, at the time of purchase, are rated investment grade (i.e., BBB- or Baa3 or higher) by at least one of the NRSROs that rate such securities, or, if unrated, determined to be of comparable quality by Alcentra. See “Investment Objective and Policies—Principal Portfolio Investments—Investment Grade Debt Securities.”

**Senior Secured Loans.** Senior Secured Loans are typically made to or issued by corporations, partnerships, limited liability companies and other business entities (“Borrowers”) which operate in various industries and geographical regions. Borrowers may obtain Senior Secured Loans, among other reasons, to refinance existing debt, engage in acquisitions, pay dividends, recapitalize, complete leveraged buyouts and for general corporate purposes. Senior Secured Loans hold the most senior position in the capital structure of the Borrower, are secured with specific collateral and have a claim on the assets and/or stock of the Borrower that is senior to that held by other secured creditors, unsecured creditors, subordinated debt holders and stockholders of the Borrower. Most Senior Secured Loans have interest rates that adjust or “float” periodically based on a specified interest rate or other reference. The rates of interest on Senior Secured Loans adjust periodically by reference to a base lending rate, such as LIBOR, a designated U.S. bank’s prime or base rate or the overnight federal funds rate, plus a premium or credit spread. Some Senior Secured Loans reset on set dates, typically every 30 to 90 days, but not to exceed one year. Other floating rate loans reset when the underlying rate resets. Many Senior Secured Loans have base rate floors, whereby the Borrower contractually agrees that the rate used for the base rate in calculating the yield on the loan will not be less than an agreed upon rate. Investments in Senior Secured Loans, as well as certain other credit instruments, effectively should enable the Fund to achieve a floating rate of income.

The Fund also may purchase participations and assignments in, and commitments to purchase, Senior Secured Loans. The Fund may receive debt securities or equity securities as a result of the general restructuring of the debt of an issuer or of a Senior Secured Loan, or as part of a package of securities
acquired with a Senior Secured Loan. See “Investment Objective and Policies—Principal Portfolio Investments—Senior Secured Loans.”

**Subordinated Loans.** Subordinated Loans generally have the same characteristics as Senior Secured Loans, except that such loans are subordinated in payment and/or lower in lien priority to first lien holders (e.g., holders of Senior Secured Loans) in the event of the liquidation or bankruptcy of the issuer. Because Subordinated Loans are subordinated and thus lower in priority of payment and/or in priority of lien to Senior Secured Loans, they are subject to the additional risk that the cash flow of the Borrower and collateral securing the loan or debt, if any, may be insufficient to meet scheduled payments after giving effect to the senior secured obligations of the Borrower. Subordinated Loans also share the same risks as other below investment grade instruments. See “Investment Objective and Policies—Principal Portfolio Investments—Subordinated Loans.”

**Special Situations Investments.** The Fund may invest in Senior Secured Loans, Subordinated Loans and other credit instruments of companies that are engaged in extraordinary transactions, such as mergers and acquisitions, litigation, rights offerings, liquidations outside of bankruptcy, covenant defaults, refinancings, recapitalizations, and other special situations. Alcentra will focus the Fund’s Special Situations Investments in companies that have experienced, or are currently experiencing, financial difficulties as a result of deteriorating operations, changes in macro-economic conditions, changes in governmental monetary or fiscal policies, adverse legal judgments, or other events which may adversely impact their credit standing. Special Situations Investments generally will be considered to be “illiquid securities.” In addition, the Fund may acquire equity securities incidental to the purchase or ownership of Special Situations Investments. See “Investment Objective and Policies—Principal Portfolio Investments—Special Situations Investments.”

**Structured Credit Investments.** The Fund’s investments in Structured Credit Investments may include collateralized debt obligations (“CDOs”), which include collateralized bond obligations (“CBOs”), CLOs and other similarly structured products, structured notes and credit-linked notes, as well as investments in asset-backed securities, including asset-backed loans and mortgage-backed securities.
CDOs are securitized interests in pools of—generally non-mortgage—assets. Multiple tranches of securities are issued by the CDO, offering investors various maturity, yield and credit risk characteristics. Tranches are categorized as senior, mezzanine and subordinated/equity, according to their degree of credit risk. If there are defaults or the CDO’s collateral otherwise underperforms, scheduled payments to senior tranches take precedence over those of mezzanine tranches, and scheduled payments to mezzanine tranches take precedence over those of subordinated/equity tranches. Senior and mezzanine tranches are typically rated. The ratings reflect both the credit quality of underlying collateral as well as how much protection a given tranche is afforded by tranches that are subordinate to it. A CBO is ordinarily issued by a trust or other special purpose vehicle (“SPV”) and is typically backed by a diversified pool of fixed income securities (which may include high risk, below investment grade securities) held by such issuer.

The Fund expects to focus its CDO investments in CLOs. Similar to a CBO, a CLO is a SPV typically collateralized substantially by a pool of loans, which may include, among others, Senior Secured Loans and Subordinated Loans that may be rated below investment grade or the unrated equivalent. The Fund intends to invest in both the more senior debt tranches of CLOs as well as the mezzanine and subordinated/equity tranches. The Fund’s allocation of its investments in CLOs among their senior, mezzanine and subordinated/equity tranches will vary depending on market and economic conditions.

“Structured” notes and other related instruments are privately negotiated debt obligations where the principal and/or interest is determined by reference to the performance of a benchmark asset, market or interest rate (an “embedded index”), such as selected securities, an index of securities or specified interest rates, or the differential performance of two assets or markets, such as indices reflecting the performance of the bond market. Structured instruments may be issued by corporations, including banks, as well as by governmental agencies. In addition, the Fund may invest in credit-linked notes. A credit-linked note is a derivative instrument. It is a synthetic obligation between two or more parties where the payment of principal and/or interest is based on the performance of some obligation (a reference obligation).

Asset-backed securities are securities issued by SPVs whose primary assets are expected to consist of a pool of loans, mortgages or other assets. Payment of principal and interest may depend largely on the cash flows generated
by the assets backing the securities and, in certain cases, supported by letters of credit, surety bonds or other forms of credit or liquidity enhancements. The value of asset-backed securities also may be affected by the creditworthiness of the servicing agent for the pool of assets, the originator of the loans or receivables or the financial institution providing the credit support.

See “Investment Objective and Policies—Principal Portfolio Investments—Structured Credit Investments.”

**Corporate Debt.** Corporate Debt includes a wide variety of debt obligations of varying maturities issued by U.S. and foreign corporations and other business entities. Corporate Debt securities also may be acquired with warrants attached to purchase additional fixed income securities at the same coupon rate. Corporate Debt is generally used by corporations to borrow money from investors. An issuer of Corporate Debt typically pays the investor a fixed or floating rate of interest and normally must repay the amount borrowed on or before maturity. The investment return of Corporate Debt reflects interest on the security and changes in the market value of the security. The market value of fixed rate Corporate Debt generally may be expected to rise and fall inversely with interest rates. Certain Corporate Debt is perpetual in nature in that it has no maturity date; to the extent that perpetual Corporate Debt has a fixed interest rate, it may have heightened sensitivity to changes in interest rates. The Fund may invest in Corporate Debt issued by U.S. and foreign issuers, which may be U.S. dollar-denominated or non-U.S. dollar denominated. See “Investment Objective and Policies—Principal Portfolio Investments—Corporate Debt.”

**Zero Coupon, Pay-In-Kind and Step-Up Securities.** Zero coupon securities are issued or sold at a discount from their face value and do not entitle the holder to any periodic payment of interest prior to maturity or a specified redemption date or cash payment date. Zero coupon securities also may take the form of notes and bonds that have been stripped of their unmatured interest coupons, the coupons themselves and receipts or certificates representing interests in such stripped debt obligations and coupons. A zero coupon security pays no interest to its holders during its life and is sold at a discount to its face value at maturity. Payment-in-kind or “PIK” securities generally pay interest through the issuance of additional securities. Step-up coupon bonds are debt securities that typically do not pay interest for a specified period of time and then pay interest at a series of different rates. The amount of any discount on these securities varies depending on the time remaining until maturity or cash payment date, prevailing
interest rates, liquidity of the security and perceived credit quality of the issuer. See “Investment Objective and Policies—Principal Portfolio Investments—Zero Coupon, Pay-In-Kind and Step-Up Securities.”

**Foreign Investments.** The Fund may invest in issuers located anywhere in the world. The Fund expects to focus its foreign investments in countries in Western and Northern Europe. Foreign securities include the securities of companies organized under the laws of countries other than the United States and those issued or guaranteed by governments other than the U.S. Government or by foreign supranational entities. They also include securities of issuers whose principal trading market is in a country other than the United States (including those that are located in the United States or organized under U.S. law). They may be traded on foreign securities exchanges or in the foreign off-exchange or “OTC” markets. Securities of foreign issuers also may be purchased in the form of depositary receipts and may not necessarily be denominated in the same currency as the securities into which they may be converted. See “Investment Objective and Policies—Principal Portfolio Investments—Foreign Investments.”

**Foreign Currency Transactions.** Foreign securities in which the Fund may invest may be U.S. dollar-denominated or non-U.S. dollar-denominated. The Fund expects that, under normal conditions, it will seek to hedge substantially all of its exposure to foreign currencies against the value of the U.S. dollar. The Fund also may enter into foreign currency transactions to fix in U.S. dollars, between trade and settlement date, the value of a security the Fund has agreed to buy or sell. Investments in foreign currencies, holding financial instruments that provide exposure to foreign currencies, or investing in securities that trade in, or receive revenues in, foreign currencies, are subject to the risk that those currencies will decline in value relative to the U.S. dollar. See “Investment Objective and Policies—Principal Portfolio Investments—Foreign Currency Transactions.”

**Derivatives.** The Fund may use derivative instruments as a substitute for investing directly in an underlying asset, to increase returns, to manage credit or interest rate risk, to manage the effective maturity or duration of the Fund’s portfolio, to manage foreign currency risk, or as part of a hedging strategy. Although the Fund is not limited in the types of derivatives it can use, the Fund currently expects that its use of derivatives will consist principally of options, total return swaps, credit default swaps and foreign currency forward and futures contracts, but the Fund may also invest in options on futures as well as certain other currency and interest rate instruments such as currency exchange transactions on a spot
(i.e., cash) basis, put and call options on foreign currencies
and interest rate swaps. To the extent that the Fund invests in
derivative instruments with economic characteristics similar
to the Fund’s investments in credit instruments, the daily
marked-to-market value of such investments will be included
for purposes of the Fund’s 80% investment policy.

A derivatives contract will obligate or entitle the Fund to
deliver or receive an asset or cash payment based on the
change in value of one or more underlying investments,
indices or currencies. When the Fund enters into derivatives
transactions, it may be required to segregate liquid assets
or enter into offsetting positions or otherwise cover its
obligations, in accordance with applicable guidance of the
Securities and Exchange Commission (the “SEC”) or other
applicable law, while the positions are open. In the case of
swaps, futures contracts, options, forward contracts and other
derivative instruments that provide for full payment of the
value of the underlying asset, in cash or by physical delivery, at
the settlement date. For example, the Fund may be required to
set aside liquid assets equal to the full notional amount of the
instrument (generally, the total value of the asset underlying
the derivatives contract) while the positions are open, to the
extent there is not an offsetting position or sufficient coverage.
However, with respect to certain swaps, futures contracts,
options, forward contracts and other derivative instruments
that require periodic cash settlement during the term of the
transaction or cash payment of the gain or loss under the
transaction at the settlement date, the Fund may segregate
liquid assets in an amount equal to the Fund’s daily marked-to-
market net obligations (i.e., the Fund’s daily net liability) under
the instrument, if any, rather than its full notional amount. By
setting aside assets equal to only the Fund’s net obligations
under the instrument, the Fund will have the ability to employ
leverage to a greater extent than if the Fund were required
to segregate liquid assets equal to the full notional value of
such instruments. The Fund may enter into, modify or amend
agreements with third party financial institutions regarding
certain derivatives contracts that provide for physical delivery
of the underlying asset to require such contracts to be settled
through cash payment of the marked-to-market net obligation
under the contract, if any.

In a total return swap, the Fund typically pays the counterparty
a floating short-term interest rate and receives in exchange
the total return of underlying assets. The Fund would typically
have to post collateral to cover this potential obligation. An
investment by the Fund in credit default swaps will allow the
Fund to obtain economic exposure to certain credits without having a direct exposure to such credits. The Fund currently intends to only purchase credit default swaps.

As described above, the Fund also may invest in other types of derivatives, but does not currently expect such other derivatives to be principal investments. Such other derivative investments are described in “Investments, Investment Techniques and Risks—Principal Portfolio Investments—Derivatives and Other Strategic Transactions” in the SAI.

**Illiquid and Restricted Instruments.** The Fund is not limited in its ability to invest in instruments that, at the time of investment, are illiquid, which are investments that cannot be sold or disposed of in the ordinary course of business at approximately the prices at which they are valued. Illiquid securities include, but are not limited to, securities that may be resold pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”), but that are deemed to be illiquid, and repurchase agreements with maturities in excess of seven days. The Fund also may invest, without limit, in securities that are unregistered (but are eligible for purchase and sale by certain qualified institutional buyers) or are held by control persons of the issuer and securities that are subject to contractual restrictions on their resale (“restricted securities”). See “Investment Objective and Policies—Principal Portfolio Investments—Illiquid and Restricted Investments.”

Unless otherwise stated herein or in the SAI, the Fund’s investment policies are non-fundamental policies and may be changed by the Fund’s Board of Directors without prior shareholder approval.

For a more complete discussion of the Fund’s principal investment strategies and portfolio investments, see “Investment Objective and Policies—Principal Investment Strategies and Investment Policies” and “—Principal Portfolio Investments.”

**Non-Principal Portfolio Investments . . .**

In addition to the principal investments described above, the Fund may invest in the following instruments, which are not anticipated to be principal investments of the Fund: equity securities such as common stock, preferred stock and convertible securities (including warrants or other rights to acquire common or preferred stock); U.S. Government securities; and securities of other open- or closed-end investment companies (including exchange-traded funds (“ETFs”)), subject to applicable regulatory limits, that invest primarily in securities of the types in which the Fund may invest directly.
During temporary defensive periods or in order to keep the Fund’s cash fully invested, including the period during which the net proceeds of the offering of Common Shares are being initially invested or during the wind-down period of the Fund, the Fund may deviate from its investment objective and policies. During such periods, the Fund may invest up to 100% of its assets in money market instruments, including U.S. Government securities, repurchase agreements, bank obligations and commercial paper, as well as cash, cash equivalents or high quality short-term debt securities. Accordingly, during such periods, the Fund may not achieve its investment objective. See “Investment Objective and Policies—Other Portfolio Investments—Short-Term Fixed Income Securities and Money Market Instruments; Temporary Defensive Position.”

For a more complete discussion of the Fund’s non-principal portfolio investments, see “Investment Objective and Policies—Other Portfolio Investments.”

**Use of Leverage**

The Fund may employ leverage to enhance its potential for achieving its investment objective. The Fund’s use of leverage may increase or decrease from time to time in its discretion and the Fund may, in the future, determine not to use leverage. The Fund is permitted to borrow money in an amount up to 33-1/3% of its total assets. The Fund currently intends to employ leverage through Borrowings in an aggregate amount of approximately 30% of the Fund’s total assets immediately after such Borrowings. Borrowings will have seniority over the Common Shares, and Common Shareholders will bear the costs associated with any Borrowings. Any Borrowings will leverage Common Shareholders’ investment in Common Shares. The Board of Directors of the Fund may authorize the use of leverage through Borrowings without the approval of the Common Shareholders.

To the extent the income derived from securities purchased with proceeds received from the Fund’s use of leverage exceeds the cost of such leverage, the Fund’s distributions may be greater than if leverage had not been used. Conversely, if the income earned on the securities purchased with such proceeds is not sufficient to cover the cost of the Fund’s use of leverage, the amount available for distribution to Common Shareholders will be less than if leverage had not been used.

The Fund may utilize leverage opportunistically and may choose to increase or decrease its use of leverage over time and from time to time. The use of leverage is speculative and involves increased risk, including increased variability of the Fund’s net income, distributions and net asset value in relation to market changes. There can be no assurance that a leveraging
strategy will be used or that it will be successful during any period in which it is employed. See “Risks—Principal Investment Risks—Leverage Risk” and “Use of Leverage.”

To the extent the Fund enters into derivative contracts, the Fund may be required to set aside liquid assets equal to the full notional amount of the instrument (generally, the total value of the asset underlying the derivatives contract) or an amount equal to the Fund’s daily marked-to-market net obligations (i.e., the Fund’s daily net liability) under the instrument, if any, while the positions are open. To the extent the Fund is required to set aside assets equal to only the Fund’s net obligations under the instrument, the Fund will have the ability to employ leverage to a greater extent than if the Fund were required to segregate liquid assets equal to the full notional value of such instruments.

The Fund pays an investment management fee to BNYM Investment Adviser based on a percentage of its Managed Assets. Managed Assets include the proceeds realized and managed from the Fund’s use of leverage. BNYM Investment Adviser and Alcentra will base their decision regarding whether and how much leverage to use for the Fund based on its assessment of whether such use of leverage will advance the Fund’s investment objective. However, the fact that a decision to increase the Fund’s leverage will have the effect, all other things being equal, of increasing Managed Assets and therefore BNYM Investment Adviser’s fee (and, indirectly, Alcentra’s fee), which is calculated on a quarterly basis, means that BNYM Investment Adviser and Alcentra will have a conflict of interest in determining whether and when to increase the Fund’s use of leverage. BNYM Investment Adviser and Alcentra will seek to manage that conflict by increasing the Fund’s use of leverage only when they determine that such increase is consistent with the Fund’s investment objective, and by periodically reviewing the Fund’s performance and use of leverage with the Fund’s Board of Directors.

**Dividends and Distributions**

Commencing with the Fund’s initial distribution, the Fund intends to distribute all or a portion of its net investment income on a quarterly basis to Common Shareholders. The Fund intends to pay any capital gains distributions at least annually. The initial distribution is expected to be declared approximately 60 to 90 days, and paid approximately 90 to 120 days, from the completion of this offering, depending upon market conditions. The initial distribution may be lower than those the Fund anticipates making once the Fund has fully invested the proceeds of the offering in accordance with its investment objective. See “Dividends and Distributions.”
Various factors will affect the level of the Fund’s income, including the asset mix, the average maturity of the Fund’s portfolio and the Fund’s use of hedging. To permit the Fund to maintain a more stable quarterly distribution, the Fund may from time to time distribute less than the entire amount of income earned in a particular period. The undistributed income would be available to supplement future distributions. As a result, the distributions paid by the Fund for any particular quarterly period may be more or less than the amount of income actually earned by the Fund during that period. Undistributed income will add to the Fund’s net asset value (and indirectly benefits BNYM Investment Adviser and Alcentra by increasing their management and sub-advisory fees, respectively) and, correspondingly, distributions from undistributed income will reduce the Fund’s net asset value.

All distributions declared by the Fund, including any capital gains distributions on Common Shares, will be paid in cash. The Fund does not offer, and does not intend to offer, a Dividend Reinvestment Plan.

The Fund reserves the right to change its distribution policies and the basis for establishing the rate of its quarterly distributions at any time and may do so without prior notice to holders of Common Shares. See “Dividends and Distributions.”

**Distributor; Dealers**

BNY Mellon Securities Corporation, a wholly-owned subsidiary of BNYM Investment Adviser and an affiliate of Alcentra, acts as distributor for the Common Shares and serves in that capacity on a reasonable best efforts basis, subject to various conditions. The principal business address of the Distributor is 240 Greenwich Street, New York, New York 10286. The Distributor may appoint additional selling agents (each, a “Dealer”) to assist in the sale of the Common Shares on a reasonable best efforts basis. See “Plan of Distribution.”

**Investment Manager and Sub-Investment Adviser**

BNY Mellon Investment Adviser, Inc. serves as the Fund’s investment manager, and has engaged its affiliate, Alcentra NY, LLC (“Alcentra”), to serve as the Fund’s sub-investment adviser. Alcentra is responsible for the day-to-day management of the Fund’s investments in accordance with the Fund’s investment objective and policies. Certain personnel of Alcentra Limited (“Alcentra UK”), an affiliate of BNYM Investment Adviser and Alcentra, will be treated as “associated persons” of Alcentra under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), for purposes of providing investment advice, and will provide non-discretionary investment
recommendations to Alcentra with respect to the Fund's assets pursuant to a participating affiliate agreement between Alcentra and Alcentra UK.

Founded in 1947, BNYM Investment Adviser managed approximately $238 billion in approximately 143 mutual fund portfolios as of May 31, 2019. BNYM Investment Adviser is the primary mutual fund business of The Bank of New York Mellon Corporation ("BNY Mellon"), a global financial services company focused on helping clients manage and service their financial assets, operating in 35 countries and serving more than 100 markets. BNY Mellon is a leading investment management and investment services company, uniquely focused to help clients manage and move their financial assets in the rapidly changing global marketplace. As of March 31, 2019, BNY Mellon had $34.5 trillion in assets under custody and administration and $1.8 trillion in assets under management. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation. BNY Mellon Investment Management is one of the world's leading investment management organizations, and one of the top U.S. wealth managers, encompassing BNY Mellon's affiliated investment management firms, wealth management services and global distribution companies.

The Fund has agreed to pay BNYM Investment Adviser an investment management fee, payable quarterly in arrears, computed at the annual rate of 1.25% of the value of the Fund's Managed Assets determined as of the last day of each quarter. See “Management of the Fund—Investment Manager.”

Alcentra NY, LLC, a limited liability company that is organized under the laws of the State of Delaware (together with certain of its affiliated companies, the “Alcentra Group”), provides investment advisory services focusing on sub-investment grade debt. The Alcentra Group includes Alcentra UK, a limited company incorporated in England. BNY Mellon currently indirectly holds the majority, controlling interest of the Alcentra Group. As of March 31, 2019, the Alcentra Group’s aggregate assets under management were approximately $39 billion. The Alcentra Group is one of the largest global institutional managers of below investment grade credit.

BNYM Investment Adviser has agreed to pay from its Management Fee paid by the Fund a sub-advisory fee to Alcentra computed at the annual rate of 0.625% of the value of the Fund’s Managed Assets determined as of the last day of each quarter. See “Management of the Fund—Sub-Investment Adviser.”
**Custodian and Transfer Agent**

The Bank of New York Mellon serves as the Fund’s custodian, and Computershare, Inc. serves as the Fund’s transfer agent. See “Custodian and Transfer Agent.”

**Unlisted Closed-End Fund**

The Fund does not intend to list the Common Shares on any securities exchange. Common Shareholders should consider that they may not have access to the money they invest until the Termination Date. The Fund is designed for long-term investors and an investment in the Common Shares, unlike an investment in a traditional listed closed-end fund, should be considered illiquid. An investment in the Common Shares is not suitable for investors who need access to the money they invest. Unlike shares of open-end funds (commonly known as mutual funds), which generally are redeemable on a daily basis, the Common Shares will not be redeemable at a Common Shareholder’s option, and unlike traditional listed closed-end funds the Common Shares will not be listed on any securities exchange. Therefore, Common Shareholders should not expect to be able to sell their shares regardless of how the Fund performs. See “Closed-End Fund Structure.”

**Periodic Tender Offers**

Beginning approximately one year after the completion of this offering and ending upon the adoption of a plan of liquidation, the Fund intends, but is not obligated, to conduct quarterly tender offers for up to 2.5% of the Common Shares then outstanding in the sole discretion of the Board. If the Board elects to conduct a tender offer, the Fund will offer to repurchase outstanding Common Shares at the Fund’s most recent quarter-end net asset value per Common Share or a percentage of the Fund’s most recent quarter-end net asset value per Common Share. In any given quarter, BNYM Investment Adviser and Alcentra may or may not recommend to the Board that the Fund conduct a tender offer, and even if BNYM Investment Adviser and Alcentra do recommend to the Board that the Fund conduct a tender offer, the Board may not approve such recommendation. For example, if adverse market conditions cause the Fund’s investments to become illiquid or trade at depressed prices or if BNYM Investment Adviser, Alcentra and/or the Board believe that conducting a tender offer for 2.5% or less of the Common Shares then outstanding would impose an undue burden on Common Shareholders who do not tender compared to the benefits of giving Common Shareholders the opportunity to sell all or a portion of their Common Shares at net asset value, the Fund may choose not to conduct a tender offer or may choose to conduct a tender offer for less than 2.5% of the Common Shares then outstanding. Accordingly, there may be periods during which no tender offer is made, and it is possible that no tender offers will be conducted during the term of the Fund. If a tender offer is not made during the life of
the Fund, Common Shareholders may not be able to sell their
Common Shares until the Fund terminates, as it is unlikely that
a secondary market for the Common Shares will develop or, if a
secondary market does develop, Common Shareholders may be
able to sell their Common Shares only at substantial discounts
from net asset value.

If the Fund does conduct tender offers, it may be required to
sell its more liquid, higher quality portfolio securities to raise
funds to purchase Common Shares that are tendered, which
may increase risks for remaining Common Shareholders
and increase Fund expenses as a percentage of assets. The
Fund may, subject to its investment restriction with respect
to leverage, utilize leverage to finance the purchase of
Common Shares pursuant to any tender offers. There can be
no assurance, however, that the Fund will be able to obtain
such financing for tender offers if it attempts to do so. The
use of Borrowings to finance the purchase of Common Shares
will further increase the Fund's expenses borne by Common
Shareholders, in addition to the increase in pro rata expenses
that will result from having a smaller base of assets after
any such tender offers over which to spread fixed expenses.
The Fund is designed primarily for long-term investors and
an investment in the Common Shares should be considered
illiquid. While the Fund intends to conduct quarterly tender
offers as described herein, the Fund is not required to do so and
may amend, suspend or terminate any such tender offer at any
time. Common Shareholders have no right to require the Fund
to redeem their Common Shares. See “Periodic Tender Offers”
and “Risks—Principal Investment Risks—Valuation Risk.”

Selected Risk Considerations

An investment in the Fund's Common Shares involves various
material risks. The following is a summary of certain of these
risks. It is not complete and you should read and consider
carefully the more complete list of risks described below under
“Risks” before purchasing Common Shares in this offering. The
Fund should not constitute a complete investment program. Due
to the uncertainty in all investments, there can be no assurance
that the Fund will achieve its investment objective.

General Risks of Investing in the Fund

No Operating History. The Fund is a closed-end management
investment company with no operating history. As a result,
prospective investors have no track record or history on which
to base their investment decision to purchase Common Shares.

Limited Term Risk. The Fund will terminate in accordance
with its Charter. The Fund is not a target term fund and
thus does not seek to return its initial public offering price
of $100.00 per Common Share upon termination. As the
Fund approaches the Termination Date, Alcentra may begin liquidating all or a portion of the Fund’s portfolio through opportunistic sales. During this time, the portfolio composition of the Fund may change and the Fund may not achieve its investment objective, comply with the investment policies and restrictions described in this prospectus or be able to sustain its historical distribution levels. Rather than reinvesting proceeds received from sales of or payments received in respect of portfolio securities, the Fund may distribute such proceeds in one or more liquidating distributions prior to the final liquidation, which may cause the Fund’s fixed expenses to increase when expressed as a percentage of net assets attributable to Common Shares, or the Fund may invest the proceeds in lower yielding securities or hold the proceeds in cash or cash equivalents, which may adversely affect the performance of the Fund.

Although it is anticipated that the Fund will have distributed substantially all of its net assets to Common Shareholders as soon as practicable after the Termination Date, securities for which no market exists or securities trading at depressed prices, if any, may be placed in a liquidating trust. Securities placed in a liquidating trust may be held for an indefinite period of time, potentially several years or longer, until they can be sold or pay out all of their cash flows. During such time, the shareholders will be exposed to the risks associated with the securities held in the liquidating trust and the value of their interest in the liquidating trust will fluctuate with the value of the liquidating trust’s remaining assets. Additionally, the tax treatment of the liquidating trust’s assets may differ from the tax treatment applicable to such assets when held by the Fund. The Fund cannot predict the amount, if any, of securities that will be required to be placed in a liquidating trust or how long it will take to sell or otherwise dispose of such securities. See “Risks—General Risks of Investing in the Fund—Limited Term Risk.”

**Illiquidity of Common Shares.** The Fund is designed for long-term investors and not as a trading vehicle. An investment in the Common Shares, unlike an investment in a traditional listed closed-end fund, should be considered illiquid. The Common Shares are appropriate only for investors who are seeking an investment in less liquid portfolio investments within an illiquid fund. An investment in Common Shares is not suitable for investors who need access to the money they invest. Unlike open-end funds (commonly known as mutual funds), which generally permit redemptions on a daily basis, the Common Shares will not be redeemable at an investor’s option. Unlike traditional listed closed-end funds, the Fund does not intend to list the Common Shares for trading on
any securities exchange, and the Fund does not expect any secondary market to develop for the Common Shares in the foreseeable future. As the Common Shares are not traded, investors may not be able to dispose of their investment in the Fund no matter how the Fund performs. See “Risks—General Risks of Investing in the Fund—Illiquidity of Common Shares.”

Management and Allocation Risk. The Fund’s primary portfolio managers will make all determinations regarding allocations and reallocations of the Fund’s Managed Assets to each Credit Strategy. The percentage allocations among Credit Strategies may, from time to time, be out of balance with the target allocations set by the Fund’s primary portfolio managers. Any rebalancing of the Fund’s portfolio may have an adverse effect on the performance of the Fund and may be subject to certain additional limits and constraints. There can be no assurance that the decisions of the Fund’s primary portfolio managers with respect to the allocation and reallocation of the Fund’s Managed Assets among the Credit Strategies, or that an investment within a particular Credit Strategy, will be successful. See “Risks—General Risks of Investing in the Fund—Management and Allocation Risk.”

Investment and Market Risk. An investment in the Fund is subject to investment risk, including the possible loss of the entire amount that you invest. Your investment in Common Shares represents an indirect investment in the credit instruments and other investments and assets owned by the Fund. The value of the Fund’s portfolio securities may move up or down, sometimes rapidly and unpredictably. Before making an investment decision, a prospective investor should (i) consider the suitability of this investment with respect to his or her investment objectives and personal situation and (ii) consider factors such as his or her personal net worth, income, age, risk tolerance and liquidity needs. The Fund may also use leverage, which would magnify the Fund’s investment, market and certain other risks.

The Fund may be materially affected by market, economic and political conditions globally and in the jurisdictions and sectors in which it invests or operates. These conditions are outside the control of BNYM Investment Adviser and Alcentra and could adversely affect the liquidity and value of the Fund’s investments, and may reduce the ability of the Fund to make attractive new investments. See “Risks—General Risks of Investing in the Fund—Investment and Market Risk.”

Tax Risk. Certain of the Fund’s investments will require the Fund to recognize taxable income in a taxable year in excess of the cash generated on those investments during that year. In
particular, the Fund expects to invest in loans and other debt obligations that will be treated as having “market discount” and/or original issue discount (“OID”) for U.S. federal income tax purposes. Because the Fund may be required to recognize income in respect of these investments before, or without receiving, cash representing such income, the Fund may have difficulty satisfying the Annual Distribution Requirement (see “Certain Material U.S. Federal Income Tax Consequences”) applicable to regulated investment companies and avoiding Fund-level U.S. federal income and/or excise taxes. Accordingly, the Fund may be required to sell assets, raise additional equity capital, make taxable distributions of its shares or debt securities, or reduce new investments, to obtain the cash needed to make these income distributions. See “Risks—General Risks of Investing in the Fund—Tax Risk.”

**Best-Efforts Offering Risk.** This offering is being made on a reasonable best efforts basis, whereby the Distributor and selected Dealers participating in this offering are only required to use their reasonable best efforts to sell the Common Shares and have no firm commitment or obligation to purchase any of the Common Shares. There is no minimum number of Common Shares required to be sold. There is no assurance that the Fund will raise sufficient proceeds in this offering to allow the Fund to purchase a portfolio of investments allocated in accordance with the Fund’s investment strategy. As a result, the Fund may be unable to achieve its investment objective and an investor could lose some or all of the value of his or her investment in the Common Shares. See “Risks—General Risks of Investing in the Fund—Best-Efforts Offering Risk.”

**Non-Diversification Risk.** The Fund is non-diversified, which means that a relatively high percentage of the Fund’s assets may be invested in a limited number of issuers. Therefore, the Fund’s performance may be more vulnerable to changes in the market value of a single issuer and more susceptible to risks associated with a single economic, political or regulatory occurrence than a diversified fund.

**Principal Investment Risks**

**Below Investment Grade Instruments Risk.** The Fund may invest all of its assets in below investment grade instruments. Below investment grade instruments are commonly referred to as “junk” or “high yield” instruments and are regarded as predominantly speculative with respect to the issuer’s capacity to pay interest and repay principal. The Fund may invest in instruments rated C or lower by Moody’s, CCC or lower by S&P or CC or lower by Fitch or comparably rated by another NRSRO or, if unrated, determined by Alcentra to be of
comparable quality. These instruments are considered to have extremely poor prospects of ever attaining any real investment standing, to have a current identifiable vulnerability to default, to be unlikely to have the capacity to pay interest and repay principal when due in the event of adverse business, financial or economic conditions and/or to be in default or not current in the payment of interest or principal. Ratings may not accurately reflect the actual credit risk associated with a corporate security.

Below investment grade instruments, though generally higher yielding, are characterized by higher risk. These instruments are especially sensitive to adverse changes in general economic conditions, to changes in the financial condition of their issuers and to price fluctuation in response to changes in interest rates. During periods of economic downturn or rising interest rates, issuers of below investment grade instruments may experience financial stress that could adversely affect their ability to make payments of principal and interest and increase the possibility of default. The secondary market for below investment grade instruments may not be as liquid as the secondary market for more highly rated instruments, a factor which may have an adverse effect on the Fund’s ability to dispose of a particular security. There are fewer dealers in the market for high yield instruments than for investment grade instruments. The prices quoted by different dealers may vary significantly, and the spread between the bid and asked price is generally much larger for high-yield securities than for higher quality instruments. Under adverse market or economic conditions, the secondary market for below investment grade instruments could contract, independent of any specific adverse changes in the condition of a particular issuer, and these instruments may become illiquid. In addition, adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the values and liquidity of below investment grade instruments, especially in a market characterized by a low volume of trading.

Default, or the market’s perception that an issuer is likely to default, could reduce the value and liquidity of below investment grade instruments held by the Fund, thereby reducing the value of an investment in the Common Shares. In addition, default, or the market’s perception that an issuer is likely to default, may cause the Fund to incur expenses, including legal expenses, in seeking recovery of principal or interest on its portfolio holdings, including litigation to enforce the Fund’s rights. In any reorganization or liquidation proceeding relating to a portfolio company, the Fund may lose its entire investment or may be required to accept cash
or securities with a value less than its original investment. Among the risks inherent in investments in a troubled entity is the fact that it frequently may be difficult to obtain information as to the true financial condition of such issuer. Alcentra’s judgment about the credit quality of an issuer and the relative value of its securities may prove to be wrong. In addition, not only may the Fund lose its entire investment on one or more instruments, Common Shareholders may also lose their entire investments in the Fund.

To the extent the Fund invests in securities of distressed or defaulted issuers, the risks associated with below investment grade instruments are more pronounced. Instruments rated in the lower rating categories are subject to higher credit risk with extremely poor prospects of ever attaining any real investment standing, to have a current identifiable vulnerability to default, to be unlikely to have the capacity to pay interest and repay principal when due in the event of adverse business, financial or economic conditions and/or to be in default or not current in the payment of interest or principal.

Investments in below investment grade instruments may present special tax issues for the Fund to the extent that the issuers of these securities default on their obligations pertaining thereto, and the U.S. federal income tax consequences to the Fund as a holder of such securities may not be clear. See “Risks—Principal Investment Risks—Below Investment Grade Instruments Risk.”

**Risks of Investing in Credit Instruments.** Under normal market conditions, the Fund will invest at least 80% of its Managed Assets in credit instruments and other investments with similar economic characteristics. Credit instruments are particularly susceptible to the following risks:

**Issuer Risk.** The market value of credit instruments may decline for a number of reasons that directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer’s goods and services.

**Credit Risk.** Credit risk is the risk that one or more credit instruments in the Fund’s portfolio will decline in price or fail to pay interest or principal when due because the issuer of the instrument experiences a decline in its financial status. Losses may occur because the market value of a credit instrument is affected by the creditworthiness or perceived creditworthiness of the issuer and by general economic and specific industry conditions and certain of the Fund’s investments will be subordinate to other debt in the issuer’s capital structure. Because the Fund generally expects to invest a significant portion of its Managed Assets in below investment grade
instruments, it will be exposed to a greater amount of credit risk than a fund which invests primarily in investment grade securities.

**Interest Rate Risk.** Prices of fixed rate credit instruments tend to move inversely with changes in interest rates. Typically, a rise in rates will adversely affect these instruments and, accordingly, the Fund's net asset value. During periods of very low interest rates, which occur from time to time due to market forces or actions of governments and/or their central banks, including the Board of Governors of the Federal Reserve System in the U.S., the Fund may be subject to a greater risk of principal decline from rising interest rates. Risks associated with rising interest rates are heightened given the Federal Reserve has raised the federal funds rate several times in recent periods and may make additional increases in the near future.

Unlike investment grade instruments, the prices of high yield instruments may fluctuate unpredictably and not necessarily inversely with changes in interest rates. In addition, the rates on floating rate instruments adjust periodically with changes in market interest rates. Although these instruments are generally less sensitive to interest rate changes than fixed rate instruments, the value of floating rate loans and other floating rate instruments may decline if their interest rates do not rise as quickly, or as much, as general interest rates.

**Prepayment Risk.** During periods of declining interest rates, the issuer of a credit instrument may exercise its option to prepay principal earlier than scheduled, forcing the Fund to reinvest the proceeds from such prepayment in potentially lower yielding instruments, which may result in a decline in the Fund’s income and distributions to Common Shareholders. This is known as prepayment or “call” risk.

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

**Spread Risk.** Wider credit spreads and decreasing market values typically represent a deterioration of an instrument’s credit soundness and a perceived greater likelihood or risk of default by the issuer. The difference (or “spread”) between the yield of a security and the yield of a benchmark, such as a U.S. Treasury security with a comparable maturity, measures the additional interest paid for credit risk. As the spread on
a security widens (or increases), the price (or value) of the security generally falls. The spread on a security may widen or narrow due to changes in spreads in the market.

Inflation/Deflation Risk. Inflation risk is the risk that the value of certain assets or income from the Fund’s investments will be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of the Common Shares and distributions on the Common Shares can decline. Deflation risk is the risk that prices throughout the economy decline over time—the opposite of inflation. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer defaults more likely, which may result in a decline in the value of the Fund’s portfolio.

See “Risks—Principal Investment Risks—Risks of Investing in Credit Instruments.”

Senior Secured Loans Risk. The Senior Secured Loans in which the Fund will invest typically will be below investment grade quality. Although, in contrast to other below investment grade instruments, Senior Secured Loans hold senior positions in the capital structure of a business entity, are secured with specific collateral and have a claim on the assets and/or stock of the Borrower that is senior to that held by unsecured creditors, subordinated debt holders and stockholders of the Borrower, the risks associated with Senior Secured Loans are similar to the risks of below investment grade instruments. See “Risks—Principal Investment Risks—Below Investment Grade Instruments Risk.” Senior Secured Loans are subject to a number of risks described elsewhere in this prospectus, including, but not limited to, credit risk and liquidity risk.

Although the Senior Secured Loans in which the Fund will invest will be secured by collateral, there can be no assurance that such collateral can be readily liquidated or that the liquidation of such collateral would satisfy the Borrower’s obligation in the event of non-payment of scheduled interest or principal.

In the event of the bankruptcy or insolvency of a Borrower, the Fund could experience delays or limitations with respect to its ability to realize the benefits of the collateral securing a Senior Secured Loan. To the extent that a Senior Secured Loan is collateralized by stock in the Borrower or its subsidiaries, such stock may lose some or all of its value in the event of the bankruptcy or insolvency of the Borrower. Senior Secured Loans that are under-collateralized involve a greater risk of loss.
In general, the secondary trading market for Senior Secured Loans is not fully-developed. No active trading market may exist for certain Senior Secured Loans, which may make it difficult to value them. Illiquidity and adverse market conditions may mean that the Fund may not be able to sell certain Senior Secured Loans quickly or at a fair price. To the extent that a secondary market does exist for certain Senior Secured Loans, the market for them may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods.

If legislation or state or federal regulations impose additional requirements or restrictions on the ability of financial institutions to make Senior Secured Loans, the availability or valuation of Senior Secured Loans for investment by the Fund may be adversely affected. In addition, such requirements or restrictions could reduce or eliminate sources of financing for certain Borrowers. This would increase the risk of default.

The Fund may acquire Senior Secured Loans through assignments. The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation; however, the purchaser’s rights can be more restricted than those of the assigning institution, and the Fund may not be able to unilaterally enforce all rights and remedies under the Senior Secured Loan and with regard to any associated collateral.

The Fund also may invest in a Senior Secured Loan through participations. A participation typically results in a contractual relationship only with the institution selling the participation interest, not with the Borrower. Sellers of participations typically include banks, broker-dealers, other financial institutions and lending institutions. Certain participation agreements also include the option to convert the participation in the loan to a full assignment of the loan under agreed upon circumstances. In purchasing participations, the Fund generally will have no direct right to enforce compliance by the Borrower with the terms of the loan agreement against the Borrower, and the Fund may not directly benefit from the collateral supporting the debt obligation in which it has purchased the participation. As a result, the Fund will be exposed to the credit risk of both the Borrower and the institution selling the participation.

See “Risks—Principal Investment Risks—Senior Secured Loans Risk.”
Direct Lending and Middle Market Company Risk. The Direct Lending Strategy seeks to generate attractive returns by lending to “middle market” businesses. Investing in middle market companies involves a number of significant risks, including but not limited to the following:

- they may have limited financial resources and may be unable to meet their debt obligations, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of the Fund’s realizing any guarantees the Fund may have obtained in connection with an investment;

- they typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors’ actions and changing market conditions, as well as general economic downturns; and

- they are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on the issuer;

There also is generally little public information about privately-held middle market companies. These middle market companies and their financial information generally are not subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and other regulations that govern public companies, and the Fund may be unable to uncover all material information about these companies, which may prevent Alcentra from making a fully informed investment decision and cause the Fund to lose money on its investments. See “Risks—Principal Investment Risks—Direct Lending and Middle Market Company Risk.”

In addition, the risks associated with investing in Senior Secured Loans will be heightened as part of the Direct Lending Strategy, as the Senior Secured Loans and unitranche loans held by the Fund will not be syndicated and will be more illiquid and harder to value. See “Risks—Principal Investment Risks—Valuation Risk.”

Subordinated Loans Risk. Subordinated Loans generally are subject to similar risks as those associated with investments in Senior Secured Loans, except that such loans are subordinated in payment and/or lower in lien priority to first lien holders. In the event of default on a Subordinated Loan, the first priority lien holder has first claim to the underlying collateral of the loan. Subordinated Loans are subject to the additional risk
that the cash flow of the Borrower and collateral securing the loan or debt, if any, may be insufficient to meet scheduled payments after giving effect to the senior unsecured or senior secured obligations of the Borrower. Subordinated Loans generally have greater price volatility than Senior Secured Loans and may be less liquid. See “Risks—Principal Investment Risks—Subordinated Loans Risk.”

Special Situations Investments Risk. Special Situations Investments are subject to many of the risks discussed elsewhere in this prospectus, including risks associated with investing in high yield instruments. From time to time, Alcentra may take control positions, sit on creditors’ committees or otherwise take an active role in seeking to influence the management of the issuers of Special Situations Investments, in which case the Fund may be subject to increased litigation risk resulting from its actions and it may obtain inside information that may restrict its ability to dispose of Special Situations Investments. See “Risks—Principal Investment Risks—Special Situations Investments Risk.”

Structured Credit Investments Risk. Holders of Structured Credit Investments bear risks associated with the underlying investments, index or reference obligation and are subject to counterparty risk. The Fund may have the right to receive payments only from the issuers of the Structured Credit Investment, and generally does not have direct rights against the issuer or the entity that sold the assets to be securitized. Although it is difficult to predict whether the prices of indices and securities underlying Structured Credit Investments will rise or fall, these prices (and, therefore, the prices of structured products) will be influenced by the same types of political and economic events that affect issuers of securities and capital markets generally. In addition, certain Structured Credit Investments may be thinly traded or have a limited trading market.

For both CBOs and CLOs, the cash flows from the SPV are split into two or more portions, called tranches, varying in risk and yield. The Fund may invest in any tranche, including the equity tranche. The riskiest portion is the “equity” tranche, which bears the first loss from defaults from the bonds or loans in the SPV and serves to protect the other, more senior tranches from default (though such protection is not complete). Since it is partially protected from defaults, a senior tranche from a CBO or CLO typically has higher ratings and lower yields than its underlying securities, and may be rated investment grade. Despite the protection from the equity tranche, other CBO or CLO tranches can experience substantial losses due to actual defaults, downgrades of the underlying collateral by
rating agencies, forced liquidation of the collateral pool due to a failure of coverage tests, increased sensitivity to defaults due to collateral default and disappearance of protecting tranches, market anticipation of defaults as well as investor aversion to CBO or CLO securities as a class. Interest on certain tranches of a CDO may be paid in kind or deferred and capitalized (paid in the form of obligations of the same type rather than cash), which involves continued exposure to default risk with respect to such payments.

CLOs and other types of CDOs, such as CBOs, also are typically privately offered and sold, and thus are not registered under the securities laws. As a result, investments in CLOs and other types of CDOs may be characterized by the Fund as illiquid securities; however, an active dealer market may exist, which would allow such securities to be considered liquid in some circumstances.

In addition to the general risks associated with credit instruments, CLOs and other types of CDOs carry additional risks, including, but not limited to: (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or default; (iii) the possibility that the class of CLO or CDO held by the Fund is subordinate to other classes; and (iv) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the issuer or unexpected investment results.

Asset-backed securities are a form of derivative instrument. Payment of principal and interest may depend largely on the cash flows generated by the assets backing the securities and, in certain cases, supported by letters of credit, surety bonds or other forms of credit or liquidity enhancements. The value of these asset-backed securities may be affected by the creditworthiness of the servicing agent for the pool of assets, the originator of the loans or receivables or the financial institution providing the credit support.

See “Risks—Principal Investment Risks—Structured Credit Investments Risk.”

**Corporate Debt Risk.** The market value of fixed rate Corporate Debt generally may be expected to rise and fall inversely with interest rates. The market value of intermediate and longer term fixed rate Corporate Debt is generally more sensitive to changes in interest rates than is the market value of shorter term Corporate Debt. The market value of Corporate Debt may be affected by factors directly related to the issuer, such as investors’ perceptions of the creditworthiness of the
issuer, the issuer’s financial performance, perceptions of the issuer in the market place, performance of management of the issuer, the issuer’s capital structure and use of financial leverage and demand for the issuer’s goods and services. There is a risk that the issuers of Corporate Debt may not be able to meet their obligations on interest and/or principal payments at the time called for by an instrument. See “Risks—Principal Investment Risks—Corporate Debt Risk.”

Zero Coupon, Pay-In-Kind and Step-Up Securities Risk. The amount of any discount on these securities varies depending on the time remaining until maturity or cash payment date, prevailing interest rates, liquidity of the security and perceived credit quality of the issuer. The market prices of these securities generally are more volatile and are likely to respond to a greater degree to changes in interest rates than the market prices of securities that pay cash interest periodically having similar maturities and credit qualities. In addition, unlike bonds that pay cash interest throughout the period to maturity, the Fund will realize no cash until the cash payment date unless a portion of such securities are sold and, if the issuer defaults, the Fund may obtain no return at all on its investment. The interest payments deferred on a PIK security are subject to the risk that the borrower may default when the deferred payments are due in cash at the maturity of the instrument. In addition, the interest rates on PIK securities are higher to reflect the time value of money on deferred interest payments and the higher credit risk of borrowers who may need to defer interest payments. See “Risks—Principal Investment Risks—Zero Coupon, Pay-In-Kind and Step-Up Securities Risk.”

LIBOR Risk. Many credit instruments, derivatives and other financial instruments, including some of the Fund’s anticipated investments, utilize LIBOR as the reference or benchmark rate for variable interest rate calculations. However, the use of LIBOR started to come under pressure following manipulation allegations in 2012. Despite increased regulation and other corrective actions since that time, concerns have arisen regarding its viability as a benchmark, due largely to reduced activity in the financial markets that it measures.

In July 2017, the Financial Conduct Authority (“FCA”), the United Kingdom financial regulatory body, announced that after 2021 it will cease its active encouragement of UK banks to provide the quotations needed to sustain LIBOR. That announcement suggests that LIBOR may cease to be published after that time. Various financial industry groups have begun planning for that transition, but there are obstacles to converting certain longer term securities and transactions
to a new benchmark. Transition planning is at an early stage, and neither the effect of the transition process nor its ultimate success can yet be known. The transition process might lead to increased volatility and illiquidity in markets that currently rely on the LIBOR to determine interest rates. It could also lead to a reduction in the value of some LIBOR-based investments and reduce the effectiveness of new hedges placed against existing LIBOR-based instruments. Since the usefulness of LIBOR as a benchmark could deteriorate during the transition period, these effects could occur prior to the end of 2021. See “Risks—Principal Investment Risks—LIBOR Risk.”

**Foreign Investments Risk.** The Fund intends to invest in securities of foreign issuers, including those companies located in Western and Northern Europe. Such investments involve certain risks not involved in U.S. investments. Securities markets in foreign countries often are not as developed, efficient or liquid as securities markets in the United States, and therefore, the prices of foreign securities can be more volatile. Certain foreign countries may impose restrictions on the ability of issuers within those countries to make payments of principal and interest to investors located outside the country. In addition, the Fund will be subject to risks associated with adverse political and economic developments in foreign countries.

Foreign government debt includes bonds that are issued or backed by foreign governments or their agencies, instrumentalities or political subdivisions or by foreign central banks. The governmental authorities that control the repayment of the debt may be unable or unwilling to repay principal and/or interest when due in accordance with terms of such debt, and the Fund may have limited legal recourse in the event of a default. The ability of a foreign sovereign issuer to make timely payments on its debt obligations also will be strongly influenced by the sovereign issuer’s balance of payments, including export performance, its access to international credit facilities and investments, fluctuations of interest rates and the extent of its foreign reserves. The cost of servicing external debt will also generally be adversely affected by rising international interest rates, as many external debt obligations bear interest at rates which are adjusted based upon international interest rates.

The risks of investing in foreign securities may be heightened to the extent the Fund invests in issuers located or doing business in emerging market countries. The securities of issuers located in emerging markets countries tend to be more volatile and less liquid than securities of issuers located in countries of more mature economies, and emerging markets
generally have less diverse and less mature economic structures and less stable political systems than those of developed countries. The securities of issuers located or doing substantial business in emerging markets are often subject to rapid and large changes in price. See “Risks—Principal Investment Risks—Foreign Investments Risk.”

**European Investments Risk.** A number of countries in Europe have experienced severe economic and financial difficulties. Many non-governmental issuers, and even certain governments, have defaulted on, or been forced to restructure, their debts; many other issuers have faced difficulties obtaining credit or refinancing existing obligations; financial institutions have in many cases required government or central bank support, have needed to raise capital, and/or have been impaired in their ability to extend credit; and financial markets in Europe and elsewhere have experienced extreme volatility and declines in asset values and liquidity. These difficulties may continue, worsen or spread within and without Europe.

Ongoing concerns regarding the economies of certain European countries and/or their sovereign debt, as well as the possibility that one or more countries might abandon the euro, the common currency of the European Union (the “EU”), and/or withdraw from the EU, create additional risks for investing in Europe. In June 2016, the United Kingdom (the “UK”) held a referendum resulting in a vote in favor of the exit of the UK from the EU (known as “Brexit”). The resulting impact of the UK’s vote to leave the EU and the terms of its potential withdrawal are uncertain as of the date of this prospectus. The effect on the economies of the UK and the EU will likely depend on the nature of trade relations between the UK and the EU and other major economies following Brexit, which are matters to be negotiated. The current uncertainty and related future developments could have a negative impact on both the UK economy and the economies of other countries in Europe, as well as greater volatility in the global financial and currency markets.

If the UK leaves the EU without agreements on trade, finance and other key elements, often called a hard Brexit, the UK would have to trade with the EU under World Trade Organization rules, under which there would be customs and regulatory checks, and tariffs imposed on goods that the UK exports to the EU. In addition, there would be no 21-month post-Brexit transition period. A hard Brexit would mean the UK would leave Europe’s single market and customs union, which could hurt global financial stability.
These events could negatively affect the value and liquidity of all of the Fund’s investments, not only the Fund’s investments in securities of issuers located in Europe. See “Risks—Principal Investment Risks—European Investments Risk.”

**Foreign Currency Transactions Risk.** As the Fund intends to invest in securities that trade in, and expects to receive revenues in, foreign currencies, or in derivatives that provide exposure to foreign currencies, it will be subject to the risk that those currencies will decline in value relative to the U.S. dollar, or, in the case of hedging positions intended to protect the Fund from decline in the value of non-U.S. currencies, that the U.S. dollar will decline in value relative to the currency being hedged. Currency rates in foreign countries may fluctuate significantly over short periods of time. As a result, the Fund’s investments in foreign currency denominated securities may reduce the returns of the Fund. While the Fund intends to hedge substantially all of its non-U.S. dollar-denominated securities into U.S. dollars, hedging may not alleviate all currency risks. Furthermore, the issuers in which the Fund invests may be subject to risks relating to changes in currency rates, as described above. If a company in which the Fund invests suffers such adverse consequences as a result of such changes, the Fund may also be adversely affected as a result. See “Risks—Principal Investment Risks—Foreign Currency Transactions Risk.”

**Principal Risks of the Use of Derivatives.** The Fund will be subject to additional risks with respect to its use of derivatives. A small investment in derivatives could have a potentially large impact on the Fund’s performance. The use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid and difficult to value, and there is the risk that changes in the value of a derivative held by the Fund will not correlate with the underlying assets or the Fund’s other investments in the manner intended. Derivative instruments, such as OTC swap agreements, forward contracts and other OTC transactions, also involve the risk that a loss may be sustained as a result of the failure of the counterparty to the derivative instruments to make required payments or otherwise comply with the derivative instruments’ terms. Many of the regulatory protections afforded participants on organized exchanges for futures contracts and exchange-traded options, such as the performance guarantee of an exchange clearing house, are not available in connection with OTC derivative transactions. Certain types of derivatives, including swap agreements, forward contracts and other OTC transactions, involve greater
risks than the underlying assets because, in addition to general market risks, they are subject to liquidity risk, counterparty risk, credit risk and pricing risk, and may involve commissions or other costs.

Because many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, reference rate or index can result in a loss substantially greater than the amount invested in the derivative itself. The Fund may be required to set aside liquid assets equal to the full notional amount of the instrument (generally, the total value of the asset underlying the derivatives contract) or an amount equal to the Fund's daily marked-to-market net obligations (i.e., the Fund’s daily net liability) under the instrument, if any, while the positions are open. Certain derivatives, such as written call options, have the potential for unlimited loss, regardless of the size of the initial investment. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many privately-negotiated derivatives, including swap agreements), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price. Future rules and regulations of the SEC may require the Fund to alter, perhaps materially, its use of derivatives as described in this prospectus.

Options prices can diverge from the prices of their underlying instruments and may be affected by such factors as current and anticipated short-term interest rates, changes in volatility of the underlying instrument, and the time remaining until expiration of the contract, which may not affect the prices of the underlying instruments in the same way.

In addition, the use of credit derivatives is a highly specialized activity which involves strategies and risks different from those associated with ordinary portfolio security transactions. If Alcentra is incorrect in its forecasts of default risks, market spreads or other applicable factors, the investment performance of the Fund would diminish compared with what it would have been if these techniques were not used. Moreover, even if Alcentra is correct in its forecasts, there is a risk that a credit derivative position may correlate imperfectly with the price of the asset or liability being protected.

The Fund will be subject to counterparty risk (failure of the counterparty to the transaction to honor its obligation) with respect to its derivative transactions. If a counterparty becomes bankrupt or otherwise fails to perform its obligations under a derivative contract due to financial difficulties, the Fund may experience significant delays in obtaining any
recovery under the derivative contract in bankruptcy or other reorganization proceeding. The Fund may obtain only a limited recovery or may obtain no recovery in such circumstances.

The federal income tax treatment of payments in respect of certain derivatives contracts is unclear. Common Shareholders may receive distributions that are attributable to derivatives contracts that are treated as ordinary income for federal income tax purposes.

For a more complete discussion of risks associated with the use of specific derivative instruments by the Fund, see “Risks—Principal Investment Risks—Principal Risks of the Use of Derivatives.”

**Valuation Risk.** Unlike publicly traded common stock which trades on national exchanges, there is no central place or exchange for loans or other credit instruments in which the Fund may invest. Some credit instruments trade in an OTC market which may be anywhere in the world where the buyer and seller can settle on a price. Due to the lack of centralized information and trading, the valuation of credit instruments may carry more risk than that of common stock. Other market participants may value instruments differently than the Fund. As a result, the Fund may be subject to the risk that when a credit instrument is sold in the market, the amount received by the Fund is less than the value that such credit instrument is carried at on the Fund’s books.

In addition, certain of the Fund’s investments, primarily its investments in instruments in the Direct Lending Strategy, will need to be fair valued by the Fund’s Board of Directors in accordance with valuation procedures approved by the Board. Those portfolio valuations will be based on unobservable inputs and certain assumptions about how market participants would price the instrument. The Fund expects that inputs into the determination of fair value of those investments will require significant management judgment or estimation.

Furthermore, the Fund’s Board of Directors will use the services of one or more independent valuation firms to aid it in determining the fair value of certain instruments classified as Level 3 under the Financial Accounting Standards Board, Accounting Standards Codification, Topic 820, Fair Value Measurements and Disclosures (“Level 3 Investments”). The factors that may be considered in fair value pricing of such investments include the nature and realizable value of any collateral, the company’s ability to make payments and its earnings and cash flows, the markets in which the company does business, comparison to publicly traded companies and other relevant factors. Because valuations may fluctuate over
short periods of time and may be based on estimates, fair value
determinations may differ materially from the value received
in an actual transaction. Additionally, valuations of private
securities and private companies are inherently uncertain. The
Fund’s net asset value could be adversely affected if the Fund’s
determinations regarding the fair value of those investments
were materially higher or lower than the values that it
ultimately realize upon the disposal of such investments. See
“Risks—Principal Investment Risks—Valuation Risk.”

**Liquidity Risk.** In addition to the various other risks
associated with investing in credit instruments, to the extent
those instruments are determined to be illiquid or restricted
securities, they may be difficult to dispose of at a fair price
at the times when the Fund believes it is desirable to do
so. The market price of illiquid and restricted securities
generally is more volatile than that of more liquid securities,
which may adversely affect the price that the Fund pays
for or recovers upon the sale of such securities. Illiquid and
restricted securities are also more difficult to value, especially
in challenging markets. Investment of the Fund’s assets
in illiquid and restricted securities may restrict the Fund’s
ability to take advantage of market opportunities. In order to
dispose of an unregistered security, the Fund, where it has
contractual rights to do so, may have to cause such security
to be registered. Contractual restrictions on the resale of
securities vary in length and scope and are generally the
result of a negotiation between the issuer and purchaser of the
securities. In either case, the Fund would bear market risks
during the restricted period. See “Risks—Principal Investment
Risks—Liquidity Risk.”

**Leverage Risk.** The Fund anticipates incurring leverage as
part of its investment strategy. All costs and expenses related
to any form of leverage used by the Fund will be borne entirely
by the Common Shareholders. See “Use of Leverage.”

The Fund’s use of leverage could create special risks for
Common Shareholders. If the income and gains earned on the
securities and investments purchased with leverage proceeds
are greater than the cost of the leverage, the return on the
Common Shares will be greater than if leverage had not been
used. Conversely, if the income and gains from the securities
and investments purchased with such proceeds do not cover
the cost of leverage, the return on the Common Shares will be
less than if leverage had not been used. There is no assurance
that a leveraging strategy will be successful.
Leverage involves risks and special considerations compared to a comparable portfolio without leverage including: (i) the likelihood of greater volatility of the Fund’s net asset value; (ii) the risk that fluctuations in interest rates on Borrowings will reduce the return to the Common Shareholders or will result in fluctuations in the dividends paid on the Common Shares; (iii) the effect of leverage in a declining market, which is likely to cause a greater decline in the net asset value of the Common Shares than if the Fund were not leveraged; (iv) when the Fund uses leverage, the investment management fees payable to BNYM Investment Adviser (and, indirectly, Alcentra) will be higher than if the Fund did not use leverage, and may provide a financial incentive to BNYM Investment Adviser and Alcentra to increase the Fund’s use of leverage and create an inherent conflict of interest; and (v) leverage may increase expenses, which may reduce total return.

The Fund may continue to use leverage if the benefits to the Common Shareholders of maintaining the leveraged position are believed to outweigh any current reduced return, but expects to reduce, modify or cease its leverage if it is believed the costs of the leverage will exceed the return provided from the investments made with the proceeds of the leverage.

See “Use of Leverage—Leverage Risks” and “Risks—Principal Investment Risks—Leverage Risk.”

SUMMARY OF FUND EXPENSES

The purpose of the following table and the example below is to help you understand the fees and expenses that you, as a Common Shareholder, would bear directly or indirectly. Common Shareholders should understand that some of the percentages indicated in the table below are estimates and may vary. The expenses shown in the table are based on estimated amounts for the Fund’s first year of operations and assume that the Fund issues approximately 2,000,000 Common Shares. The table also assumes the use of leverage in an amount equal to 30% of total assets (after leverage is incurred), and shows Fund expenses as a percentage of net assets attributable to Common Shares. If the Fund issues fewer Common Shares, all other things being equal, these expenses would increase as a percentage of net assets attributable to Common Shares.

Common Shareholder Transaction Expenses

<table>
<thead>
<tr>
<th>Expense</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum sales load paid by you</td>
<td>None(1)</td>
</tr>
<tr>
<td>Offering expenses borne by the Fund’s Common Shareholders</td>
<td>None(2)</td>
</tr>
<tr>
<td>Dividend reinvestment plan fees</td>
<td>None</td>
</tr>
</tbody>
</table>

Annual Expenses

<table>
<thead>
<tr>
<th>Expense</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Management Fee</td>
<td>1.79%</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>0.46%</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>2.01%(4)</td>
</tr>
<tr>
<td>Total Annual Fund Operating Expenses</td>
<td>4.26%</td>
</tr>
</tbody>
</table>

(1) BNYM Investment Adviser (and not the Fund) has agreed to pay from its own assets compensation to certain Dealers in an amount not to exceed % of the total price to the public of the Common Shares sold in this offering. BNYM Investment Adviser (and not the Fund) also has agreed to reimburse the Distributor for the compensation paid by the Distributor to certain of its representatives that participate in the offering and marketing of the Common Shares, which compensation will not exceed % of the total price to the public of the Common Shares sold in this offering. See “Plan of Distribution.”

(2) BNYM Investment Adviser (and not the Fund) has agreed to pay all of the organizational and offering expenses of the Fund, which are estimated to be $900,000 or $0.45 per Common Share.

(3) The Fund anticipates initially using leverage through the use of Borrowings. The fee table assumes in the calculation of the investment management fee that the Fund incurs leverage of 30% of its total assets. See “Use of Leverage.” All costs and expenses related to any form of leverage used by the Fund will be borne entirely by Common Shareholders.

The table presented below estimates what the Fund’s annual expenses would be, stated as percentages of the Fund’s net assets attributable to Common Shares, assuming the Fund is the same size as in the table above and does not use any leverage.

<table>
<thead>
<tr>
<th>Expense</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Management Fee</td>
<td>1.25%</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>0.46%</td>
</tr>
<tr>
<td>Total Annual Fund Operating Expenses</td>
<td>1.71%</td>
</tr>
</tbody>
</table>

(4) “Interest Expense” relates to the Fund’s expenses associated with the use of Borrowings and is based on the assumption that the Fund incurs leverage of 30% of its total assets.
**Example**

The following example illustrates the expenses that you would pay on a $1,000 investment in the Common Shares, assuming (i) the Fund issues 2,000,000 Common Shares in this offering, (ii) total annual expenses of 4.26% of net assets attributable to the Fund’s Common Shares in years one through ten, (iii) a 5% annual return and (iv) reinvestment of all dividends and distributions at net asset value:

<table>
<thead>
<tr>
<th></th>
<th>1 Year</th>
<th>3 Years</th>
<th>5 Years</th>
<th>10 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total expenses incurred</td>
<td>$43</td>
<td>$129</td>
<td>$217</td>
<td>$442</td>
</tr>
</tbody>
</table>

The example above should not be considered a representation of future expenses. Actual expenses may be higher or lower. Actual expenses may be greater or less than those assumed. Moreover, the Fund’s actual rate of return may be greater or less than the hypothetical 5% return shown in the example. Assuming the Fund does not use any leverage, including through the use of Borrowings, the illustrated expenses in the example above would be $17, $54, $93 and $202 for years 1, 3, 5 and 10, respectively.

**THE FUND**

BNY Mellon Alcentra Global Multi-Strategy Credit Fund, Inc. is a non-diversified, closed-end management investment company registered under the 1940 Act. The Fund was incorporated in Maryland on February 1, 2018. The Fund has claimed an exclusion from the term “commodity pool operator” (“CPO”) pursuant to Regulation 4.5 under the Commodity Exchange Act. The Fund has no operating history. The Fund’s principal office is located at 240 Greenwich Street, New York, New York 10286, and its telephone number is (800) 334-6899.

In accordance with the Fund’s Charter, the Fund will terminate at the close of business on the Termination Date. The Board may, to the extent it deems appropriate and without Common Shareholder approval, adopt a plan of liquidation at any time preceding the Termination Date, which plan of liquidation may set forth the terms and conditions for implementing the termination of the Fund’s existence, including the commencement of the winding down of its investment operations (the “wind-down period”) and the making of one or more liquidating distributions to Common Shareholders prior to the Termination Date. Under normal market conditions, the Fund currently expects to commence the wind-down period approximately six months before the Termination Date; however, the Fund retains broad flexibility to liquidate its portfolio, wind up its business and make liquidating distributions to Common Shareholders in a manner and on a schedule it believes will best contribute to the achievement of its investment objective. Following a liquidation of substantially all of its portfolio and the distribution of the net proceeds thereof to Common Shareholders, the Fund may continue in existence to pay, satisfy, and discharge any existing debts or obligations, collect and distribute any remaining net assets to Common Shareholders, and do all other acts required to liquidate and wind up its business and affairs. As soon as practicable after the Termination Date, the Fund will complete the liquidation of its portfolio (to the extent possible and not already liquidated), retire or redeem its leverage facilities (to the extent not already retired or redeemed), distribute all of its liquidated net assets to its Common Shareholders (to the extent not already distributed) and cease to exist under Maryland law.

The Fund intends to limit its investment in instruments in the Direct Lending and Subordinated Loans Strategy and in any other Level 3 Investments that, in each case, have a maturity date beyond the Termination Date if, immediately after the investment, those investments would exceed 5% of the Fund’s total assets; provided, however, the Fund may exceed this amount if approved by a majority of the Fund’s Board of Directors (or a designated committee of Independent Directors).
Although it is anticipated that the Fund will have distributed substantially all of its net assets to Common Shareholders as soon as practicable after the Termination Date, securities for which no market exists or securities trading at depressed prices, if any, may be placed in a liquidating trust. Securities placed in a liquidating trust may be held for an indefinite period of time, potentially several years or longer, until they can be sold or pay out all of their cash flows. During such time, Common Shareholders will be exposed to the risks associated with the securities held in the liquidating trust and the value of their interest in the liquidating trust will fluctuate with the value of the liquidating trust’s remaining assets. To the extent the costs associated with a liquidating trust exceed the value of the remaining securities, the liquidating trust trustees may elect to write off or donate the remaining securities to charity. The Fund cannot predict the amount of securities, if any, that will be required to be placed in a liquidating trust or how long it will take to sell or otherwise dispose of such securities.

The Fund does not seek to return $100.00 per Common Share upon termination. The final distribution of net assets upon termination may be more than, equal to or less than $100.00 per Common Share. See “Limited Term.”

USE OF PROCEEDS

The net proceeds of this offering of Common Shares will be approximately $ . BNYM Investment Adviser (and not the Fund) has agreed to pay all of the organizational and offering expenses of the Fund, which are estimated to be $900,000 or $0.45 per Common Share.

The Fund will invest the net proceeds of the offering in accordance with the Fund’s investment objective and policies as stated below. The Fund currently anticipates that it will be able to invest substantially all of the net proceeds from this offering in accordance with its investment objective and policies within two to four months after the completion of this offering with respect to the Fund’s investments in the Senior Loan Strategy, Structured Credit Strategy and Corporate Debt Strategy and within six months after the completion of this offering with respect to the Fund’s investments in the Direct Lending and Subordinated Loans Strategy and Special Situations Strategy. The Fund anticipates that it will take a longer period of time to allocate the Fund’s Managed Assets to the Direct Lending and Subordinated Loans Strategy and Special Situations Strategy due to the nature of those investments. During this “ramp-up” period, the Fund may invest up to 100% of its Managed Assets in money market instruments, including U.S. Government securities, repurchase agreements, bank obligations and commercial paper, as well as cash, cash equivalents or high quality short-term fixed-income and other securities, which have returns substantially lower than those the Fund anticipates earning once it has fully invested the proceeds of the offering in accordance with its investment objective. Accordingly, during this period, the Fund may not achieve its investment objective. See “Investment Objective and Policies.”

INVESTMENT OBJECTIVE AND POLICIES

Investment Objective

The Fund’s investment objective is to seek to provide total return consisting of high current income and capital appreciation. There is no assurance the Fund will achieve its investment objective. The Fund is not intended as a complete investment program. The Fund is not intended for investors whose investment horizon is longer or significantly shorter than the expected life of the Fund. The Fund’s investment objective is fundamental and may not be changed without prior approval of the Fund’s shareholders.

Principal Investment Strategies and Investment Policies

Under normal market conditions, the Fund will invest at least 80% of its Managed Assets in credit instruments and other investments with similar economic characteristics. Such credit instruments include: first and second lien senior secured loans, as well as investments in participations and assignments of such loans; senior unsecured, mezzanine and other collateralized and uncollateralized subordinated loans; unitranche loans; corporate debt obligations other than loans; and structured products, including collateralized bond, loan and other debt obligations, structured notes and credit-linked notes. To the
extent that the Fund invests in derivative instruments with economic characteristics similar to those
credit instruments, the value of such investments will be included for purposes of the Fund's 80% investment policy.

The Fund expects to invest a substantial portion of its Managed Assets, and may invest without limit, in credit instruments that, at the time of investment, are rated below investment grade (i.e., below BBB- or Baa3) by one or more of the NRSROs that rate such instruments, or, if unrated, determined to be of comparable quality by Alcentra. Instruments of below investment grade quality, commonly referred to as “junk” or “high yield” instruments, are regarded as having predominantly speculative characteristics with respect to an obligor’s capacity to pay interest and repay principal and are more susceptible to default or decline in market value due to adverse economic and business developments than higher quality instruments. The Fund also may invest in investment grade credit instruments. The Fund may invest in credit instruments that, at the time of investment, are: (i) distressed or defaulted; (ii) of any credit quality, maturity and/or duration; and (iii) illiquid, unregistered (but are eligible for purchase and sale by certain qualified institutional buyers) or subject to contractual restrictions on their resale (“restricted securities”).

As a global fund, the Fund may invest in issuers located anywhere in the world. Under normal market conditions, the Fund will invest at least 40% (unless market conditions are not deemed favorable, in which case the Fund would invest at least 30%) of its Managed Assets in issuers that have significant exposure to the economies of countries other than the United States. Issuers that have significant exposure to the economies of countries other than the United States are issuers that are organized or domiciled in a foreign country or have at least 50% of their assets outside the United States or at least 50% of their revenues or profits are from goods produced or sold, investments made, or services performed outside the United States. The Fund expects to focus its foreign investments in countries in Western and Northern Europe, although the Fund will not invest more than 25% of its Managed Assets in securities of issuers located in any single country outside the United States and will not invest more than 25% of its Managed Assets in companies located in emerging markets. The Fund currently expects that it will invest at least 25% of its Managed Assets in U.S. issuers. The Fund will not invest more than 25% of its Managed Assets in issuers in any one particular industry.

The Fund’s investments in European companies are generally anticipated to be in companies in Western and Northern European countries, including the United Kingdom, Ireland, France, Germany, Austria and Switzerland, as well as the Benelux countries (Belgium, the Netherlands and Luxembourg) and the Scandinavian countries (Sweden, Denmark, Norway and Finland). Other European countries in which the Fund may seek to invest include, but are not limited, to Spain, Italy, Greece and Portugal. The Fund expects that, under current market conditions, it will seek to hedge substantially all of its exposure to foreign currencies against the value of the U.S. dollar.

The Fund may use derivative instruments as a substitute for investing directly in an underlying asset, to increase returns, to manage credit or interest rate risk, to manage the effective maturity or duration of the Fund’s portfolio, to manage foreign currency risk, or as part of a hedging strategy. Although the Fund is not limited in the types of derivatives it can use, the Fund currently expects that its use of derivatives will consist principally of options, total return swaps, credit default swaps and foreign currency forward and futures contracts. The Fund’s use of derivatives will be limited by the 1940 Act. See “Investment Objective and Policies—Principal Portfolio Investments—Use of Derivatives.”

The Fund may employ leverage to enhance its potential for achieving its investment objective. The Fund’s use of leverage may increase or decrease from time to time in its discretion and the Fund may, in the future, determine not to use leverage. The Fund is permitted to borrow money in an amount up to 33-1/3% of its total assets. The Fund currently intends to employ leverage through Borrowings from financial institutions in an aggregate amount of approximately 30% of the Fund's total assets immediately after such Borrowings.
Although not a principal investment strategy, the Fund may invest up to 20% of its Managed Assets in other securities and instruments including, without limitation: (i) equity securities of issuers that are related to the Fund’s investments in credit instruments, such as common stock, preferred stock and convertible securities (including warrants or other rights to acquire common or preferred stock); (ii) U.S. and foreign government securities; and (iii) short-term fixed income securities and money market instruments.

During temporary defensive periods or in order to keep the Fund’s cash fully invested, including the period during which the net proceeds of the offering of Common Shares are being invested or during the wind-down period of the Fund, the Fund may deviate from its investment objective and policies. During such periods, the Fund may invest up to 100% of its assets in money market instruments, including U.S. Government securities, repurchase agreements, bank obligations and commercial paper, as well as cash, cash equivalents or high quality short-term fixed-income and other securities. Accordingly, during such periods, the Fund may not achieve its investment objective.

**Credit Strategies**

Alcentra intends to construct the Fund’s investment portfolio by allocating the Fund’s assets to credit instruments and related investments in the following Credit Strategies: (i) Senior Secured Loans; (ii) Direct Lending and Subordinated Loans; (iii) Special Situations; (iv) Structured Credit; and (v) Corporate Debt.

Alcentra has considerable latitude in allocating the Fund’s Managed Assets and the composition of the Fund’s investment portfolio will vary over time, based on the allocation to the Credit Strategies and the Fund’s exposure to different types of credit instruments. Allocations among the Credit Strategies will vary over time, perhaps significantly, and the Fund may not be invested in all of the Credit Strategies at all times and may maintain zero exposure to a particular Credit Strategy or type of credit instrument.

The Fund’s primary portfolio managers will make all determinations regarding allocations and reallocations of the Fund’s Managed Assets to each Credit Strategy. The Fund’s primary portfolio managers will set target allocations for each Credit Strategy, which may be modified at any time. The percentage allocations among Credit Strategies may, from time to time, be out of balance with the target allocations set by the Fund’s primary portfolio managers due to various factors, such as varying investment performance among Credit Strategies, illiquidity of certain portfolio investments or a change in the target allocations. At least quarterly, the Fund’s primary portfolio managers will review the percentage allocations to each Credit Strategy and rebalance the Fund’s portfolio and/or modify the target allocations as they deem necessary or appropriate in light of economic and market conditions, available investment opportunities and the relative returns and risks then represented by each type of security.

**Senior Secured Loans Strategy.** The Senior Secured Loans Strategy seeks to generate attractive returns by investing in the secured debt of borrowers in the higher credit quality categories of the below investment grade corporate debt market. As part of this strategy, the Fund may invest in Senior Secured Loans, which typically are syndicated. Senior Secured Loans are loans secured by specific collateral of the borrower and are senior to most other securities of the borrower (e.g., common stock or debt instruments) in the event of bankruptcy. The Fund also may purchase participations and assignments in, and commitments to purchase, Senior Secured Loans. Investments in Senior Secured Loans may provide more favorable exposure to the below investment grade corporate debt market due to their senior position in an issuer’s capital structure, which promotes lower price volatility and higher recoveries in the event of default. Senior Secured Loans also may provide additional protection through financial covenants and access to private management accounting information from the borrower. There also is a more established market for syndicated Senior Secured Loans, which, under normal market conditions, may facilitate a more liquid trading environment.

**Direct Lending and Subordinated Loans Strategy.** The Direct Lending Strategy seeks to generate attractive returns by lending to “middle market” businesses with an enterprise value of up to $1 billion (or the foreign currency equivalent). As part of this strategy, the Fund may originate direct loans to companies where the Fund would benefit from a first lien senior priority ranking in the company’s capital structure.
The Fund also may engage in unitranche lending, in which a senior loan tranche and a mezzanine loan tranche of an issuer are blended into a single first ranking tranche of debt. These loans are typically arranged so that they pay a floating rate of interest made up of a base rate, such as LIBOR, plus an additional margin to compensate for credit risk (such margin may be paid fully in cash or may incorporate a “payment-in-kind” or “PIK” component which is not paid in cash, but which accrues and is added to the outstanding principal amount to be paid on the contractual maturity date). As part of the Direct Lending Strategy, in certain circumstances, the Fund may take an equity position in a company it lends to.

The Fund also may invest in second lien, senior unsecured, mezzanine and other collateralized and uncollateralized subordinated loans. These Subordinated Loans sit below the senior secured debt in a company’s capital structure, but have priority over the company’s bonds and equity securities. The Fund, from time to time, also may seek to participate in the upside gain of a business through the exercise of warrants or other equity securities acquired in connection with its investment in a Subordinated Loan.

**Special Situations Strategy.** The Special Situations Strategy seeks to generate attractive returns by investing in specialized credit opportunities in the below investment grade debt markets, on both a long-term and short-term basis. As part of this strategy, the Fund may invest in Special Situations Investments related to companies engaged in extraordinary transactions, such as mergers and acquisitions, litigation, rights offerings, liquidations outside of bankruptcy, covenant defaults, refinancings, recapitalizations and other special situations. Alcentra will focus the Fund’s Special Situations Investments in companies that have experienced, or are currently experiencing, financial difficulties as a result of deteriorating operations, changes in macro-economic conditions, changes in governmental monetary or fiscal policies, adverse legal judgments, or other events which may adversely impact their credit standing. Alcentra expects to seek opportunistic investment opportunities where it believes that the return potential exceeds the downside risk. Consequently, the Fund’s Special Situations Investments will focus on loans and other secured credit instruments over equity securities, as those credit instruments provide a claim on an issuer’s assets. As part of this strategy, however, the Fund may acquire equity securities incidental to the purchase or ownership of Special Situation Investments.

**Structured Credit Strategy.** The Structured Credit Strategy seeks to generate attractive returns by investing predominately in the mezzanine tranches (i.e., those rated below the senior tranches but above the most junior tranches) and most junior tranches of CLOs backed by Senior Secured Loans. When analyzing the value and suitability of CLO tranches, Alcentra assesses collateral composition, subordination levels and cash flow levels. The underlying portfolio is reviewed by Alcentra, which looks at, among other things: downgrade and default risk for individual credits; recovery rate expectations and the amount of second lien and mezzanine exposure in the portfolio; and the pricing on the underlying portfolio.

In addition to investing in CLOs and other CDOs backed by Senior Secured Loans, as part of the Structured Credit Strategy, the Fund also may invest in structured notes and credit-linked notes that provide exposure to Senior Secured Loans, as well as asset-backed securities, including mortgage-backed securities. Alcentra believes attractive returns in Structured Credit Investments can be achieved through a combination of current income and price appreciation due to the discounted valuations of many of these investments.

**Corporate Debt Strategy.** The Corporate Debt Strategy seeks to capture the higher yields offered by below investment grade corporate credit instruments while managing the Fund’s exposure to interest rate movements. Alcentra expects that most of the Corporate Debt the Fund will invest in will be rated below investment grade. The fixed rate Corporate Debt in which the Fund invests typically will be unsecured, while the floating rate Corporate Debt in which the Fund invests typically will be secured.

**Investment Process**

Alcentra is one of the largest institutional investors in the leveraged loan market and maintains longstanding relationships with lead arranging banks, secondary trading houses and deal sponsors. Alcentra’s investment philosophy is driven by credit fundamentals and its credit investment process is
highly geared towards due diligence, all of which is performed internally. New investment opportunities (whether primary or secondary) are subjected to a disciplined investment and credit approval process. Each relationship is allocated to a specific member of Alcentra’s credit team who is responsible for sourcing new investment opportunities. Through this process, Alcentra seeks to ensure that it has access to the widest possible universe of potential investment opportunities. Potential opportunities are subjected to a sophisticated combination of in-depth fundamental and technical analysis.

Alcentra will seek to achieve the Fund’s investment objective through a disciplined approach to its credit investment selection and evaluation processes. Investments will be based on Alcentra’s views on a particular asset’s ability to provide total return, consisting of high current income and capital appreciation, and on the issuer’s ability to meet its obligations. When identifying prospective investment opportunities in credit instruments, Alcentra intends to focus primarily on companies and instruments, depending on the Credit Strategy, possessing the following attributes:

**Experienced management.** Alcentra intends to concentrate on investments where the management team of the company is well experienced and has a proven track record of success over a number of years within the field in which the target company operates.

**Companies with strong positive cash flow in stable sectors.** Alcentra will focus on companies whose businesses generate strong positive cash flow and where such cash flow is not predominantly used to fund capital expenditures. Alcentra typically will seek to avoid investing in companies and sectors where there are high fixed costs and low profit margins, or where there is persistent volatility in the industry. Alcentra does not intend to invest in start-up companies or companies where repayment of any borrowings is primarily reliant on high levels of growth that may not materialize.

**Strong sponsor support.** Alcentra will seek to invest in companies with strong support from reputable and well-resourced sponsors known to Alcentra through its market experience and relationships and backed up by referencing and research. Alcentra will look for such sponsors whose interests are aligned with those of the Fund and the management teams in terms of their incentives and dividend pay-outs, so that such sponsors typically have significant capital at risk in the investment.

Alcentra will seek to mitigate the risks associated with investing in below investment grade instruments by careful selection of Borrowers and issuers across a broad range of industries and of Borrowers or issuers of varying characteristics and return profiles, as well as active management of such investments in light of current economic developments and trends. Additionally, Alcentra has established procedures for the regular and periodic monitoring of credit risk with a goal towards the early identification and sale of potential credit problems. This monitoring process includes, but is not limited to, the Borrower’s or issuer’s financial resources and operating history, comparison of current operating results with the initial investment thesis and Alcentra’s initial expectations for the performance of the issuer and/or obligor for each investment held by the Fund, the Borrower’s or issuer’s sensitivity to economic conditions, the ability of the Borrower’s or issuer’s management, the Borrower’s or issuer’s debt maturities and borrowing requirements, the Borrower’s or issuer’s interest and asset coverage, and relative value based on anticipated cash flow. Alcentra’s personnel are experienced in corporate reorganizations, work-outs and restructurings with the goal of maximizing recovery in the event of bankruptcy or serious financial failings or default of a credit investment held by the Fund.

Alcentra maintains a disciplined approach to investment performance monitoring from both a fundamental as well as a relative value perspective which may result in decisions to sell investments. From a fundamental perspective, an investment may be sold at a loss if the investment does not meet original performance expectations or if the investment thesis no longer applies because of changes in the underlying fundamentals of the business or industry. Investments also may be sold if a price target is achieved or if credit deterioration occurs. From a relative value perspective, Alcentra may decide to sell an investment if it believes there are better risk/reward opportunities available or there is a risk of default or loss of principal.
**Principal Portfolio Investments**

The Fund’s portfolio will be composed principally of the following investments. A more detailed description of the Fund’s investment policies and restrictions and more detailed information about its portfolio investments are contained in the SAI.

**Below Investment Grade Instruments**

The Fund expects to invest a substantial portion of its Managed Assets, and may invest without limit, in credit instruments that, at the time of investment, are rated below investment grade by one or more of the NRSROs that rate such instruments, or, if unrated, determined to be of comparable quality by Alcentra. Moody’s considers securities rated Ba1 or lower to be below investment grade. S&P and Fitch consider securities rated BB+ or lower to be below investment grade. Instruments of below investment grade quality, commonly referred to as “junk” or “high yield” instruments, are regarded as having predominantly speculative characteristics with respect to an issuer’s capacity to pay interest and repay principal. While such obligations may not necessarily always have near-term vulnerability to default, they face major ongoing uncertainties or exposure to adverse business, financial or economic conditions which could lead to inadequate capacity to meet timely interest and principal payments. In addition, lower quality debt securities tend to be more sensitive to general economic conditions. The descriptions of the investment rating categories by Moody’s, S&P and Fitch, including a description of speculative characteristics of below investment grade securities, are set forth in Appendix A to the SAI.

The prices of fixed rate credit instruments generally are inversely related to interest rate changes; however, the price volatility caused by fluctuating interest rates of instruments also is inversely related to the coupon of such instruments. Accordingly, fixed rate below investment grade instruments may be relatively less sensitive to interest rate changes than higher quality instruments of comparable maturity, because of their higher coupon. This higher coupon is what the investor receives in return for bearing greater credit risk. The higher credit risk associated with below investment grade instruments potentially can have a greater effect on the value of such instruments than may be the case with higher quality issues of comparable maturity.

Although Alcentra considers credit ratings in selecting investments for the Fund, Alcentra bases its investment decision for a particular instrument primarily on its own credit analysis and not on the instrument’s credit rating. Alcentra will consider, among other things, the issuer’s financial resources and operating history, its sensitivity to economic conditions and trends, the ability of its management, its debt maturity schedules and borrowing requirements, and relative values based on anticipated cash flow, interest and asset coverage, and earnings prospects.

Because of the greater number of investment considerations involved in investing in high yield instruments, the ability of the Fund to meet its investment objective depends more on Alcentra’s judgment and analytical abilities than would be the case if the Fund invested primarily in securities in the higher rating categories. While Alcentra will attempt to reduce the risks of investing in below investment grade instruments through active portfolio management, credit analysis and attention to current developments and trends in the economy and the financial markets, there can be no assurance that such a strategy would substantially lessen the risks of defaults brought about by an economic downturn or recession.

**Stressed, Distressed and Defaulted Instruments.** As part of its investments in credit instruments, primarily as part of the Special Situations Strategy, the Fund may invest in credit instruments of stressed or distressed issuers. Such instruments may be rated in the lower rating categories (Caa1 or lower by Moody’s, or CCC+ or lower by S&P or Fitch) by an NRSRO or, if unrated, determined to be of comparable quality by Alcentra. Such instruments are subject to very high credit risk.

The Fund also may invest in issuers which are in default at the time of purchase, including investments in debtor-in-possession or super senior financings, which are financings that take priority or are considered senior to all other debt, equity or other outstanding securities of an issuer, and also may end up holding such an instrument as a result of the default by an issuer of an existing credit instrument. The
repayment of defaulted obligations is subject to significant uncertainties. Defaulted obligations might be repaid only after lengthy workout or bankruptcy proceedings, during which the issuer might not make any interest or other payments.

**Investment Grade Debt Securities**

The Fund may invest in credit instruments that, at the time of purchase, are rated investment grade (i.e., BBB- or Baa3 or higher) by at least one of the NRSROs that rate such securities, or, if unrated, determined to be of comparable quality by Alcentra.

**Senior Secured Loans**

As part of the Senior Secured Loan Strategy, the Fund generally will purchase Senior Secured Loans in primary and secondary offerings. Senior Secured Loans hold the most senior position in the capital structure of the Borrower, are secured with specific collateral and have a claim on the assets and/or stock of the Borrower that is senior to that held by other secured creditors, unsecured creditors, subordinated debt holders and stockholders of the Borrower. Senior Secured Loans typically have rates of interest which are determined daily, monthly, quarterly or semi-annually by reference to a base lending rate, plus a premium or credit spread. As a result, as short-term interest rates increase, interest payable to the Fund from its investments in Senior Secured Loans should increase, and as short-term interest rates decrease, interest payable to the Fund from its investments in Senior Secured Loans should decrease. These base lending rates are primarily LIBOR and secondarily the prime rate offered by one or more major U.S. banks and the certificate of deposit rate or other base lending rates used by commercial lenders. LIBOR fluctuates and when LIBOR is at lower levels, total yield on a Senior Secured Loan usually will be lower, and when LIBOR is at higher levels, total yield on a Senior Secured Loan usually will be higher. However, many of the Senior Secured Loans that the Fund will invest in will have base rate floors, whereby the Borrower contractually agrees that the rate used for the base rate in calculating the yield on the Senior Secured Loan will not be less than an agreed upon rate. To the extent that the Fund purchases Senior Secured Loans that are paying interest based on a LIBOR floor, the Fund will not benefit from an increase in LIBOR unless LIBOR is increased above the floor and the value of such loans may decrease when interest rates, including LIBOR, increase as long as LIBOR remains at or below the floor after such increase. Investments with base rate floors are still considered floating rate investments. Investments in Senior Secured Loans, as well as certain other credit instruments, effectively should enable the Fund to achieve a floating rate of income.

The FCA recently announced its intent to cease the use and publication of LIBOR at the end of calendar year 2021. It is not currently known what the effect of the FCA's announcement will be on existing loans and other credit instruments with maturities out past that date where the reference rate or floor is based on LIBOR, what other reference rate may be used for future loans or what impact the FCA's announcement may have on the credit markets generally. See “Risks—Principal Investment Risks—LIBOR Risk”.

Senior Secured Loans are subject to the risk of non-payment of scheduled interest or principal. Such non-payment would result in a reduction of income to the Fund, a reduction in the value of the investment and a potential decrease in the net asset value of the Fund. There can be no assurance that the liquidation of any collateral securing a Senior Secured Loan would satisfy the Borrower's obligation in the event of non-payment of scheduled interest or principal payments, or that such collateral could be readily liquidated. In the event of bankruptcy or insolvency of a Borrower, the Fund could experience delays or limitations with respect to its ability to realize the benefits of the collateral securing a Senior Secured Loan. The collateral securing a Senior Secured Loan may lose all or substantially all of its value in the event of the bankruptcy or insolvency of a Borrower. Some Senior Secured Loans are subject to the risk that a court, pursuant to fraudulent conveyance or other similar laws, could subordinate such Senior Secured Loans to presently existing or future indebtedness of the borrower or take other action detrimental to the holders of Senior Secured Loans including, in certain circumstances, invalidating such Senior Secured Loans or causing interest previously paid to be refunded to the Borrower. If interest were required to be refunded, it could negatively affect the Fund's performance.
Senior Secured Loans may not be rated by an NRSRO. In evaluating the creditworthiness of Borrowers, Alcentra will consider, and may rely in part, on analyses performed by others. To the extent that they are rated by an NRSRO, all of the Senior Secured Loans in which the Fund may invest may be assigned below investment grade ratings by such NRSROs. In the event Senior Secured Loans are not rated, they are likely to be the equivalent of below investment grade quality. Alcentra does not view ratings as the determinative factor in its investment decisions and relies more upon its credit analysis abilities than upon ratings.

Senior Secured Loans are not registered with the SEC, or any state securities commission, and are not listed on any national securities exchange. There is less readily available or reliable public information about most Senior Secured Loans than is the case for many other types of securities, including securities issued in transactions registered under the Securities Act or registered under the Exchange Act. No active trading market may exist for some Senior Secured Loans, and some Senior Secured Loans may be subject to restrictions on resale. A secondary market may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods, which may impair the ability to realize full value and thus cause a material decline in the Fund’s net asset value.

The floating or variable rate feature of Senior Secured Loans is a significant difference from typical fixed income investments, which carry significant interest rate risk. To the extent the Fund invests a greater percentage of its Managed Assets in floating rate instruments, the Fund can be expected to have less interest rate-related fluctuations in its net asset value per share than investment companies that invest a greater percentage of their assets in fixed rate instruments (other than money market funds and some short term bond funds). When interest rates decline, the value of a fixed income portfolio can normally be expected to rise. Conversely, when interest rates rise, the value of a fixed income portfolio can be expected normally to decline. Although the income available to the Fund will vary, Alcentra expects that fluctuations in net asset value of the Fund resulting from changes in market interest rates may be reduced to the extent the Fund acquires interests in floating rate Senior Secured Loans. However, because floating or variable rates on Senior Secured Loans only reset periodically, changes in prevailing interest rates can be expected to cause some fluctuations in the Fund’s net asset value. Similarly, a sudden and significant increase in market interest rates may cause a decline in the Fund’s net asset value. A material decline in the Fund’s net asset value may impair the Fund’s ability to maintain required levels of asset coverage. Other factors (including, but not limited to, rating downgrades, credit deterioration, a large downward movement in stock prices, a disparity in supply and demand of certain securities or market conditions that reduce liquidity) can reduce the value of Senior Secured Loans and other debt obligations, impairing the Fund’s net asset value.

**Directly Originated Loans.** As part of the Direct Lending Strategy, the Fund will directly originate Senior Secured Loans instead of purchasing Senior Secured Loans through a syndicate. The Fund also may originate unitranche loans that also have a senior first ranking. The Fund’s directly originated loans will be to middle market companies and will generally be considered to be high yield investments.

**Direct Assignments.** The Fund may purchase Senior Secured Loans on a direct assignment basis. If the Fund purchases a Senior Secured Loan on direct assignment, it typically succeeds to all the rights and obligations under the loan agreement of the assigning lender and becomes a lender under the loan agreement with the same rights and obligations as the assigning lender. Investments in Senior Secured Loans on a direct assignment basis may involve additional risks to the Fund. For example, if such Senior Secured Loan is foreclosed, the Fund could become part owner of any collateral, and would bear the costs and liabilities associated with owning and disposing of the collateral.

**Loan Participations.** The Fund also may purchase participations in Senior Secured Loans. The participation by the Fund in a lender’s portion of a Senior Secured Loan typically will result in the Fund having a contractual relationship only with such lender, not with the Borrower. As a result, the Fund may have the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the participation and only upon receipt by such lender of payments from the Borrower.
The Fund may use an independent pricing service or prices provided by dealers to value certain Senior Secured Loans and other credit instruments at their market value. Certain loans that are directly originated as part of the Direct Lending Strategy, will not have a market value. The Fund will use the fair value method to value those loans or other Senior Secured Loans and other credit instruments for which market quotations are not readily available or are deemed unreliable. An instrument that is fair valued may be valued at a price higher or lower than actual market quotations or the value determined by other funds using their own fair valuation procedures. See “Risks—Principal Investment Risks—Valuation Risk” and “Net Asset Value.”

Subordinated Loans

The Fund may invest in Subordinated Loans, which generally have the same characteristics as Senior Secured Loans, except that such loans are subordinated in payment and/or lower in lien priority to first lien holders (e.g., holders of Senior Secured Loans) in the event of the liquidation or bankruptcy of the issuer. Accordingly, the risks associated with Subordinated Loans are higher than the risk of loans with first priority over the collateral. In the event of default on a Subordinated Loan, the first priority lien holder has first claim to the underlying collateral of the loan. It is possible that no collateral value would remain for the second priority lien holder and therefore result in a loss of investment to the Fund. Issuer risk is more pronounced for any unsecured Subordinated Loans held by the Fund, since the Fund will not have recourse to recoup its investment against collateral securing the loan. Subordinated Loans, like Senior Secured Loans, typically have adjustable floating rate interest payments.

Special Situations Investments

The Fund may invest in Senior Secured Loans, Subordinated Loans and other credit instruments of companies that are engaged in extraordinary transactions, such as mergers and acquisitions, litigation, rights offerings, liquidations outside of bankruptcy, covenant defaults, refinancings, recapitalizations, and other special situations. Alcentra will focus the Fund’s Special Situations Investments in companies that have experienced, or are currently experiencing, financial difficulties as a result of deteriorating operations, changes in macro-economic conditions, changes in governmental monetary or fiscal policies, adverse legal judgments, or other events which may adversely impact their credit standing. Special Situations Investments generally will be considered to be “illiquid securities.” In addition, the Fund may acquire equity securities incidental to the purchase or ownership of Special Situations Investments.

The Fund may purchase and retain Senior Secured Loans where a Borrower has experienced, or may be perceived to be likely to experience, credit problems, including involvement in or recent emergence from bankruptcy court proceedings or other forms of debt restructuring. Such investments may provide opportunities for enhanced income, although they also will be subject to greater risk of loss. At times, in connection with the restructuring of a Senior Secured Loan either outside of bankruptcy court or in the context of bankruptcy court proceedings, the Fund may determine or be required to accept equity securities or junior credit securities in exchange for all or a portion of a Senior Secured Loan.

Structured Credit Investments

The Fund’s investments in Structured Credit Investments may include CDOs, which include CBOs, CLOs and other similarly structured products, structured notes and credit-linked notes, as well as investments in asset-backed securities, including asset-backed loans and mortgage-backed securities.

Collateralized Debt Obligations. CDOs are securitized interests in pools of—generally non-mortgage—assets. Assets called collateral usually are comprised of loans or other credit instruments. A CDO may be called a collateralized loan obligation or collateralized bond obligation if it holds only loans or bonds, respectively. Multiple tranches of securities are issued by the CDO, offering investors various maturity, yield and credit risk characteristics. Tranches are categorized as senior, mezzanine and subordinated/equity, according to their degree of credit risk. If there are defaults or the CDO’s collateral otherwise underperforms, scheduled payments to senior tranches take precedence over those of mezzanine tranches, and scheduled payments to mezzanine tranches take precedence over those
of subordinated/equity tranches. Senior and mezzanine tranches are typically rated, with the former receiving ratings of A to AAA/Aaa and the latter receiving ratings of B to BBB/Baa. The ratings reflect both the credit quality of underlying collateral as well as how much protection a given tranche is afforded by tranches that are subordinate to it.

Collateralized Loan Obligations. The Fund expects to focus its CDO investments in CLOs. While the assets underlying CLOs are often Senior Secured Loans, the assets may also include (i) Subordinated Loans; (ii) debt tranches of other CLOs; and (iii) equity securities incidental to investments in Senior Secured Loans. The loan collateral may be rated below investment grade or the unrated equivalent. Senior tranches typically have higher ratings and lower yields than the CLO’s underlying securities and subordinated tranches, and may be rated investment grade. The Fund intends to invest in both the more senior debt tranches of CLOs as well as the mezzanine and subordinated/equity tranches. The Fund’s allocation of its investments in CLOs among their senior, mezzanine and subordinated/equity tranches will vary depending on market and economic conditions.

A key feature of the CLO structure is the prioritization of the cash flows from a pool of collateral among the several classes of the CLO. The SPV is a company founded for the purpose of securitizing payment claims arising out of this asset pool. On this basis, marketable securities are issued by the SPV which, due to a measure of diversification of the underlying risk, generally represent a lower level of risk than the original assets. The redemption of the securities issued by the SPV typically takes place at maturity out of the cash flow generated by the collected claims.

Collateralized Bond Obligations. Similar to a CLO, a CBO is ordinarily issued by an SPV and is typically backed by a diversified pool of fixed income securities (which may include high risk, below investment grade securities) held by such issuer.

Structured Notes and Credit-Linked Notes. The Fund also may invest in “structured” notes and other related instruments that provide exposure to Senior Secured Loans. These instruments are privately negotiated debt obligations where the principal and/or interest is determined by reference to the performance of a benchmark asset, market or interest rate (an “embedded index”), such as selected securities, an index of securities or specified interest rates, or the differential performance of two assets or markets, such as indices reflecting the performance of the bond market. Structured instruments may be issued by corporations, including banks, as well as by governmental agencies.

In addition, the Fund may invest in credit-linked notes that provide exposure to Senior Secured Loans. A credit-linked note is a derivative instrument. It is a synthetic obligation between two or more parties where the payment of principal and/or interest is based on the performance of a reference entity. Credit-linked notes are created by embedding a credit default swap in a funded asset to form an investment whose credit risk and cash flow characteristics resemble those of a bond or loan. These credit-linked notes pay an enhanced coupon to the investor for taking on the added credit risk of the reference issuer. In addition to the credit risk of the reference entity and interest rate risk, the buyer/seller of credit-linked notes is subject to counterparty risk.

Asset-Backed Securities. The Fund also may purchase asset-backed securities, which are securities issued by SPVs whose primary assets are expected to consist of a pool of loans, mortgages or other assets. Payment of principal and interest may depend largely on the cash flows generated by the assets backing the securities and, in certain cases, supported by letters of credit, surety bonds or other forms of credit or liquidity enhancements. The value of asset-backed securities also may be affected by the creditworthiness of the servicing agent for the pool of assets, the originator of the loans or receivables or the financial institution providing the credit support.

Corporate Debt

The Fund may invest in a wide variety of Corporate Debt of varying maturities issued by U.S. and foreign corporations and other business entities. Alcentra expects that most of the Corporate Debt the Fund will invest in will be rated below investment grade. Corporate Debt generally is used by corporations
to borrow money from investors. The issuer pays the investor a fixed or variable rate of interest and
normally must repay the amount borrowed on or before maturity. Holders of Corporate Debt, as creditors,
have a prior legal claim over common and preferred stockholders as to both income and assets of the issuer
for the principal and interest due them and may have a prior claim over other creditors but are generally
subordinate to any existing lenders in the issuer's capital structure.

Corporate Debt comes in many varieties and may differ in the way that interest is calculated, the
amount and frequency of payments, the type of collateral, if any, and the presence of special features
(e.g., conversion rights). The Fund's investments in Corporate Debt may include, but are not limited to,
senior, junior, secured and unsecured bonds, notes and other debt securities. The investment return of
Corporate Debt reflects interest on the security and changes in the market value of the security. The
fixed rate Corporate Debt in which the Fund invests typically will be unsecured, while the floating
rate Corporate Debt in which the Fund invests typically will be secured. The market value of fixed rate
Corporate Debt will generally rise and fall inversely with interest rates. The value of intermediate- and
longer-term fixed rate Corporate Debt normally fluctuates more in response to changes in interest rates
than does the value of shorter-term fixed rate Corporate Debt. The market value of Corporate Debt may
be affected by the credit rating of the corporation, the corporation's performance and perceptions of the
corporation in the market place. There is a risk that the issuers of the securities may not be able to meet
their obligations on interest or principal payments at the time called for by an instrument. Corporate Debt
usually yields more than government or agency bonds due to the presence of credit risk.

Zero Coupon, Pay-In-Kind and Step-Up Securities

Zero coupon securities are issued or sold at a discount from their face value and do not entitle the
holder to any periodic payment of interest prior to maturity or a specified redemption date or cash payment
date. Zero coupon securities also may take the form of notes and bonds that have been stripped of their
unmatured interest coupons, the coupons themselves and receipts or certificates representing interests in
such stripped debt obligations and coupons. Zero coupon securities issued by corporations and financial
institutions typically constitute a proportionate ownership of the issuer’s pool of underlying Treasury
securities. A zero coupon security pays no interest to its holders during its life and is sold at a discount
to its face value at maturity. The amount of any discount varies depending on the time remaining until
maturity or cash payment date, prevailing interest rates, liquidity of the security and perceived credit
quality of the issuer. Payment-in-kind or “PIK” securities generally pay interest through the issuance of
additional securities. Step-up coupon bonds are debt securities that typically do not pay interest for a
specified period of time and then pay interest at a series of different rates. The amount of any discount on
these securities varies depending on the time remaining until maturity or cash payment date, prevailing
interest rates, liquidity of the security and perceived credit quality of the issuer.

Foreign Investments

As a global fund, the Fund may invest in issuers located anywhere in the world. The Fund expects
to focus its foreign investments in countries in Western and Northern Europe. Foreign securities include
the securities of companies organized under the laws of countries other than the United States and those
issued or guaranteed by governments other than the U.S. Government or by foreign supranational entities.
They also include securities of issuers whose principal trading market is in a country other than the
United States (including those that are located in the United States or organized under U.S. law). They may
be traded on foreign securities exchanges or in the foreign OTC markets. Securities of foreign issuers also
may be purchased in the form of depositary receipts and may not necessarily be denominated in the same
currency as the securities into which they may be converted.

The Fund’s investments in European companies are generally anticipated to be in companies in
Western and Northern European countries, including the United Kingdom, Ireland, France, Germany,
Austria and Switzerland, as well as the Benelux countries (Belgium, the Netherlands and Luxembourg)
and the Scandinavian countries (Sweden, Denmark, Norway and Finland). Other European countries in
which the Fund may seek to invest include, but are not limited, to Spain, Italy, Greece and Portugal. The Fund expects that, under current market conditions, it will seek to hedge substantially all of its exposure to foreign currencies against the value of the U.S. dollar.

**Foreign Currency Transactions**

Foreign securities in which the Fund may invest may be U.S. dollar-denominated or non-U.S. dollar-denominated. The Fund expects that, under normal conditions, it will seek to hedge substantially all of its exposure to foreign currencies against the value of the U.S. dollar. The Fund also may enter into foreign currency transactions to fix in U.S. dollars, between trade and settlement date, the value of a security the Fund has agreed to buy or sell. For example, the Fund may transact in foreign currencies, may enter into forward foreign currency exchange contracts, and may buy and sell foreign currency futures contracts and options on foreign currencies and foreign currency futures. Generally, the Fund's currency exchange transactions will be conducted on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market. The cost of the Fund's currency exchange transactions will generally be the difference between the bid and offer spot rate of the currency being purchased or sold. In order to protect against uncertainty in the level of future currency exchange rates, the Fund is authorized to enter into various currency exchange transactions.

**Use of Derivatives**

The Fund may, but is not required to, use a variety of derivative instruments as a substitute for investing directly in an underlying asset, to increase returns, to manage credit or interest rate risk, to manage the effective maturity or duration of the Fund’s portfolio, to manage foreign currency risk, or as part of a hedging strategy.

Generally, a derivative is a financial contract whose value depends upon, or is derived from, the value of an underlying asset, reference rate or index, and may relate to individual debt instruments, interest rates, currencies or currency exchange rates and related indices. Although the Fund reserves the flexibility to use various derivative instruments as Alcentra deems advisable, it anticipates that its derivative instrument investments in its first year of operations will consist principally of options, total return swaps, credit default swaps and foreign currency forward and futures contracts. The Fund’s use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investment directly in securities and other more traditional investments. See “Risks—Principal Investment Risks—Principal Risks of the Use of Derivatives.” To the extent that the Fund invests in derivative instruments with economic characteristics similar to the Fund’s investments in credit instruments, the daily marked-to-market value of such investments will be included for purposes of the Fund’s 80% investment policy. Alcentra may decide not to employ any of these strategies and there is no assurance that any derivatives strategy used by the Fund will succeed.

Derivative instruments may be purchased on established exchanges or through privately negotiated transactions referred to as OTC derivatives. Exchange-traded derivative instruments generally are guaranteed by the clearing agency which is the issuer or counterparty to such derivatives. This guarantee usually is supported by a daily variation margin system operated by the clearing agency in order to reduce overall credit risk. As a result, unless the clearing agency defaults, there is relatively little counterparty credit risk associated with derivatives purchased on an exchange. By contrast, no clearing agency guarantees OTC derivatives. Therefore, each party to an OTC derivative instrument bears the risk that the counterparty will default. Accordingly, Alcentra will consider the creditworthiness of counterparties to OTC derivative instruments in the same manner as it would review the credit quality of a security to be purchased by the Fund. In addition, mandatory margin requirements have been imposed on OTC derivative instruments, which will add to the cost of such transactions.

**Options.** The Fund may enter into call and put options to the extent that the Fund may invest in such securities or instruments (or securities underlying an index, in the case of options on securities indices). Call and put options on specific instruments (or groups or “baskets” of specific instruments) convey the right to buy or sell, respectively, the underlying securities at prices which are expected to be lower or
higher than the current market prices of the securities at the time the options are exercised. An option on an index is similar to an option in respect of specific securities, except that settlement does not occur by delivery of the securities comprising the index. Instead, the option holder receives an amount of cash if the closing level of the index upon which the option is based is greater in the case of a call, or less, in the case of a put, than the exercise price of the option. Thus, the effectiveness of purchasing or writing index options will depend upon price movements in the level of the index rather than the price of a particular security. Call and put options on foreign currency convey the right to buy or sell the underlying currency at a price which is expected to be lower or higher than the spot price of the currency at the time the option is exercised or expires.

**Total Return Swaps.** The Fund may enter into total return swaps. In a total return swap, the Fund pays another party a fixed or floating short-term interest rate and receives in exchange the total return of underlying debt securities. If the other party to a total return swap defaults, the Fund’s risk of loss consists of the net amount of total return payments that the Fund is contractually entitled to receive. The Fund typically would have to post collateral to cover this potential obligation. The Fund may use total return swaps for financing or investment purposes.

**Credit Default Swaps.** The Fund may enter into credit default swaps. A credit default swap is an agreement between two counterparties that allows one counterparty (the “seller”) to sell protection under the swap and be “long” on a third party’s credit risk and the other party (the “buyer”) to purchase protection under the swap and be “short” on the credit risk. Typically, the buyer agrees to make regular fixed payments to the seller with the same frequency as the underlying reference instrument. In exchange, the buyer typically has the right upon a credit event on the underlying instrument to deliver the instrument to the seller in exchange for the instrument’s par value plus interest. Credit default swaps can be used as a substitute for purchasing or selling a credit security and sometimes are preferable to actually purchasing the security. If the Fund is a seller of a credit default swap, it would allow the Fund to obtain economic exposure to certain credits without having a direct exposure to such credits, in effect obtaining leverage. The Fund currently intends to only purchase credit default swaps. As a protection “buyer” in a credit default swap, the Fund may be obligated to pay the protection “seller” an up-front payment or a periodic stream of payments over the term of the contract provided generally that no credit event on a reference obligation has occurred. If a credit event occurs, the seller generally must pay the buyer the “par value” (full notional value) of the swap in exchange for an equal face amount of deliverable obligations of the reference entity described in the swap, or the seller may be required to deliver the related net cash amount, if the swap is cash settled.

**Foreign Currency Forwards and Futures Contracts.** The Fund expects that, under normal conditions, it will seek to hedge substantially all of its exposure to foreign currencies against the value of the U.S. dollar. The Fund also may enter into foreign currency transactions to fix in U.S. dollars, between trade and settlement date, the value of a security the Fund has agreed to buy or sell.

A forward or futures foreign currency exchange contract involves an obligation to purchase or sell a specific currency at a future date, which may be any fixed number of days (usually less than one year) from the date of the contract agreed upon by the parties, at a price and for an amount set at the time of the contract. Forward contracts are traded in the interbank market conducted directly between currency traders (usually large commercial banks) and their customers. A forward contract generally has a deposit requirement, and no commissions are charged at any stage for trades. Although foreign exchange dealers do not charge a fee for conversion, they do realize a profit based on the difference (the spread) between the price at which they are buying and selling various currencies. However, forward and futures foreign currency exchange contracts may limit potential gains which could result from a positive change in such currency relationships. The Fund does not speculate in foreign currency.

At the consummation of a forward contract, the Fund may either make delivery of the foreign currency or terminate its contractual obligation to deliver the foreign currency by purchasing an offsetting contract obligating it to purchase, at the same maturity date, the same amount of such foreign currency. Futures contracts are traded on exchanges, so that, in most cases, either party can close out its position on the
exchange for cash, without delivering the security or other asset. Although some futures contracts call for making or taking delivery of the underlying securities or other asset, generally these obligations are closed out before delivery by offsetting purchases or sales of matching futures contracts (same exchange, underlying asset, and delivery month). Closing out a futures contract sale is effected by purchasing a futures contract for the same aggregate amount of the specific type of financial instrument with the same delivery date. If the Fund chooses to make delivery of the foreign currency, it may be required to obtain such currency through the sale of portfolio securities denominated in such currency or through conversion of other assets of the Fund into such currency. If the Fund engages in an offsetting transaction, the Fund will incur a gain or loss to the extent that there is a difference between the forward contract price and the offsetting forward contract price.

It should be realized that this method of protecting the value of the Fund’s portfolio securities against a decline in the value of a currency does not eliminate fluctuations in the underlying prices of the securities. It simply establishes a rate of exchange which can be achieved at some future point in time. Additionally, although such contracts tend to minimize the risk of loss due to a decline in the value of the hedged currency, at the same time they tend to limit any potential gain should the value of such currency increase.

A derivatives contract will obligate or entitle the Fund to deliver or receive an asset or cash payment based on the change in value of one or more underlying investments, indices or currencies. When the Fund enters into derivatives transactions, it may be required to segregate liquid assets or enter into offsetting positions or otherwise cover its obligations, in accordance with applicable SEC guidance or other applicable law, while the positions are open. If such segregated assets represent a large portion of the Fund’s portfolio, portfolio management may be affected as covered positions may have to be reduced if it becomes necessary for the Fund to reduce the amount of segregated assets in order to repurchase Common Shares in a tender offer or meet other obligations. In addition, future rules and regulations of the SEC may impact the Fund’s operations as described in this prospectus.

For a description of other derivatives the Fund may invest in, including options on futures as well as certain other currency and interest rate instruments such as currency exchange transactions on a spot (i.e., cash) basis, put and call options on foreign currencies and interest rate swaps, see “Investments, Investment Techniques and Risks—Principal Portfolio Investments—Derivatives and Other Strategic Transactions” in the SAI.

**Illiquid and Restricted Investments**

The Fund may invest without limit in illiquid securities, which are investments that cannot be sold or disposed of in the ordinary course of business at approximately the prices at which they are valued. Illiquid securities include, but are not limited to, restricted securities (described below), securities that may be resold pursuant to Rule 144A under the Securities Act, but that are deemed to be illiquid, and repurchase agreements with maturities in excess of seven days. The Fund’s Board of Directors or its delegate has the ultimate authority to determine, to the extent permissible under the federal securities laws, which securities are liquid or illiquid. Valuing illiquid securities typically requires greater judgment than valuing securities for which there is an active trading market. The market price of illiquid securities generally is more volatile than that of more liquid securities, which may adversely affect the price that the Fund pays for or recovers upon the sale of illiquid securities. Investment of the Fund’s assets in illiquid securities may restrict the Fund’s ability to take advantage of market opportunities because of the Fund’s inability to sell such securities.

The Fund may invest without limit in restricted securities, which are securities that may not be sold to the public without an effective registration statement under the Securities Act. The restriction on public sale may make it more difficult to value such securities, limit the Fund’s ability to dispose of them and lower the amount the Fund could realize upon their sale. Because they are not registered, restricted securities may be sold only in a privately negotiated transaction or pursuant to an exemption from registration. In recognition of the increased size and liquidity of the institutional market for
unregistered securities and the importance of institutional investors in the formation of capital, the SEC adopted Rule 144A under the Securities Act. Rule 144A is designed to facilitate efficient trading among institutional investors by permitting the sale of certain unregistered securities to qualified institutional buyers. To the extent privately placed securities held by the Fund qualify under Rule 144A and an institutional market develops for those securities, the Fund likely will be able to dispose of the securities without registering them under the Securities Act. To the extent that institutional buyers become, for a time, uninterested in purchasing these securities, investing in Rule 144A securities could increase the level of illiquidity in the Fund’s portfolio.

Other Portfolio Investments

In addition to the principal investments described above, the Fund may invest in the following instruments, which are not anticipated to be principal investments of the Fund.

Equity Securities

The Fund generally expects that it may invest in or hold equity securities incident to the purchase or ownership of a credit instrument or in connection with a reorganization of an issuer or as a result of a Special Situation Investment. These investments could arise when a Borrower or issuer defaults or enters reorganization proceedings and such Borrower or issuer offers and the Fund agrees to accept equity securities in lieu of cash repayment of the principal and any outstanding interest on the fixed income security. The Fund, from time to time, also may seek to participate in the upside gain of a business through the exercise of warrants or other equity securities acquired in connection with its investment in a Subordinated Loan.

Common Stock. Common stock represents shares of a corporation or other entity that entitle the holder to a share of the profits of the entity, if any, without preference over any other shareholder or class of shareholders, including holders of the entity’s preferred stock and other senior equity. After other claims are satisfied, common stockholders and other common equity owners participate in the company’s profits on a pro-rata basis; profits may be paid out in dividends or reinvested in the company to provide potential growth. Increases and decreases in earnings are usually reflected in a company’s common equity securities, so common equity securities generally have the greatest appreciation and depreciation potential of all corporate securities. Common stock usually carries with it the right to vote and frequently an exclusive right to do so. Common stock may be received upon the conversion of convertible securities.

Preferred Stock. Preferred stock is a form of equity ownership in a corporation. Generally, preferred stock has a specified dividend and ranks after loans and other debt instruments and before common stocks in its claim on income for dividend payments and on assets should the corporation be liquidated or declare bankruptcy. The market value of preferred stock generally increases when interest rates decline and decreases when interest rates rise, but, as with debt instruments, also is affected by the issuer’s ability or perceived ability to make payments on the preferred stock. While most preferred stocks pay a dividend, the Fund may purchase preferred stock where the issuer has omitted, or is in danger of omitting, payment of its dividend. Certain classes of preferred stock are convertible, meaning the preferred stock is convertible into shares of common stock of the issuer. Holding convertible preferred stock can provide a steady stream of dividends and the option to convert the preferred stock to common stock.

Convertible Securities. Convertible securities include preferred stocks or other securities (including debt obligations) that may be converted or exchanged (by the holder or by the issuer) into shares of the underlying common stock (or cash or securities of equivalent value) at a stated exchange ratio or predetermined price (the conversion price). Convertible securities have characteristics similar to both equity and debt securities. Convertible securities generally are subordinated to other similar but non-convertible securities of the same issuer, although convertible bonds enjoy seniority in right of payment to all equity securities, and convertible preferred stock is senior to common stock of the same issuer. Because of the subordination feature, however, convertible securities typically have lower ratings than
similar non-convertible securities. So-called “synthetic convertible securities” are comprised of two or more different securities, each with its own market value, whose investment characteristics, taken together, resemble those of convertible securities.

Generally, the market value of convertible securities tends to decline as interest rates increase and, conversely, to increase as interest rates decline. However, when the market price of the common stock underlying a convertible security exceeds the conversion price of the convertible security, the convertible security tends to reflect the market price of the underlying common stock. As the market price of the underlying common stock declines, the convertible security, like a debt security, tends to trade increasingly on a yield basis, and thus may not decline in price to the same extent as the underlying common stock.

Warrants and Rights. Warrants and other stock purchase rights give the holder the right to subscribe to equity securities at a specific price for a specified period of time. Rights are similar to warrants but typically have shorter durations and are offered to current shareholders of the issuer. Warrants and rights are subject to the same market risk as stocks, but may be more volatile in price. The Fund’s investment in warrants and rights will not entitle it to receive dividends or exercise voting rights, provide no rights with respect to the assets of the issuer and will become worthless if not profitably exercised before the expiration date. Credit instruments with warrants attached to purchase equity securities have many characteristics of convertible bonds and their prices may, to some degree, reflect the performance of the underlying stock.

U.S. Government Securities

The Fund may invest in U.S. Government securities. U.S. Government securities are issued or guaranteed by the U.S. Government or its agencies or instrumentalities. U.S. Government securities include Treasury bills, Treasury notes and Treasury bonds, which differ in their interest rates, maturities and times of issuance. Treasury bills have initial maturities of one year or less; Treasury notes have initial maturities of one to ten years; and Treasury bonds generally have initial maturities of greater than ten years. Some obligations issued or guaranteed by U.S. Government agencies and instrumentalities are supported by the full faith and credit of the Treasury; others by the right of the issuer to borrow from the Treasury; others by discretionary authority of the U.S. Government to purchase certain obligations of the agency or instrumentality; and others only by the credit of the agency or instrumentality. These securities bear fixed, floating or variable rates of interest. While the U.S. Government currently provides financial support to such U.S. Government-sponsored agencies or instrumentalities, no assurance can be given that it will always do so, since it is not so obligated by law. A security backed by the Treasury or the full faith and credit of the United States is guaranteed only as to timely payment of interest and principal when held to maturity. The Fund’s net asset value is not guaranteed.

Other Investment Companies

The Fund may invest in securities issued by other investment companies within the limits prescribed by the 1940 Act, the rules and regulations thereunder and any exemptive orders currently or in the future obtained by the Fund from the SEC. Although the Fund reserves the flexibility to invest in other investment companies as Alcentra deems advisable, the Fund currently anticipates that it would invest in other investment companies (primarily ETFs) during the period during which the net proceeds of the offering of Common Shares are being invested or during the wind-down period of the Fund. These securities include shares of other closed-end funds and open-end funds (including ETFs) that invest primarily in debt securities, or related instruments, of the types in which the Fund may invest directly. ETFs are registered investment companies that generally aim to track or replicate a desired index, such as a sector, market or global segment. Most ETFs are passively managed and their shares are traded on a national exchange. ETFs do not sell individual shares directly to investors and only issue their shares in large blocks known as “creation units.”
Short-Term Fixed-Income Securities and Money Market Instruments; Temporary Defensive Position

During temporary defensive periods or in order to keep the Fund’s cash fully invested, including the period during which the net proceeds of the offering of Common Shares are being invested or during the wind-down period of the Fund, the Fund may deviate from its investment objective and policies. During such periods, the Fund may invest up to 100% of its assets in money market instruments, including U.S. Government securities, repurchase agreements, bank obligations and commercial paper, as well as cash, cash equivalents or high quality short-term fixed-income and other securities. Accordingly, during such periods, the Fund may not achieve its investment objective. The Fund also may purchase money market instruments when it has cash reserves or in anticipation of taking a market position.

Repurchase and Reverse Repurchase Agreements

The Fund may enter into repurchase agreements, in which the Fund purchases a security from a bank or broker-dealer and the bank or broker-dealer agrees to repurchase the security at the Fund’s cost plus interest within a specified time. If the party agreeing to repurchase should default, the Fund will seek to sell the securities which it holds. This could involve transaction costs or delays in addition to a loss on the securities if their value should fall below their repurchase price. Repurchase agreements maturing in more than seven days are considered to be illiquid securities.

The Fund may utilize reverse repurchase agreements. Under a reverse repurchase agreement, the Fund would sell securities to a bank or broker-dealer and agree to repurchase the securities at a mutually agreed upon date and price. Generally, the effect of such a transaction is that the Fund can recover and reinvest all or most of the cash invested in the portfolio securities involved during the term of the reverse repurchase agreement and still be entitled to the returns associated with those portfolio securities. Such transactions are advantageous if the interest cost to the Fund of the reverse repurchase transaction is less than the returns it obtains on investments purchased with the cash. Unless the Fund covers its positions in reverse repurchase agreements (by segregating liquid assets at least equal in amount to the forward purchase commitment), its obligations under the agreements will be subject to the Fund’s limitation on the use of Borrowings. Reverse repurchase agreements involve leverage risk and also the risk that the market value of the securities that the Fund is obligated to repurchase under the agreement may decline below the repurchase price. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, the Fund’s use of the proceeds of the agreement may be restricted pending a determination by the other party, or its trustee or receiver, whether to enforce the Fund’s obligation to repurchase the securities.

Portfolio Turnover

It is not the Fund’s policy to engage in transactions with the objective of seeking profits from short-term trading. However, active and frequent trading may arise when Alcentra deems it in the Fund’s best interest to redirect its investment focus from one type of credit instrument or Credit Strategy to another.

USE OF LEVERAGE

The Fund may employ leverage to enhance its potential for achieving its investment objective. The Fund currently intends to utilize leverage principally through Borrowings from financial institutions in an aggregate amount of approximately 30% of the Fund’s total assets. Borrowings will have seniority over the Common Shares and Common Shareholders will bear the costs associated with any Borrowings. Any Borrowings will leverage your investment in Common Shares. The Board of Directors of the Fund may authorize the use of leverage through Borrowings without the approval of the Common Shareholders. The Fund also may obtain leverage through other means, such as by entering into derivative contracts.

Under the 1940 Act, the Fund generally is not permitted to borrow unless immediately after the Borrowing the value of the Fund’s assets less liabilities other than the Borrowings is at least 300% of the principal amount of such Borrowing (i.e., such principal amount may not exceed 33-1/3% of the Fund’s total assets). In addition, the Fund is not permitted to declare any cash dividend or other distribution on
its Common Shares unless, after giving effect to such declaration, the value of the Fund's total assets, less liabilities other than the Borrowings, would be at least 300% of such principal amount. If the Fund borrows, the Fund intends, to the extent possible, to prepay all or a portion of the principal amount of the Borrowing to the extent necessary in order to maintain the required asset coverage. Failure to maintain certain asset coverage requirements could result in an event of default and entitle the debt holders to elect a majority of the Board of Directors.

The rights of lenders to the Fund to receive interest on and repayment of principal of any Borrowings will be senior to those of the Common Shareholders, and the terms of any such Borrowings may contain provisions which limit certain activities of the Fund, including the payment of distributions to Common Shareholders in certain circumstances. Further, the 1940 Act does (in certain circumstances) grant to the lenders to the Fund certain voting rights in the event of default in the payment of interest on or repayment of principal. In the event that such provisions would impair the Fund's status as a regulated investment company under the Internal Revenue Code of 1986, as amended (the “Code”), the Fund intends to repay the Borrowings.

The Fund currently is negotiating with certain financial institutions to arrange a credit facility (the “Credit Facility”). The Fund expects that the Credit Facility will contain customary covenants relating to asset coverage and portfolio composition requirements. Generally, covenants to which the Fund may be subject to under the Credit Facility include affirmative covenants, negative covenants, financial covenants and investment covenants. An example of an affirmative covenant would be one that requires the Fund to send its annual audited financial report to the lender. An example of a negative covenant would be one that prohibits the Fund from making any amendments to its fundamental investment policies. An example of a financial covenant is one that would require the Fund to maintain a 3:1 asset coverage ratio. An example of an investment covenant is one that would require the Fund to limit its investment in a particular asset class. The Fund may be required to pledge some or all of its assets and to maintain a portion of its assets in cash or higher-grade instruments as a reserve against interest or principal payments and expenses. The Fund’s custodian will retain all assets that are pledged. There can be no assurance that the Fund will enter into an agreement for the Credit Facility on terms and conditions representative of the foregoing, or that additional material terms will not apply. In addition, if entered into, the Credit Facility may in the future be replaced or refinanced by one or more credit facilities having substantially different terms, including higher costs of borrowing. The Fund also may not be able to renew the Credit Facility or replace the Credit Facility with one or more other credit facilities and may elect to issue Preferred Shares or debt securities. In the event of such issuance, the Fund may be subject to certain restrictions on investments imposed by guidelines of one or more rating agencies, which may issue ratings for any debt securities or Preferred Shares issued by the Fund. These guidelines may impose asset coverage or portfolio composition requirements that are more stringent than those imposed by the 1940 Act. It is not anticipated that any of these covenants or guidelines will impede BNYM Investment Adviser or Alcentra from managing the Fund’s portfolio in accordance with the Fund’s investment objective and policies.

The Fund also may borrow money to finance the repurchase of Common Shares pursuant to tender offers or as a temporary measure for extraordinary or emergency purposes, to the extent permitted under the 1940 Act, including the payment of dividends and the settlement of securities transactions which otherwise might require detrimental dispositions of its portfolio securities.

The Fund may use leverage through the issuance of Preferred Shares in an aggregate amount of up to 50% of the Fund’s Managed Assets immediately after such issuance. Under the 1940 Act, the Fund is not permitted to issue Preferred Shares unless immediately after the issuance the value of the Fund’s assets is at least 200% of the liquidation value of the outstanding preferred shares (i.e., such liquidation preference may not exceed 50% of the Fund’s assets less liabilities other than Borrowings). In addition, the Fund is not permitted to declare any cash dividend or other distribution on its Common Shares unless, after giving effect to such declaration, the value of the Fund’s total assets less liabilities other than Borrowings would be at least 200% of such liquidation value. If the Fund issues Preferred Shares, the Fund intends, to the extent possible, to purchase or redeem Preferred Shares from time to time to the extent
necessary in order to maintain coverage of any preferred shares of at least 200%. If the Fund has Preferred Shares outstanding, two of the Fund’s Directors will be elected by the holders of Preferred Shares, voting separately as a class. The remaining Directors of the Fund will be elected by holders of Common Shares and Preferred Shares voting together as a single class. In the event the Fund failed to pay dividends on Preferred Shares for two years, holders of Preferred Shares would be entitled to elect a majority of the Directors of the Fund. The failure to pay dividends or make distributions could result in the Fund ceasing to qualify as a regulated investment company under the Code, which could have a material adverse effect on the value of the Common Shares. See “Description of Shares—Preferred Shares.” The Fund does not currently intend to issue Preferred Shares. As noted above, however, in the event the Fund is not able to renew the Credit Facility or enter into one or more other credit facilities, on terms determined by BNYM Investment Adviser and Alcentra to be reasonable, the Fund may elect to issue Preferred Shares.

The use of leverage involves increased risk, including increased variability of the Fund’s net income, distributions and net asset value in relation to market changes. See “Risks—Principal Investment Risks—Leverage Risk.” The Fund’s leverage strategy may not work as planned or achieve its goals.

**Effects of Leverage**

Assuming that the leverage obtained from the use of Borrowings will represent approximately 30% of the Fund’s total assets and the interest expense with respect to Borrowings is 2.01%, the additional income that the Fund must earn (net of estimated expenses) in order to cover such expense would be 2.55% of its Managed Assets. These numbers are merely estimates used for illustration. Actual interest expense associated with the Fund’s use of Borrowings will vary and may be significantly higher or lower than the rate estimated above.

The following table is designed to illustrate the effect of the Fund’s anticipated use of leverage on Common Share total return. The assumed portfolio total returns and Common Share total returns are hypothetical and actual returns may be greater or less than those appearing in the table. The table assumes investment portfolio total returns (comprised of income and changes in the value of the investments held in the Fund’s portfolio net of expenses) of -10%, -5%, 0%, 5% and 10%. See “—Leverage Risks.”

<table>
<thead>
<tr>
<th>Assumed Portfolio Total Return</th>
<th>(10)%</th>
<th>(5)%</th>
<th>0%</th>
<th>5%</th>
<th>10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Share Total Return</td>
<td>(16.84)%</td>
<td>(9.69)%</td>
<td>(2.55)%</td>
<td>4.59%</td>
<td>11.74%</td>
</tr>
</tbody>
</table>

Common Share total return is composed of two elements: the Common Share distributions paid by the Fund (the amount of which is largely determined by the net investment income of the Fund after paying expenses, including interest expense associated with Borrowings) and changes in the value of the investments that the Fund owns. The table depicts three cases in which the Fund suffers capital losses and two in which it enjoys capital appreciation. For example, to assume a total return of 0%, the Fund must assume that the interest it receives on its investments is entirely offset by losses in the value of those investments.

**Leverage Risks**

Utilization of leverage is a speculative investment technique and involves certain risks to Common Shareholders. These include the possibility of higher volatility of the net asset value of and distributions on the Common Shares. So long as the Fund is able to realize a higher net return on its investment portfolio than the then-current cost of any leverage together with other related expenses, the effect of such leverage will be to cause Common Shareholders to realize higher current net investment income than if the Fund were not so leveraged. On the other hand, to the extent that the then-current cost of any leverage, together with other related expenses, approaches the net return on the Fund’s investment portfolio, the benefit of leverage to Common Shareholders will be reduced, and if the then-current cost of such leverage were to exceed the net return on the Fund’s portfolio, the Fund’s leveraged capital structure would result in a lower rate of return to Common Shareholders than if the Fund were not so leveraged.
Any decline in the net asset value of the Fund’s investments will be borne entirely by Common Shareholders. Therefore, if the market value of the Fund’s portfolio declines, the leverage will result in a greater decrease in net asset value to Common Shareholders than if the Fund were not leveraged. To the extent that the Fund is required or elects to prepay any Borrowings the Fund may need to liquidate investments to fund such prepayments. Liquidation at times of adverse economic conditions may result in capital loss and reduce returns to Common Shareholders. In addition, when the Fund uses leverage, the investment management fees payable to BNYM Investment Adviser (and, indirectly, Alcentra) will be higher than if the Fund did not use leverage, and may provide a financial incentive to BNYM Investment Adviser and Alcentra to increase the Fund’s use of leverage and create an inherent conflict of interest. See “Risks—Principal Investment Risks—Leverage Risk.”

**RISKS**

An investment in the Fund involves special risk considerations, which are described below. The Fund is designed as a long-term investment and not as a vehicle for short-term trading purposes. An investment in the Fund's Common Shares may be speculative and it involves a high degree of risk. The Fund should not constitute a complete investment program. Due to the uncertainty in all investments, there can be no assurance that the Fund will achieve its investment objective. Your Common Shares at any point in time may be worth less than your original investment.

**General Risks of Investing in the Fund**

**No Operating History**

The Fund is a closed-end management investment company that is not traded on a securities exchange and has a limited term. The Fund has no operating history. As a result, prospective investors have no track record or history on which to base their investment decision to purchase Common Shares.

**Limited Term Risk**

The Fund will terminate in accordance with its Charter. The Fund is not a target term fund and thus does not seek to return its initial public offering price of $100.00 per Common Share upon termination. As the assets of the Fund will be liquidated in connection with its termination, the Fund may be required to sell portfolio securities when it otherwise would not, including at times when market conditions are not favorable, which may cause the Fund to lose money. As the Fund approaches the Termination Date, Alcentra may begin liquidating all or a portion of the Fund’s portfolio through opportunistic sales. During this time, the portfolio composition of the Fund may change and the Fund may not achieve its investment objective, comply with the investment policies and restrictions described in this prospectus or be able to sustain its historical distribution levels. Rather than reinvesting proceeds received from sales of or payments received in respect of portfolio securities, the Fund may distribute such proceeds in one or more liquidating distributions prior to the final liquidation, which may cause the Fund’s fixed expenses to increase when expressed as a percentage of net assets attributable to Common Shares, or the Fund may invest the proceeds in lower yielding securities or hold the proceeds in cash or cash equivalents, which may adversely affect the performance of the Fund.

Furthermore, the final distribution of net assets upon termination may be more than, equal to or less than $100.00 per Common Share. Because the Fund may adopt a plan of liquidation and make liquidating distributions in advance of the Termination Date, the total value of the Fund’s assets returned to Common Shareholders upon termination will be impacted by decisions of the Board and the Fund’s management regarding the timing of adopting a plan of liquidation and making liquidating distributions. This may result in Common Shareholders receiving liquidating distributions with a value more or less than the value that would have been received if the Fund had liquidated all of its assets on the Termination Date, or any other potential target date for liquidating the Fund referenced in this prospectus, and distributed the proceeds thereof to Common Shareholders.
Although it is anticipated that the Fund will have distributed substantially all of its net assets to Common Shareholders as soon as practicable after the Termination Date, securities for which no market exists or securities trading at depressed prices, if any, may be placed in a liquidating trust. Securities placed in a liquidating trust may be held for an indefinite period of time, potentially several years or longer, until they can be sold or pay out all of their cash flows. During such time, the shareholders will be exposed to the risks associated with the securities held in the liquidating trust and the value of their interest in the liquidating trust will fluctuate with the value of the liquidating trust’s remaining assets. Additionally, the tax treatment of the liquidating trust’s assets may differ from the tax treatment applicable to such assets when held by the Fund. To the extent the costs associated with a liquidating trust exceed the value of the remaining securities, the Fund may elect to write off or donate the remaining securities to charity. The Fund cannot predict the amount, if any, of securities that will be required to be placed in a liquidating trust or how long it will take to sell or otherwise dispose of such securities.

**Illiquidity of Common Shares**

The Fund is designed for long-term investors and not as a trading vehicle. An investment in the Common Shares, unlike an investment in a traditional listed closed-end fund, should be considered illiquid. The Common Shares are appropriate only for investors who are seeking an investment in less-liquid portfolio investments within an illiquid fund. An investment in Common Shares is not suitable for investors who need access to the money they invest. Unlike open-end funds (commonly known as mutual funds), which generally permit redemptions on a daily basis, the Common Shares will not be redeemable at an investor’s option. Unlike traditional listed closed-end funds, the Fund does not intend to list the Common Shares for trading on any securities exchange, and the Fund does not expect any secondary market to develop for the Common Shares in the foreseeable future. The net asset value of the Common Shares may be volatile and the Fund’s use of leverage will increase this volatility. As the Common Shares are not traded, investors may not be able to dispose of their investment in the Fund no matter how the Fund performs.

**Management and Allocation Risk**

The Fund’s primary portfolio managers will make all determinations regarding allocations and reallocations of the Fund’s Managed Assets to each Credit Strategy. The percentage allocations among Credit Strategies may, from time to time, be out of balance with the target allocations set by the Fund’s primary portfolio managers due to various factors, such as varying investment performance among Credit Strategies, illiquidity of certain portfolio investments or a change in target allocations. Any rebalancing of the Fund’s portfolio, whether pursuant to a fixed percentage allocation or otherwise, may have an adverse effect on the performance of the Fund and may be subject to certain additional limits and constraints. Due to the nature of the portfolio, the Fund’s investments may become increasingly more illiquid throughout the life of the Fund. There can be no assurance that the decisions of the Fund’s primary portfolio managers with respect to the allocation and reallocation of the Fund’s Managed Assets among the Credit Strategies, or that an investment within a particular Credit Strategy, will be successful.

**Investment and Market Risk**

An investment in the Fund is subject to investment risk, including the possible loss of the entire amount that you invest. Your investment in Common Shares represents an indirect investment in the credit instruments and other investments and assets owned by the Fund. The value of the Fund’s portfolio securities may move up or down, sometimes rapidly and unpredictably. At any point in time, your Common Shares may be worth less than your original investment. Before making an investment decision, a prospective investor should (i) consider the suitability of this investment with respect to his or her investment objectives and personal situation and (ii) consider factors such as his or her personal net worth, income, age, risk tolerance and liquidity needs. The Fund may also use leverage, which would magnify the Fund’s investment, market and certain other risks. See “Risks—Principal Investment Risks—Leverage Risk.”
The Fund may be materially affected by market, economic and political conditions globally and in the jurisdictions and sectors in which it invests or operates, including conditions affecting interest rates, the availability of credit, currency exchange rates and trade barriers. These conditions are outside the control of BNYM Investment Adviser and Alcentra and could adversely affect the liquidity and value of the Fund’s investments, and may reduce the ability of the Fund to make attractive new investments.

**Tax Risk**

Certain of the Fund’s investments will require the Fund to recognize taxable income in a taxable year in excess of the cash generated on those investments during that year. In particular, the Fund expects to invest in loans and other debt obligations that will be treated as having “market discount” and/or original issue discount (“OID”) for U.S. federal income tax purposes. Because the Fund may be required to recognize income in respect of these investments before, or without receiving, cash representing such income, the Fund may have difficulty satisfying the annual distribution requirements applicable to regulated investment companies and avoiding Fund-level U.S. federal income and/or excise taxes. Accordingly, the Fund may be required to sell assets, including at potentially disadvantageous times or prices, borrow, raise additional equity capital, make taxable distributions of its shares or debt securities, or reduce new investments, to obtain the cash needed to make these income distributions. If the Fund liquidates assets to raise cash, the Fund may realize gain or loss on such liquidations; in the event the Fund realizes net capital gains from such liquidation transactions, its shareholders may receive larger capital gain distributions than they would in the absence of such transactions.

**Best-Efforts Offering Risk**

This offering is being made on a reasonable best efforts basis, whereby the Distributor and selected Dealers participating in this offering are only required to use their reasonable best efforts to sell the Common Shares and have no firm commitment or obligation to purchase any of the Common Shares. There is no minimum number of Common Shares (by all Common Shareholders in the aggregate) required to be sold. There is no assurance that the Fund will raise sufficient proceeds in this offering to allow the Fund to purchase a portfolio of investments allocated in accordance with the Fund’s investment strategy. As a result, the Fund may be unable to achieve its investment objective and an investor could lose some or all of the value of his or her investment in the Common Shares.

**Non-Diversification Risk**

The Fund is non-diversified, which means that a relatively high percentage of the Fund’s assets may be invested in a limited number of issuers. Therefore, the Fund’s performance may be more vulnerable to changes in the market value of a single issuer and more susceptible to risks associated with a single economic, political or regulatory occurrence than a diversified fund.

**Principal Investment Risks**

**Risks of Investing in Credit Instruments**

Under normal market conditions, the Fund will invest at least 80% of its Managed Assets in credit instruments and other investments with similar economic characteristics. Credit instruments are particularly susceptible to the following risks:

**Issuer Risk**

The market value of credit instruments may decline for a number of reasons that directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer’s goods and services. The market value of a credit instrument also may be affected by investors’ perceptions of the creditworthiness of the issuer, the issuer’s performance and perceptions of the issuer in the market place.
Credit Risk

Credit risk is the risk that one or more credit instruments in the Fund’s portfolio will decline in price or fail to pay interest or principal when due because the issuer of the instrument experiences a decline in its financial status. Losses may occur because the market value of a credit instrument is affected by the creditworthiness or perceived creditworthiness of the issuer and by general economic and specific industry conditions and the Fund’s investments will often be subordinate to other debt in the issuer’s capital structure. Because the Fund generally expects to invest a significant portion of its Managed Assets in below investment grade instruments, it will be exposed to a greater amount of credit risk than a fund which invests in investment grade securities. The prices of below investment grade instruments are more sensitive to negative developments, such as a decline in the issuer’s revenues or a general economic downturn, than are the prices of investment grade instruments, which may reduce the Fund’s net asset value.

Interest Rate Risk

Prices of fixed rate credit instruments tend to move inversely with changes in interest rates. Typically, a rise in rates will adversely affect these instruments and, accordingly, will cause the Fund’s net asset value to decline. During periods of very low interest rates, which occur from time to time due to market forces or actions of governments and/or their central banks, including the Board of Governors of the Federal Reserve System in the United States, the Fund may be subject to a greater risk of principal decline from rising interest rates. The magnitude of these fluctuations in the market price of fixed rate credit instruments is generally greater for instruments with longer effective maturities and durations because such instruments do not mature, reset interest rates or become callable for longer periods of time.

The change in the value of a fixed rate fixed income security or portfolio can be approximated by multiplying its duration by a change in interest rates. For example, the market price of a fixed income security with a duration of three years would be expected to decline 3% if interest rates rose 1%. Conversely, the market price of the same security would be expected to increase 3% if interest rates fell 1%. In the event that the Fund were to have a negative average effective duration, the net asset value of the Fund could decline in a declining interest rate environment. Risks associated with rising interest rates are heightened given the Federal Reserve has raised the federal funds rate several times in recent periods and may make additional increases in the near future.

Unlike investment grade instruments, however, the prices of high yield (“junk”) instruments may fluctuate unpredictably and not necessarily inversely with changes in interest rates. In addition, the rates on floating rate instruments adjust periodically with changes in market interest rates. Although these instruments are generally less sensitive to interest rate changes than fixed rate instruments, the value of floating rate loans and other floating rate instruments may decline if their interest rates do not rise as quickly, or as much, as general interest rates.

Prepayment Risk

During periods of declining interest rates, the issuer of a credit instrument may exercise its option to prepay principal earlier than scheduled, forcing the Fund to reinvest the proceeds from such prepayment in potentially lower yielding instruments, which may result in a decline in the Fund’s income and distributions to Common Shareholders. This is known as prepayment or “call” risk. Credit instruments frequently have call features that allow the issuer to redeem the instrument at dates prior to its stated maturity at a specified price (typically greater than par) only if certain prescribed conditions are met (“call protection”). An issuer may choose to redeem a fixed rate credit instrument if, for example, the issuer can refinance the instrument at a lower cost due to declining interest rates or an improvement in the credit standing of the issuer. For premium bonds (bonds acquired at prices that exceed their par or principal value) purchased by the Fund, prepayment risk may be enhanced.
Reinvestment Risk

Reinvestment risk is the risk that income from the Fund’s portfolio will decline if and when the Fund invests the proceeds from matured, traded or called credit instruments at market interest rates that are below the portfolio’s current earnings rate. A decline in income could affect the Fund’s net asset value or its overall return.

Spread Risk

Wider credit spreads and decreasing market values typically represent a deterioration of the fixed income instrument’s credit soundness and a perceived greater likelihood or risk of default by the issuer. Fixed income instruments generally compensate for greater credit risk by paying interest at a higher rate. The difference (or “spread”) between the yield of a security and the yield of a benchmark, such as a U.S. Treasury security with a comparable maturity, measures the additional interest paid for credit risk. As the spread on a security widens (or increases), the price (or value) of the security generally falls. Spread widening may occur, among other reasons, as a result of market concerns over the stability of the market, excess supply, general credit concerns in other markets, security- or market-specific credit concerns or general reductions in risk tolerance.

Inflation/Deflation Risk

Inflation risk is the risk that the value of certain assets or income from the Fund’s investments will be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of the Common Shares and distributions on the Common Shares can decline. In addition, during any periods of rising inflation, the costs associated with the Fund’s use of leverage through Borrowings would likely increase, which would tend to further reduce returns to Common Shareholders. Deflation risk is the risk that prices throughout the economy decline over time—the opposite of inflation. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer defaults more likely, which may result in a decline in the value of the Fund's portfolio.

Below Investment Grade Instruments Risk

The Fund may invest all of its assets in below investment grade instruments. Below investment grade instruments are commonly referred to as “junk” or “high yield” instruments and are regarded as predominantly speculative with respect to the issuer’s capacity to pay interest and repay principal. Below investment grade instruments, though generally higher yielding, are characterized by higher risk. These instruments are especially sensitive to adverse changes in general economic conditions, to changes in the financial condition of their issuers and to price fluctuation in response to changes in interest rates. During periods of economic downturn or rising interest rates, issuers of below investment grade instruments may experience financial stress that could adversely affect their ability to make payments of principal and interest and increase the possibility of default. The secondary market for below investment grade instruments may not be as liquid as the secondary market for more highly rated instruments, a factor which may have an adverse effect on the Fund’s ability to dispose of a particular security. There are fewer dealers in the market for high yield instruments than for investment grade instruments. The prices quoted by different dealers may vary significantly, and the spread between the bid and asked price is generally much larger for high-yield securities than for higher quality instruments. Under adverse market or economic conditions, the secondary market for below investment grade instruments could contract, independent of any specific adverse changes in the condition of a particular issuer, and these instruments may become illiquid. In addition, adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the values and liquidity of below investment grade instruments, especially in a market characterized by a low volume of trading.

Default, or the market’s perception that an issuer is likely to default, could reduce the value and liquidity of below investment grade instruments held by the Fund, thereby reducing the value of an investment in the Common Shares. In addition, default, or the market's perception that an issuer is likely to default, may cause the Fund to incur expenses, including legal expenses, in seeking recovery of principal or interest on
its portfolio holdings, including litigation to enforce the Fund’s rights. In any reorganization or liquidation proceeding relating to a portfolio company, the Fund may lose its entire investment or may be required to accept cash or securities with a value less than its original investment. Among the risks inherent in investments in a troubled entity is the fact that it frequently may be difficult to obtain information as to the true financial condition of such issuer. Alcentra’s judgment about the credit quality of an issuer and the relative value of its securities may prove to be wrong. In addition, not only may the Fund lose its entire investment on one or more instruments, Common Shareholders may also lose their entire investments in the Fund. Investments in below investment grade instruments may present special tax issues for the Fund to the extent that the issuers of these securities default on their obligations pertaining thereto, and the U.S. federal income tax consequences to the Fund as a holder of such securities may not be clear.

Because of the greater number of investment considerations involved in investing in below investment grade instruments, the ability of the Fund to meet its investment objective depends more on Alcentra’s judgment and analytical abilities than would be the case if the portfolio invested primarily in securities in the higher rating categories. While Alcentra will attempt to reduce the risks of investing in below investment grade instruments through active portfolio management, diversification, credit analysis and attention to current developments and trends in the economy and the financial markets, there can be no assurance that a broadly diversified portfolio of such instruments would substantially lessen the risks of defaults brought about by an economic downturn or recession.

**Distressed or Defaulted Issuers.** The Fund may invest in credit instruments of distressed or defaulted issuers. Such instruments may be rated in the lower rating categories (Caa1 or lower by Moody’s, or CCC+ or lower by S&P or Fitch) or, if unrated, are considered by Alcentra to be of comparable quality. For these securities, the risks associated with below investment grade instruments are more pronounced. Instruments rated in the lower rating categories are subject to higher credit risk with extremely poor prospects of ever attaining any real investment standing, to have a current identifiable vulnerability to default, to be unlikely to have the capacity to pay interest and repay principal when due in the event of adverse business, financial or economic conditions and/or to be in default or not current in the payment of interest or principal. Ratings may not accurately reflect the actual credit risk associated with a corporate security.

Investing in distressed or defaulted securities is speculative and involves substantial risks. The Fund may make such investments when, among other circumstances, Alcentra believes it is reasonably likely that the issuer of the distressed or defaulted securities will make an exchange offer or will be the subject of a plan of reorganization pursuant to which the Fund will receive new securities in return for the distressed or defaulted securities. There can be no assurance, however, that such an exchange offer will be made or that such a plan of reorganization will be adopted. In addition, a significant period of time may pass between the time at which the Fund makes its investment in distressed or defaulted securities and the time that any such exchange offer or plan of reorganization is completed, if at all. During this period, it is unlikely that the Fund would receive any interest payments on the distressed or defaulted securities, the Fund would be subject to significant uncertainty whether the exchange offer or plan of reorganization will be completed and the Fund may be required to bear certain extraordinary expenses to protect and recover its investment. The Fund also will be subject to significant uncertainty as to when, in what manner and for what value the obligations evidenced by the distressed or defaulted securities will eventually be satisfied (e.g., through a liquidation of the issuer’s assets, an exchange offer or plan of reorganization involving the distressed or defaulted securities or a payment of some amount in satisfaction of the obligation). Even if an exchange offer is made or plan of reorganization is adopted with respect to distressed or defaulted securities held by the Fund, there can be no assurance that the securities or other assets received by the Fund in connection with the exchange offer or plan of reorganization will not have a lower value or income potential than may have been anticipated when the investment was made, or no value.

**Senior Secured Loans Risk**

The Senior Secured Loans in which the Fund will invest typically will be below investment grade quality. Although, in contrast to other below investment grade instruments, Senior Secured Loans hold senior positions in the capital structure of a business entity, are secured with specific collateral and have
a claim on the assets and/or stock of the Borrower that is senior to that held by unsecured creditors, subordinated debt holders and stockholders of the Borrower, the risks associated with Senior Secured Loans are similar to the risks of below investment grade instruments. See “Risks—Principal Investment Risks—Below Investment Grade Instruments Risk” above. Additionally, if a Borrower under a Senior Secured Loan defaults, becomes insolvent or goes into bankruptcy, the Fund may recover only a fraction of what is owed on the Senior Secured Loan or nothing at all. Senior Secured Loans are subject to a number of risks described elsewhere in this prospectus, including, but not limited to, credit risk and liquidity risk.

Although the Senior Secured Loans in which the Fund will invest will be secured by collateral, there can be no assurance that such collateral can be readily liquidated or that the liquidation of such collateral would satisfy the Borrower’s obligation in the event of non-payment of scheduled interest or principal.

In the event of the bankruptcy or insolvency of a Borrower, the Fund could experience delays or limitations with respect to its ability to realize the benefits of the collateral securing a Senior Secured Loan. In the event of a decline in the value of the already pledged collateral, if the terms of a Senior Secured Loan do not require the Borrower to pledge additional collateral, the Fund will be exposed to the risk that the value of the collateral will not at all times equal or exceed the amount of the Borrower’s obligations under the Senior Secured Loan. To the extent that a Senior Secured Loan is collateralized by stock in the Borrower or its subsidiaries, such stock may lose some or all of its value in the event of the bankruptcy or insolvency of the Borrower. Senior Secured Loans that are under-collateralized involve a greater risk of loss.

In general, the secondary trading market for Senior Secured Loans is not fully-developed. No active trading market may exist for certain Senior Secured Loans, which may make it difficult to value them. Illiquidity and adverse market conditions may mean that the Fund may not be able to sell certain Senior Secured Loans quickly or at a fair price. To the extent that a secondary market does exist for certain Senior Secured Loans, the market for them may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods. Furthermore, Senior Secured Loans may not be considered securities, and purchasers, such as the Fund, may not be entitled to rely on the anti-fraud protections of the federal securities laws, including those with respect to the use of material non-public information.

Some Senior Secured Loans are subject to the risk that a court, pursuant to fraudulent conveyance or other similar laws, could subordinate a Senior Secured Loan to presently existing or future indebtedness of the Borrower or take other action detrimental to lenders, including the Fund. Such court action could, under certain circumstances, include invalidation of a Senior Secured Loan.

If legislation or state or federal regulations impose additional requirements or restrictions on the ability of financial institutions to make Senior Secured Loans, the availability of Senior Secured Loans for investment by the Fund may be adversely affected. In addition, such requirements or restrictions could reduce or eliminate sources of financing for certain Borrowers. This would increase the risk of default.

If legislation or federal or state regulations require financial institutions to increase their capital requirements this may cause financial institutions to dispose of Senior Secured Loans that are considered highly levered transactions. Such sales could result in prices that, in the opinion of BNYM Investment Adviser or Alcentra, do not represent fair value. If the Fund attempts to sell a Senior Secured Loan at a time when a financial institution is engaging in such a sale, the price the Fund could obtain for the Senior Secured Loan may be adversely affected.

**Loan Valuation Risk.** Because there may be a lack of centralized information and trading for certain loans in which the Fund may invest, reliable market value quotations may not be readily available for such loans and their valuation may require more research than for securities with a more developed secondary market. Moreover, the valuation of such loans may be affected by uncertainties in the conditions of the financial market, unreliable reference data, lack of transparency and inconsistency of valuation models and processes. Trades can be infrequent and the market for floating rate loans may experience substantial volatility. As a result, the Fund is subject to the risk that when a loan is sold in the market, the amount received by the Fund may be less than the value that such instrument is carried at on the Fund’s books immediately prior to the sale.
**Participations and Assignments Risk.** A participation interest gives the Fund an undivided interest in a loan in the proportion that the Fund’s participation interest bears to the total principal amount of the loan, but does not establish any direct relationship between the Fund and the Borrower. If a Senior Secured Loan is acquired through a participation, the Fund generally will have no right to enforce compliance by the Borrower with the terms of the loan agreement against the Borrower, and the Fund may not directly benefit from the collateral supporting the loan obligation in which it has purchased the participation. As a result of holding a participation interest, it may be necessary to assert through an Intermediate Participant such rights as may exist against the Borrower, in the event the Borrower fails to pay principal and interest when due. The Fund may be subject to delays, expenses and risks that are greater than those that would be involved if the Fund would enforce its rights directly against the Borrower. Moreover, under the terms of a participation interest the Fund may be regarded as a creditor of another lender or co-participant (rather than of the Borrower), so that the Fund may also be subject to the risk that such party may become insolvent. Similar risks may arise with respect to the agent for a Senior Secured Loan if, for example, assets held by the agent for the benefit of the Fund were determined by the appropriate regulatory authority or court to be subject to the claims of the agent’s creditors. In such case, the Fund might incur certain costs and delays in realizing payment in connection with the participation interest or suffer a loss of principal and/or interest. Further, in the event of the bankruptcy or insolvency of the Borrower, the obligation of the Borrower to repay the loan may be subject to certain defenses that can be asserted by such Borrower as a result of improper conduct by the agent or intermediate participant.

The Fund also may have difficulty disposing of participation interests and assignments because to do so it will have to sell such securities to a third party. Because there is no established secondary market for such securities, it is anticipated that such securities could be sold only to a limited number of institutional investors. The lack of an established secondary market may have an adverse impact on the value of such securities and the Fund's ability to dispose of particular participation interests or assignments when necessary to meet the Fund’s liquidity needs or in response to a specific economic event such as a deterioration in the creditworthiness of the Borrower. The lack of an established secondary market for participation interests and assignments also may make it more difficult for the Fund to assign a value to these securities for purposes of valuing the Fund’s portfolio.

**Covenant-Lite Loan Risk.** The Fund may invest in “covenant-lite” loans. Certain financial institutions may define “covenant-lite” loans differently. Covenant-lite loans may have tranches that contain fewer or no restrictive covenants. The tranche of the covenant-lite loan that has fewer restrictions typically does not include the legal clauses which allow an investor to proactively enforce financial tests or prevent or restrict undesired actions taken by the company or sponsor. Covenant-lite loans also generally give the borrower/issuer more flexibility if they have met certain loan terms and provide fewer investor protections if certain criteria are breached. The Fund may experience relatively greater realized or unrealized losses or delays in enforcing its rights on its holdings of certain covenant-lite loans than its holdings of loans with the usual covenants.

In the event of a breach of a covenant in non-covenant-lite loans, lenders may have the ability to intervene and either prevent or restrict actions that may potentially compromise the borrower’s ability to pay or lenders may be in a position to obtain concessions from the borrower in exchange for a waiver or amendment of the specific covenant(s). In contrast, covenant-lite loans do not always or necessarily offer the same ability to intervene or obtain additional concessions from borrowers. This risk is offset to varying degrees by the fact that the same financial and performance information may be available with or without covenants to lenders and the public alike and can be used to detect such early warning signs as deterioration of a borrower’s financial condition or results. With such information, Alcentra is normally able to take appropriate actions without the help of covenants in the loans. Covenant-lite corporate loans, however, may foster a capital structure designed to avoid defaults by giving borrowers or issuers increased financial flexibility when they need it the most.
Direct Lending and Middle Market Company Risk

The Direct Lending Strategy seeks to generate attractive returns by lending to “middle market” businesses. Investing in middle market companies involves a number of significant risks, including but not limited to the following:

• they may have limited financial resources and may be unable to meet their debt obligations, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of the Fund’s realizing any guarantees the Fund may have obtained in connection with an investment;
• they typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors’ actions and changing market conditions, as well as general economic downturns;
• they are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on the issuer;
• they generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position;
• changes in laws and regulations, as well as their interpretations, may adversely affect the business, financial structure or prospects of middle market companies; and
• they may have difficulty accessing the capital markets to meet future capital needs, which may limit their ability to grow or to repay their outstanding indebtedness upon maturity.

There also is generally little public information about privately-held middle market companies. These middle market companies and their financial information generally are not subject to the reporting requirements of the Exchange Act, and other regulations that govern public companies, and the Fund may be unable to uncover all material information about these companies, which may prevent Alcentra from making a fully informed investment decision and cause the Fund to lose money on its investments.

In addition, the risks associated with investing in Senior Secured Loans will be heightened as part of the Direct Lending Strategy, as the Senior Secured Loans and unitranche loans held by the Fund will not be syndicated and will be more illiquid and harder to value. See “—Valuation Risk.”

Subordinated Loans Risk

Subordinated Loans generally are subject to similar risks as those associated with investments in Senior Secured Loans, except that such loans are subordinated in payment and/or lower in lien priority to first lien holders (e.g., holders of Senior Secured Loans) in the event of the liquidation or bankruptcy of the issuer. In the event of default on a Subordinated Loan, the first priority lien holder has first claim to the underlying collateral of the loan. Subordinated Loans are subject to the additional risk that the cash flow of the Borrower and collateral securing the loan or debt, if any, may be insufficient to meet scheduled payments after giving effect to the senior unsecured or senior secured obligations of the Borrower. This risk is generally higher for subordinated unsecured loans or debt, which are not backed by a security interest in any specific collateral. There also is a possibility that originators will not be able to sell participations in Subordinated Loans, which would create greater credit risk exposure for the holders of such loans. Subordinated Loans generally have greater price volatility than Senior Secured Loans and may be less liquid.
Special Situations Investments Risk

Alcentra intends to focus the Fund’s Special Situations Investments in companies that have experienced, or are currently experiencing, financial difficulties as a result of deteriorating operations, changes in macro-economic conditions, changes in governmental monetary or fiscal policies, adverse legal judgments, or other events which may adversely impact their credit standing. These investments are subject to many of the risks discussed elsewhere in this prospectus, including risks associated with investing in high yield fixed income securities. Special Situations Investments generally will be treated as illiquid securities by the Fund.

From time to time, Alcentra may take control positions, sit on creditors’ committees or otherwise take an active role in seeking to influence the management of the issuers of Special Situations Investments, in which case the Fund may be subject to increased litigation risk resulting from its actions and it may obtain inside information that may restrict its ability to dispose of Special Situations Investments.

Structured Credit Investments Risk

Holders of Structured Credit Investments bear risks of the underlying investments, index or reference obligation and are subject to counterparty risk. The Fund may have the right to receive payments only from the issuers of the structured product, and generally does not have direct rights against the issuer or the entity that sold the assets to be securitized. While certain Structured Credit Investments enable the investor to acquire interests in a pool of securities without the brokerage and other expenses associated with directly holding the same securities, investors in Structured Credit Investments generally pay their share of the investment’s administrative and other expenses. Although it is difficult to predict whether the prices of indices and securities underlying structured products will rise or fall, these prices (and, therefore, the prices of structured products) will be influenced by the same types of political and economic events that affect issuers of securities and capital markets generally. If the issuer of a Structured Credit Investment uses shorter term financing to purchase longer term securities, the issuer may be forced to sell its securities at below market prices if it experiences difficulty in obtaining such financing, which may adversely affect the value of the Structured Credit Investments owned by the Fund.

CDOs may be thinly traded or have a limited trading market. CDOs, such as CLOs, are typically privately offered and sold, and thus are not registered under the securities laws. As a result, investments in CLOs and other types of CDOs may be characterized by the Fund as illiquid securities, especially investments in mezzanine and subordinated/equity tranches of CLOs; however, an active dealer market may exist for certain investments and more senior CLO tranches, which would allow such securities to be considered liquid in some circumstances. In addition to the general risks associated with credit instruments discussed herein, CLOs and other types of CDOs carry additional risks, including, but not limited to: (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or default; (iii) the possibility that the class of CLO or CDO held by the Fund is subordinate to other classes; and (iv) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the issuer or unexpected investment results.

Certain credit-linked notes also may be thinly traded or have a limited trading market. Credit-linked notes are typically privately offered and sold. As a result, investments in credit-linked notes may be characterized by the Fund as illiquid securities. Holders of credit-linked notes bear risks of the underlying investments, index or reference obligation and are subject to counterparty risk. Credit-linked notes are used to transfer credit risk. The performance of the notes is linked to the performance of an underlying reference entity. The notes are usually issued by an SPV that sells credit protection through a credit default swap transaction in return for a premium and an obligation to pay the transaction sponsor should a reference entity experience a certain credit event or events, such as bankruptcy. The SPV invests the proceeds from the notes to cover its contingent payment obligation. Revenue from the investments and the money received as premium are used to pay interest to note holders. The main risk of credit-linked notes is
the risk of the reference entity experiencing a credit event that triggers the contingent payment obligation. Should such an event occur, the SPV would have to pay the transaction sponsor and payments to the note holders would be subordinated.

The Fund may have the right to receive payments only from the SPV and generally does not have direct rights against the issuer or the entity that sold the assets to be securitized. While certain credit-linked notes enable the investor to acquire interests in a pool of securities without the brokerage and other expenses associated with directly holding the same securities, investors in credit-linked notes generally pay their share of the SPV’s administrative and other expenses. Although it is difficult to predict whether the prices of indices and securities underlying credit-linked notes will rise or fall, these prices (and, therefore, the prices of credit-linked notes) will be influenced by the same types of political and economic events that affect issuers of securities and capital markets generally. If the SPV of a credit-linked note uses shorter term financing to purchase longer term securities, the SPV may be forced to sell its securities at below market prices if it experiences difficulty in obtaining short-term financing, which may adversely affect the value of the credit-linked notes owned by the Fund.

Asset-backed securities are a form of derivative instrument. Payment of principal and interest may depend largely on the cash flows generated by the assets backing the securities and, in certain cases, supported by letters of credit, surety bonds or other forms of credit or liquidity enhancements. The value of these asset-backed securities may be affected by the creditworthiness of the servicing agent for the pool of assets, the originator of the loans or receivables or the financial institution providing the credit support.

**Corporate Debt Risk**

The market value of Corporate Debt generally may be expected to rise and fall inversely with interest rates. The market value of intermediate and longer term Corporate Debt is generally more sensitive to changes in interest rates than is the market value of shorter term Corporate Debt. The market value of Corporate Debt also may be affected by factors directly related to the issuer, such as investors’ perceptions of the creditworthiness of the issuer, the issuer’s financial performance, perceptions of the issuer in the market place, performance of management of the issuer, the issuer’s capital structure and use of financial leverage and demand for the issuer’s goods and services. There is a risk that the issuers of Corporate Debt may not be able to meet their obligations on interest and/or principal payments at the time called for by an instrument. Corporate Debt rated below investment grade quality is often high risk and has speculative characteristics and may be particularly susceptible to adverse issuer-specific developments. Corporate Debt of below investment grade quality is subject to the risks described herein under “—Below Investment Grade Debt Instruments Risk.”

**Zero Coupon, Pay-In-Kind and Step-Up Securities Risk**

The amount of any discount on these securities varies depending on the time remaining until maturity or cash payment date, prevailing interest rates, liquidity of the security and perceived credit quality of the issuer. The market prices of these securities generally are more volatile and are likely to respond to a greater degree to changes in interest rates than the market prices of securities that pay cash interest periodically having similar maturities and credit qualities. In addition, unlike bonds that pay cash interest throughout the period to maturity, the Fund will realize no cash until the cash payment date unless a portion of such securities are sold and, if the issuer defaults, the Fund may obtain no return at all on its investment. The interest payments deferred on a PIK security are subject to the risk that the borrower may default when the deferred payments are due in cash at the maturity of the instrument. In addition, the interest rates on PIK securities are higher to reflect the time value of money on deferred interest payments and the higher credit risk of borrowers who may need to defer interest payments. The deferral of interest on a PIK loan increases its loan to value ratio, which is a measure of the riskiness of a loan. PIK securities also may have unreliable valuations because the accruals require judgments by Alcentra about ultimate collectability of the deferred payments and the value of the associated collateral. Federal income tax law requires the holder of a zero coupon security or of certain pay-in-kind or step-up bonds to accrue income with respect to these securities prior to the receipt of cash payments.
**LIBOR Risk**

Many credit instruments, derivatives and other financial instruments, including some of the Fund’s anticipated investments, utilize LIBOR as the reference or benchmark rate for variable interest rate calculations. However, the use of LIBOR started to come under pressure following manipulation allegations in 2012. Despite increased regulation and other corrective actions since that time, concerns have arisen regarding its viability as a benchmark, due largely to reduced activity in the financial markets that it measures.

In June 2017, the Alternative Reference Rates Committee, a group of large U.S. banks working with the Federal Reserve, announced its selection of a new Secured Overnight Funding Rate, which is intended to be a broad measure of secured overnight U.S. Treasury repo rates, as an appropriate replacement for LIBOR. The Federal Reserve Bank of New York began publishing the SOFR earlier in 2018, with the expectation that it could be used on a voluntary basis in new instruments and transactions. Bank working groups and regulators in other countries have suggested other alternatives for their markets, including the Sterling Overnight Interbank Average Rate in England.

In July 2017, the FCA announced that after 2021 it will cease its active encouragement of UK banks to provide the quotations needed to sustain LIBOR. That announcement suggests that LIBOR may cease to be published after that time. The period until the end of 2021 is expected to be enough time for market participants to transition to the use of a different benchmark for new securities and transactions.

Various financial industry groups have begun planning for that transition, but there are obstacles to converting certain longer term securities and transactions to a new benchmark. Transition planning is at an early stage, and neither the effect of the transition process nor its ultimate success can yet be known. The transition process might lead to increased volatility and illiquidity in markets that currently rely on the LIBOR to determine interest rates. It could also lead to a reduction in the value of some LIBOR-based investments and reduce the effectiveness of new hedges placed against existing LIBOR-based instruments. Since the usefulness of LIBOR as a benchmark could deteriorate during the transition period, these effects could occur prior to the end of 2021.

**Foreign Investments Risk**

Investing in foreign instruments involve certain risks not involved in domestic investments. Foreign securities markets generally are not as developed or efficient as those in the United States. There may be a lack of comprehensive information regarding foreign issuers, and their securities are less liquid and more volatile than securities of comparable U.S. issuers. Similarly, volume and liquidity in most foreign securities markets are less than in the United States and, at times, volatility of price can be greater than in the United States. The risks of investing in foreign securities also include restrictions that may make it difficult for the Fund to obtain or enforce judgments in foreign courts. These risks also include certain national policies that may restrict the Fund’s investment opportunities, including restrictions on investments in issuers or industries deemed sensitive to national interests and/or limitations on the total amount or type of position in any single issuer.

Because evidences of ownership of foreign securities usually are held outside the United States, additional risks of investing in foreign securities include possible adverse political, social and economic developments, seizure or nationalization of foreign deposits and adoption of governmental restrictions that might adversely affect or restrict the payment of principal and interest on the foreign securities to investors located outside the country of the issuer, whether from currency blockage, exchange control regulations or otherwise. Foreign securities held by the Fund may trade on days when the Fund does not calculate its net asset value.

Certain foreign countries may impose restrictions on the ability of issuers within those countries to make payments of principal and interest to investors located outside the country. In addition, the Fund will be subject to risks associated with adverse political and economic developments in foreign countries, which could cause the Fund to lose money on its investments in non-U.S. instruments. The ability of a
foreign sovereign issuer to make timely payments on its debt obligations will also be strongly influenced
by the sovereign issuer’s balance of payments, including export performance, its access to international
credit facilities and investments, fluctuations of interest rates and the extent of its foreign reserves. The
cost of servicing external debt will also generally be adversely affected by rising international interest
rates, as many external debt obligations bear interest at rates which are adjusted based upon international
interest rates.

Some foreign instruments may be less liquid and more volatile than securities of comparable U.S.
issuers. Similarly, there is less volume and liquidity in most foreign securities markets than in the United
States and, at times, greater price volatility than in the United States. Because evidences of ownership of
such instruments usually are held outside the United States, the Fund will be subject to additional risks if
it invests in non-U.S. instruments, which include possible adverse political and economic developments,
seizure or nationalization of foreign deposits and adoption of governmental restrictions which might
adversely affect or restrict the payment of principal and interest on the foreign instruments to investors
located outside the country of the issuer, whether from currency blockage or otherwise.

Foreign government debt includes bonds that are issued or backed by foreign governments or their
agencies, instrumentalities or political subdivisions or by foreign central banks. The governmental
authorities that control the repayment of the debt may be unable or unwilling to repay principal and/or
interest when due in accordance with terms of such debt, and the Fund may have limited legal recourse
in the event of a default. In addition, since 2010, the risks of investing in certain foreign government
debt have increased dramatically as a result of the ongoing European debt crisis which began in Greece
and spread throughout various other European countries. These debt crises and the ongoing efforts of
governments around the world to address these debt crises have also resulted in increased volatility and
uncertainty in the global securities markets and it is impossible to predict the effects of these or similar
events in the future on the Fund, though it is possible that these or similar events could have a significant
adverse impact on the value and risk profile of the Fund.

The risks associated with investing in foreign securities are often heightened for investments in
emerging market countries. These heightened risks include: (1) greater risks of expropriation, confiscatory
taxation and nationalization, and less social, political and economic stability; (2) the small size of the
markets for securities of emerging market issuers and a low or nonexistent volume of trading, resulting
in lack of liquidity and in price volatility; (3) certain national policies which may restrict the investment
opportunities including restrictions on investing in issuers or industries deemed sensitive to relevant
national interests; and (4) the absence of developed legal structures governing private or foreign
investment and private property. The purchase and sale of portfolio securities in certain emerging market
countries may be constrained by limitations as to daily changes in the prices of listed securities, periodic
trading or settlement volume and/or limitations on aggregate holdings of foreign investors. In certain
cases, such limitations may be computed based upon the aggregate trading by or holdings of the Fund,
BNYM Investment Adviser, Alcentra and their affiliates and their respective clients and other service
providers. The Fund may not be able to sell securities in circumstances where price, trading or settlement
volume limitations have been reached.

European Investments Risk

A number of countries in Europe have experienced severe economic and financial difficulties. Many
non-governmental issuers, and even certain governments, have defaulted on, or been forced to
restructure, their debts; many other issuers have faced difficulties obtaining credit or refinancing existing
obligations; financial institutions have in many cases required government or central bank support, have
needed to raise capital, and/or have been impaired in their ability to extend credit; and financial markets
in Europe and elsewhere have experienced extreme volatility and declines in asset values and liquidity.
These difficulties may continue, worsen or spread within and without Europe. Responses to the financial
problems by European governments, central banks and others, including austerity measures and reforms,
may not work, may result in social unrest and may limit future growth and economic recovery or have
other unintended consequences. Further defaults or restructurings by governments and others of their
debt could have additional adverse effects on economies, financial markets and asset valuations around
the world.

Ongoing concerns regarding the economies of certain European countries and/or their sovereign
debt, as well as the possibility that one or more countries might abandon the euro, the common currency of
the EU, and/or withdraw from the EU, create additional risks for investing in Europe. In June 2016, the UK
held a referendum resulting in a vote in favor of the exit of the UK from the EU (known as “Brexit”). The
resulting impact of the UK’s vote to leave the EU and the terms of its potential withdrawal fare uncertain
as of the date of this prospectus. The effect on the economies of the UK and the EU will likely depend
on the nature of trade relations between the UK and the EU and other major economies following Brexit,
which are matters to be negotiated. The current uncertainty and related future developments could have
a negative impact on both the UK economy and the economies of other countries in Europe, as well as
greater volatility in the global financial and currency markets.

A process of negotiation will determine the future terms of the UK’s relationship with the EU. In
March 2017, the British Prime Minister invoked Article 50 of the Lisbon Treaty, which gave the UK two
years to negotiate an exit deal with the EU. Without a withdrawal agreement in place, on March 29, 2019,
the EU agreed to a short-term extension of the Brexit deadline. Again without a withdrawal agreement in
place, on April 11, 2019, EU leaders agreed to extend the Brexit deadline until October 31, 2019, and the UK
temporarily remains in the EU. It is unclear how and in what timeframe Brexit withdrawal negotiations will
proceed and what the potential consequences may be. As a result of the political divisions within the UK
and between the UK and the EU that the referendum vote has highlighted and the uncertain consequences
of Brexit, the UK and European economies and the broader global economy could be significantly
impacted, which may result in increased volatility and illiquidity, and potentially lower economic growth
on markets in the UK, Europe and globally. Depreciation of the British pound sterling and/or the euro in
relation to the U.S. dollar in anticipation of Brexit would adversely affect Fund investments denominated
in British pound sterling and/or the euro that are not fully and effectively hedged, regardless of the
performance of the investment.

If the UK leaves the EU without agreements on trade, finance and other key elements, often called a
hard Brexit, the UK would have to trade with the EU under World Trade Organization rules, under which
there would be customs and regulatory checks, and tariffs imposed on goods that the UK exports to the
EU. In addition, there would be no 21-month post-Brexit transition period. A hard Brexit would mean the
UK would leave Europe’s single market and customs union, which could hurt global financial stability.

These events could negatively affect the value and liquidity of all of the Fund’s investments, not only
the Fund’s investments in securities of issuers located in Europe.

**Foreign Currency Transactions Risk**

As the Fund intends to invests in securities that trade in, and expects to receive revenues in, foreign
currencies, or in derivatives that provide exposure to foreign currencies, it will be subject to the risk
that those currencies will decline in value relative to the U.S. dollar, or, in the case of hedging positions
intended to protect the Fund from decline in the value of non-U.S. currencies, that the U.S. dollar will
decline in value relative to the currency being hedged. Currency rates in foreign countries may fluctuate
significantly over short periods of time for a number of reasons, including changes in interest rates,
intervention (or the failure to intervene) by U.S. or foreign governments, central banks or supranational
entities such as the International Monetary Fund, or by the imposition of currency controls or other
political developments in the United States or abroad. As a result, the Fund’s investments in foreign
currency denominated securities may reduce the returns of the Fund. While the Fund intends to hedge
substantially all of its non-U.S. dollar-denominated securities into U.S. dollars, hedging may not alleviate
all currency risks. Furthermore, the issuers in which the Fund invests may be subject to risks relating to
changes in currency rates, as described above. If a company in which the Fund invests suffers such adverse
consequences as a result of such changes, the Fund may also be adversely affected as a result.
Continuing uncertainty as to the status of the euro and the EU has created significant volatility in currency and financial markets generally. Any partial or complete dissolution of the EU could have significant adverse effects on currency and financial markets, and on the values of the Fund's portfolio investments. If one or more EU countries were to stop using the euro as its primary currency, the Fund’s investments in such countries, if any, may be redenominated into a different or newly adopted currency. As a result, the value of those investments could decline significantly and unpredictably. In addition, instruments or other investments that are redenominated may be subject to foreign currency risk, liquidity risk and valuation risk to a greater extent than similar investments currently denominated in euros.

Principal Risks of the Use of Derivatives

The Fund will be subject to additional risks with respect to the use of derivatives. Derivatives can be volatile and involve various types and degrees of risk, depending upon the characteristics of the particular derivative and the portfolio as a whole. Derivatives permit the Fund to increase or decrease the level of risk, or change the character of the risk, to which its portfolio is exposed in much the same way as the Fund can increase or decrease the level of risk, or change the character of the risk, of its portfolio by making investments in specific securities. However, derivatives may entail investment exposures that are greater than their cost would suggest, meaning that a small investment in derivatives could have a large potential impact on the Fund’s performance. If the Fund invests in derivatives at inopportune times or judges market conditions incorrectly, such investments may lower the Fund's return or result in a loss. The Fund also could experience losses if its derivatives were poorly correlated with the underlying instruments or the Fund's other investments, or if the Fund were unable to liquidate its position because of an illiquid secondary market. The market for many derivatives is, or suddenly can become, illiquid. Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for derivatives. If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price. Additionally, some derivatives the Fund may use may involve economic leverage, which may increase the volatility of these instruments as they may increase or decrease in value more quickly than the underlying security, index, currency, futures contract, or other economic variable.

Derivatives may be purchased on established exchanges or through privately negotiated transactions referred to as OTC derivatives. Exchange-traded derivatives generally are guaranteed by the clearing agency that is the issuer or counterparty to such derivatives. This guarantee usually is supported by a daily variation margin system operated by the clearing agency in order to reduce overall credit risk. As a result, unless the clearing agency defaults, there is relatively little counterparty credit risk associated with derivatives purchased on an exchange. In contrast, no clearing agency guarantees OTC derivatives. Therefore, many of the regulatory protections afforded participants on organized exchanges for futures contracts and exchange-traded options, such as the performance guarantee of an exchange clearing house, are not available in connection with OTC derivative transactions. As a result, each party to an OTC derivative bears the risk that the counterparty will default. Accordingly, Alcentra will consider the creditworthiness of counterparties to OTC derivatives in the same manner as it would review the credit quality of a security to be purchased by the Fund. OTC derivatives are less liquid than exchange-traded derivatives since the other party to the transaction may be the only investor with sufficient understanding of the derivative to be interested in bidding for it.

Because many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, reference rate or index can result in a loss substantially greater than the amount invested in the derivative itself. The Fund may be required to set aside liquid assets equal to the full notional value of the instrument (generally, the total value of the asset underlying the derivatives contract) or an amount equal to the Fund’s daily marked-to-market net obligations (i.e., the Fund’s daily net liability) under the instrument, if any, while the positions are open. Certain derivatives, such as written call options, have the potential for unlimited loss, regardless of the size of the initial investment. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many privately-negotiated
derivatives, including swap agreements), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price. Future rules and regulations of the SEC may require the Fund to alter, perhaps materially, its use of derivatives as described in this prospectus.

**Options.** Options prices can diverge from the prices of their underlying instruments and may be affected by such factors as current and anticipated short-term interest rates, changes in volatility of the underlying instrument, and the time remaining until expiration of the contract, which may not affect the prices of the underlying instruments in the same way. Imperfect correlation also may result from differing levels of demand in the options markets and the securities markets, from structural differences in how options and securities are traded, or from imposition of daily price fluctuation limits or trading halts.

**Credit Derivatives.** The use of credit derivatives is a highly specialized activity which involves strategies and risks different from those associated with ordinary portfolio security transactions. If Alcentra is incorrect in its forecasts of default risks, market spreads or other applicable factors, the investment performance of the Fund would diminish compared with what it would have been if these techniques were not used. Moreover, even if Alcentra is correct in its forecasts, there is a risk that a credit derivative position may correlate imperfectly with the price of the asset or liability being protected. The Fund’s risk of loss in a credit derivative transaction varies with the form of the transaction. For example, if the Fund purchases a default option on a security, and if no default occurs with respect to the security, the Fund’s loss is limited to the premium it paid for the default option. In contrast, if there is a default by the grantor of a default option, the Fund’s loss will include both the premium it paid for the option and the decline in value of the underlying security that the default option hedged.

**Swap Agreements.** The Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap agreement counterparty. The Fund will enter into swap agreements only with counterparties that meet certain standards of creditworthiness (generally, such counterparties would have to be eligible counterparties under the terms of the Fund’s repurchase agreement guidelines). In addition, it is possible that developments in the swaps market, including potential government regulation, could adversely affect the Fund’s ability to terminate existing swap agreements or to realize amounts to be received under such agreements.

The Fund may enter into swap transactions, including credit default and total return swap agreements. Such transactions are subject to market risk, risk of default by the other party to the transaction and risk of imperfect correlation between the value of such instruments and the underlying assets and may involve commissions or other costs. Swaps generally do not involve the delivery of securities, other underlying assets or principal. Accordingly, the risk of loss with respect to swaps generally is limited to the net amount of payments that the Fund is contractually obligated to make, or in the case of the other party to a swap defaulting, the net amount of payments that the Fund is contractually entitled to receive. If the Fund is a buyer of a credit default swap and no credit event occurs, the Fund may recover nothing if the swap is held through its termination date. However, if a credit event occurs, the buyer generally may elect to receive the full notional value of the swap in exchange for an equal face amount of deliverable obligations of the reference entity whose value may have significantly decreased.

**Counterparty Risk.** The Fund will be subject to counterparty risk (failure of the counterparty to the transaction to honor its obligation) with respect to its derivative transactions. If a counterparty becomes bankrupt or otherwise fails to perform its obligations under a derivative contract due to financial difficulties, the Fund may experience significant delays in obtaining any recovery under the derivative contract in bankruptcy or other reorganization proceeding. The Fund may obtain only a limited recovery or may obtain no recovery in such circumstances.

The federal income tax treatment of payments in respect of certain derivatives contracts is unclear. Common Shareholders may receive distributions that are attributable to derivatives contracts that are treated as ordinary income for federal income tax purposes.
Valuation Risk

Unlike publicly traded common stock which trades on national exchanges, there is no central place or exchange for loans or other credit instruments in which the Fund may invest to trade. Some credit instruments trade in an OTC market which may be anywhere in the world where the buyer and seller can settle on a price. Due to the lack of centralized information and trading, the valuation of credit instruments may carry more risk than that of common stock. Uncertainties in the conditions of the financial market, unreliable reference data, lack of transparency and inconsistency of valuation models and processes may lead to inaccurate asset pricing. In addition, other market participants may value instruments differently than the Fund. As a result, the Fund may be subject to the risk that when a credit instrument is sold in the market, the amount received by the Fund is less than the value that such credit instrument is carried at on the Fund’s books.

In addition, certain of the Fund’s investments, primarily its investments in instruments in the Direct Lending Strategy and other Level 3 Investments, will need to be fair valued by the Fund’s Board of Directors in accordance with valuation procedures approved by the Board. Those portfolio valuations will be based on unobservable inputs and certain assumptions about how market participants would price the instrument. As a result, there will be uncertainty as to the value of certain of the Fund’s Level 3 Investments. The Fund expects that inputs into the determination of fair value of those investments will require significant management judgment or estimation. The net asset value of the Fund, as determined based, in part, on the fair value of those investments, may vary from the amount the Fund would realize upon the sale of such investments.

Furthermore, the Fund’s Board of Directors uses the services of one or more independent valuation firms to aid it in determining the fair value of certain Level 3 Investments and other investments. The factors that may be considered in fair value pricing of such investments include the nature and realizable value of any collateral, the company’s ability to make payments and its earnings and cash flows, the markets in which the company does business, comparison to publicly traded companies and other relevant factors. Because valuations may fluctuate over short periods of time and may be based on estimates, fair value determinations may differ materially from the value received in an actual transaction. Additionally, valuations of private securities and private companies are inherently uncertain. The Fund’s net asset value could be adversely affected if the Fund’s determinations regarding the fair value of those investments were materially higher or lower than the values that it ultimately realize upon the disposal of such investments. See “Net Asset Value.”

Liquidity Risk

In addition to the various other risks associated with investing in credit instruments, to the extent those instruments are determined to be illiquid or restricted securities, they may be difficult to dispose of at a fair price at the times when the Fund believes it is desirable to do so. The market price of illiquid and restricted securities generally is more volatile than that of more liquid securities, which may adversely affect the price that the Fund pays for or recovers upon the sale of such securities. Illiquid and restricted securities are also more difficult to value, especially in challenging markets. Alcentra’s judgment may play a greater role in the valuation process. Investment of the Fund’s assets in illiquid and restricted securities may restrict the Fund’s ability to take advantage of market opportunities. In order to dispose of an unregistered security, the Fund, where it has contractual rights to do so, may have to cause such security to be registered. A considerable period may elapse between the time the decision is made to sell the security and the time the security is registered, thereby enabling the Fund to sell it. Contractual restrictions on the resale of securities vary in length and scope and are generally the result of a negotiation between the issuer and purchaser of the securities. In either case, the Fund would bear market risks during the restricted period.
Leverage Risk

The Fund’s use of leverage could create the opportunity for a higher return for Common Shareholders, but would also result in special risks for Common Shareholders and can magnify the effect of any losses. If the income and gains earned on the securities and investments purchased with leverage proceeds are greater than the cost of the leverage, the return on the Common Shares will be greater than if leverage had not been used. Conversely, if the income and gains from the securities and investments purchased with such proceeds do not cover the cost of leverage, the return on the Common Shares will be less than if leverage had not been used. There is no assurance that a leveraging strategy will be successful.

Leverage involves risks and special considerations compared to a comparable portfolio without leverage including: (i) the likelihood of greater volatility of the Fund’s net asset value; (ii) the risk that fluctuations in interest rates on Borrowings will reduce the return to the Common Shareholders or will result in fluctuations in the dividends paid on the Common Shares; (iii) the effect of leverage in a declining market, which is likely to cause a greater decline in the net asset value of the Common Shares than if the Fund were not leveraged; (iv) when the Fund uses leverage, the investment management fees payable to BNYM Investment Adviser (and, indirectly, Alcentra) will be higher than if the Fund did not use leverage, and may provide a financial incentive to BNYM Investment Adviser and Alcentra to increase the Fund’s use of leverage and create an inherent conflict of interest; and (v) leverage may increase expenses, which may reduce total return.

A decline in the Fund’s net asset value could affect the ability of the Fund to make dividend payments to Common Shareholders. The failure to pay dividends or make distributions could result in the Fund ceasing to qualify as a regulated investment company under the Code, which could have a material adverse effect on the value of the Common Shares. If the asset coverage for Preferred Shares or Borrowings declines to less than 200% or 300%, respectively (as a result of market fluctuations or otherwise), the Fund may be required to sell a portion of its investments when it may be disadvantageous to do so.

The Fund may continue to use leverage if the benefits to the Common Shareholders of maintaining the leveraged position are believed to outweigh any current reduced return, but expects to reduce, modify or cease its leverage if it is believed the costs of the leverage will exceed the return provided from the investments made with the proceeds of the leverage.

Other Investment Risks

In addition to the principal risks described above, the Fund is subject to the following additional risks that are not anticipated to be principal risks of investing in the Fund.

Equity Securities Risk

To the extent the Fund acquires equity securities or warrants incidental to its investments in credit instruments, it will be subject to the risks associated with those types of investments.

Common Stock Risk. Stocks generally fluctuate more in value than bonds and may decline significantly over short time periods. There is the chance that stock prices overall will decline because stock markets tend to move in cycles, with periods of rising prices and falling prices. The market value of a stock may decline due to general market conditions that are not related to the particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. A security’s market value also may decline because of factors that affect a particular industry, such as labor shortages or increased production costs and competitive conditions within an industry, or factors that affect a particular company, such as management performance, financial leverage, and reduced demand for the company’s products or services.
**Preferred Stock Risk.** There are special risks associated with investing in preferred stocks, including:

- **Deferral and Omission.** Preferred stocks may include provisions that permit the issuer, at its discretion, to defer or omit distributions for a stated period without any adverse consequences to the issuer. If the Fund owns a preferred stock that is deferring its distributions, the Fund may be required to report income for tax purposes although it has not yet received such income.

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

- **Limited Voting Rights.** Generally, preferred stockholders (such as the Fund) have no voting rights with respect to the issuing company unless, among other things, preferred dividends have been in arrears for a specified number of periods, at which time the preferred stockholders may elect a number of directors to the issuer’s board. Generally, once all the arrearages have been paid, the preferred stockholders no longer have voting rights. In the case of trust preferred securities, holders generally have no voting rights, except if (i) the issuer fails to pay dividends for a specified period of time or (ii) a declaration of default occurs and is continuing.

- **Special Redemption Rights.** In certain varying circumstances, an issuer of preferred stock may redeem the securities prior to a specified date. For instance, for certain types of preferred stocks, a redemption may be triggered by certain changes in U.S. federal income tax or securities laws. As with call provisions, a special redemption by the issuer may negatively impact the return of the security held by the Fund.

**Convertible Securities Risk.**Convertible securities may be converted at either a stated price or stated rate into underlying shares of common stock or another security. Convertible securities generally are subordinated to other similar but non-convertible securities of the same issuer. Although to a lesser extent than with fixed rate debt securities, the market value of convertible securities tends to decline as interest rates increase. In addition, because of the conversion feature, the market value of convertible securities tends to vary with fluctuations in the market value of the underlying common stock or other security. Although convertible securities provide for a stable stream of income, they are subject to the risk that their issuers may default on their obligations. Convertible securities also offer the potential for capital appreciation through the conversion feature, although there can be no assurance of capital appreciation because securities prices fluctuate. Convertible securities generally offer lower interest or dividend yields than non-convertible securities of similar quality because of the potential for capital appreciation. Synthetic convertible securities are subject to additional risks, including risks associated with derivatives.

**Warrants and Rights Risk.** If the price of the underlying stock does not rise above the exercise price before the warrant expires, the warrant generally expires without any value and the Fund loses any amount it paid for the warrant. Thus, investments in warrants may involve substantially more risk than investments in common stock. Warrants may trade in the same markets as their underlying stock; however, the price of the warrant does not necessarily move with the price of the underlying stock. An investment in warrants would not entitle the Fund to receive dividends or exercise voting rights.

**U.S. Government Debt Securities Risk**

U.S. government debt securities generally do not involve the credit risks associated with investments in other types of debt securities, although, as a result, the yields available from U.S. government debt securities are generally lower than the yields available from other securities. However, in 2011 S&P downgraded its rating of U.S. government debt, suggesting an increased credit risk. Further downgrades could have an adverse impact on the price and volatility of U.S. government debt instruments. Like other debt securities, the values of U.S. government securities change as interest rates fluctuate. Fluctuations in the value of portfolio securities will not affect interest income on existing portfolio securities but will be reflected in the Fund’s net asset value. Since the magnitude of these fluctuations will generally be greater
at times when the Fund’s average maturity is longer, under certain market conditions the Fund may, for temporary defensive purposes, accept lower current income from short-term investments rather than investing in higher yielding long-term securities.

**Other Investment Companies Risk**

Subject to applicable regulatory limitations, the Fund may acquire shares in other investment companies (including ETFs). ETFs are listed on an exchange, and shares are generally purchased and sold in the secondary market at market price. At times, the market price may be at a premium or discount to the ETF’s net asset value. Because shares of ETFs trade on an exchange, they may be subject to trading halts on the exchange. As an investor in an investment company, the Fund would bear its ratable share of that entity’s expenses, including its investment advisory and administration fees, while continuing to pay its own management fees and other expenses. As a result, Common Shareholders will be absorbing duplicative levels of fees with respect to the Fund’s investments in other investment companies.

**Potential Conflicts of Interest Risk**

BNYM Investment Adviser, Alcentra and their affiliates may participate in the primary and secondary market for loan obligations. Because of limitations imposed by applicable law, the presence of BNYM Investment Adviser, Alcentra and their affiliates in the loan obligations market may restrict the Fund’s ability to acquire some loan obligations or affect the timing or price of such acquisitions. BNYM Investment Adviser, Alcentra and their affiliates engage in a broad spectrum of financial services and asset management activities in which their interests or the interests of their clients may conflict with those of the Fund. In addition, because of the financial services and asset management activities of BNYM Investment Adviser, Alcentra and their affiliates, BNYM Investment Adviser and Alcentra may be prevented from having access to material non-public information regarding the borrower to which other lenders have access.

BNYM Investment Adviser, Alcentra and their affiliates may provide investment management services to other funds and discretionary managed accounts that follow an investment program similar to that of the Fund and may engage in the ordinary course of business in activities in which their interests or the interests of their clients may conflict with those of the fund. BNYM Investment Adviser, Alcentra and their affiliates have adopted policies and procedures designed to address potential conflicts of interests and to allocate investments among the accounts managed by them and their affiliates in a fair and equitable manner. The results of the Fund’s investment activities, however, may differ from those of other accounts managed by BNYM Investment Adviser, Alcentra and their affiliates, and it is possible that the Fund could sustain losses during periods in which one or more of the other accounts managed by BNYM Investment Adviser, Alcentra or their affiliates achieve profits.

**Recent Market Events Risk**

In the recent past, the debt and equity capital markets in the United States were negatively impacted by significant write-offs in the financial services sector relating to sub-prime mortgages and the repricing of credit risk in the broadly syndicated market, among other things. These events, along with the downgrade to the United States credit rating, deterioration of the housing market, the failure of major financial institutions and the resulting United States federal government actions led in the recent past, and may lead in the future, to worsening general economic conditions, which did, and could, materially and adversely impact the broader financial and credit markets and reduce the availability of debt and equity capital for the market as a whole and financial firms in particular. These events may increase the volatility of the value of securities owned by the Fund and/or result in sudden and significant valuation increases or decreases in its portfolio. These events also may make it more difficult for the Fund to accurately value its securities or to sell its securities on a timely basis.

While the extreme volatility and disruption that U.S. and global markets experienced for an extended period of time beginning in 2007 and 2008 has generally subsided, uncertainty and periods of volatility remain, and risks to a robust resumption of growth persist. Federal Reserve policy, including with respect
to certain interest rates and the decision to terminate its quantitative easing policy, may adversely affect the value, volatility and liquidity of dividend and interest paying securities. Market volatility, rising interest rates and/or a return to unfavorable economic conditions could impair the Fund’s ability to achieve its investment objective.

General market uncertainty and consequent re-pricing of risk have led to market imbalances of sellers and buyers, which in turn have resulted in significant valuation uncertainties in a variety of securities and significant and rapid value decline in certain instances. Additionally, periods of market volatility remain, and may continue to occur in the future, in response to various political, social and economic events both within and outside of the United States. Such market conditions may make valuation of some of the Fund’s securities uncertain and/or result in sudden and significant valuation increases or declines in its holdings. If there is a significant decline in the value of the Fund’s portfolio, this may impact the asset coverage levels for any outstanding leverage the Fund may have.

**Regulation and Government Intervention Risk**

The recent global financial crisis has led the U.S. government to take a number of unprecedented actions designed to support certain financial institutions and segments of the financial markets that have experienced extreme volatility, and in some cases a lack of liquidity. In addition, the European Central Bank and other foreign government and supranational finance authorities have taken unprecedented actions to regulate or manipulate international financial markets. These governments, agencies and/or organizations may take additional actions that affect the regulation of the securities or derivatives in which the Fund invests, or the issuers of such securities or derivatives. Issuers of credit instruments held by the Fund may seek protection under the bankruptcy laws. Legislation or regulation may also change the way in which the Fund itself is regulated. Such legislation or regulation could limit or preclude the Fund’s ability to achieve its investment objective. Alcentra will monitor developments and seek to manage the Fund’s portfolio in a manner consistent with achieving the Fund’s investment objective, but there can be no assurance that it will be successful in doing so.

**Market Disruption and Geopolitical Risk**

The aftermath of the war in Iraq, instability in Afghanistan, Pakistan, Egypt, Libya, Syria, Russia, Ukraine and the Middle East, terrorist attacks in the United States, Europe and other regions, tensions with North Korea, growing social and political discord in the United States, the European debt crisis, the response of the international community—through economic sanctions and otherwise—to Russia’s annexation of the Crimea region of Ukraine and posture vis-a-vis Ukraine, further downgrade of U.S. Government securities and other similar events, may have long-term effects on the U.S. and worldwide financial markets and may cause further economic uncertainties in the United States and worldwide. The Fund does not know how long the securities markets may be affected by these events and cannot predict the effects of these and similar events in the future on the U.S. economy and securities markets. The Fund may be adversely affected by abrogation of international agreements and national laws which have created the market instruments in which the Fund may invest, failure of the designated national and international authorities to enforce compliance with the same laws and agreements, failure of local, national and international organization to carry out their duties prescribed to them under the relevant agreements, revisions of these laws and agreements which dilute their effectiveness or conflicting interpretation of provisions of the same laws and agreements. The Fund may be adversely affected by uncertainties such as terrorism, domestic and international political developments, and changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of the countries in which it is invested.
**Anti-Takeover Provisions**

Certain provisions of the Charter and Bylaws could have the effect of limiting the ability of other entities or persons to acquire control of the Fund or to modify its structure. These provisions include super-majority voting requirements for merger, consolidation, liquidation, termination and asset sale transactions, certain amendments to the Charter and conversion to open-end status. See “Description of Shares” and “Certain Provisions of the Charter and By-Laws.”

**Portfolio Turnover Risk**

The Fund does not have any limitations regarding portfolio turnover, and investments may be sold without regard to length of time held when, in Alcentra’s opinion, investment considerations warrant such action. A higher portfolio turnover rate would result in certain transactional expenses that will be borne by the Fund. Although these expenses are not reflected in the Fund’s “Total Annual Fund Operating Expenses” shown in the “Summary of Fund Expenses” section of this prospectus, they will be reflected in the Fund’s total return. In addition, high portfolio turnover may result in the realization of net short-term capital gains by the Fund which, when distributed to Common Shareholders, will be taxable as ordinary income. See “Tax Matters.”

**Lender Liability Risk**

A number of U.S. judicial decisions have upheld judgments obtained by Borrowers against lending institutions on the basis of various evolving legal theories, collectively termed “lender liability.” Generally, lender liability is founded on the premise that a lender has violated a duty (whether implied or contractual) of good faith, commercial reasonableness and fair dealing, or a similar duty owed to the Borrower or has assumed an excessive degree of control over the Borrower resulting in the creation of a fiduciary duty owed to the Borrower or its other creditors or shareholders. Because of the nature of its investments, the Fund may be subject to allegations of lender liability.

In addition, under common law principles that in some cases form the basis for lender liability claims, if a lender or bondholder (i) intentionally takes an action that results in the undercapitalization of a Borrower to the detriment of other creditors of such Borrower; (ii) engages in inequitable conduct to the detriment of the other creditors; (iii) engages in fraud with respect to, or makes misrepresentations to, the other creditors; or (iv) uses its influence as a stockholder to dominate or control a Borrower to the detriment of other creditors of the Borrower, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors, a remedy called “equitable subordination.” Because affiliates of, or persons related to, BNYM Investment Adviser or Alcentra may hold equity or other interests in issuer of instruments held by the Fund, the Fund could be exposed to claims for equitable subordination or lender liability or both based on such equity or other holdings.

**Limitations on Transactions with Affiliates**

The 1940 Act limits the Fund’s ability to enter into certain transactions with certain of its affiliates. As a result of these restrictions, the Fund may be prohibited from buying or selling any security directly from or to any portfolio company of a registered investment company or private equity fund or investment company managed by BNYM Investment Adviser or any of its affiliates, including Alcentra. However, the Fund may, under certain circumstances, purchase any such portfolio company’s securities in the secondary market, which could create a conflict for BNYM Investment Adviser and Alcentra between the interests of the Fund and the portfolio company, in that the ability of BNYM Investment Adviser or Alcentra to recommend actions in the best interest of the Fund might be impaired. The 1940 Act also prohibits certain “joint” transactions with certain of the Fund’s affiliates, which could include investments in the same portfolio company (whether at the same or different times). These limitations may limit the scope of investment opportunities that would otherwise be available to the Fund.

Certain broker-dealers may be considered to be affiliated persons of the Fund or of BNYM Investment Adviser and Alcentra due to their possible affiliations with The Bank of New York Mellon Corporation (“BNY Mellon”). Absent an exemption from the SEC or other regulatory relief, the Fund is generally
precluded from effecting certain principal transactions with affiliated brokers, and its ability to purchase securities being underwritten by an affiliated broker or a syndicate including an affiliated broker, or to utilize affiliated brokers for agency transactions, is subject to restrictions. This could limit the Fund’s ability to engage in securities transactions and to take advantage of market opportunities.

**MANAGEMENT OF THE FUND**

The business and affairs of the Fund are managed under the direction of the Fund’s Board of Directors, all of whom are Independent Directors. The Directors approve all significant agreements between the Fund and persons or companies furnishing services to it, including the Fund’s arrangements with BNYM Investment Adviser and Alcentra, as well as the Fund’s custodian, transfer agent and dividend disbursing agent. The management of the Fund’s day-to-day operations is delegated to its officers and BNYM Investment Adviser, subject always to the investment objective and policies of the Fund and to the general supervision and oversight of the Directors. The names and business addresses of the Directors and officers of the Fund and their principal occupations and other affiliations during at least the past five years are set forth under “Management of the Fund” in the SAI.

**Investment Manager**

The Fund’s investment manager is BNY Mellon Investment Adviser, Inc., 240 Greenwich Street, New York, New York 10286. Founded in 1947, BNYM Investment Adviser managed approximately $238 billion in approximately 143 mutual fund portfolios as of May 31, 2019. BNYM Investment Adviser is the primary mutual fund business of BNY Mellon, a global financial services company focused on helping clients manage and service their financial assets, operating in 35 countries and serving more than 100 markets. BNY Mellon is a leading investment management and investment services company, uniquely focused to help clients manage and move their financial assets in the rapidly changing global marketplace. BNY Mellon has $34.5 trillion in assets under custody and administration and $1.8 trillion in assets under management as of March 31, 2019. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation. BNY Mellon Investment Management is one of the world’s leading investment management organizations, and one of the top U.S. wealth managers, encompassing BNY Mellon’s affiliated investment management firms, wealth management services and global distribution companies.

Under its Investment Management Agreement with the Fund (the “Management Agreement”), BNYM Investment Adviser furnishes a continuous investment program for the Fund’s portfolio and generally manages the Fund’s investments in accordance with the stated policies of the Fund, subject to the general supervision of the Fund’s Board of Directors. BNYM Investment Adviser is responsible for the overall management of the Fund’s portfolio and for the supervision and ongoing monitoring of Alcentra. BNYM Investment Adviser also maintains office facilities on behalf of the Fund, and furnishes statistical and research data, clerical help, accounting, data processing, bookkeeping and internal auditing and certain other required services to the Fund. BNYM Investment Adviser also performs certain other administrative services for the Fund and provides persons satisfactory to the Board of Directors of the Fund to serve as officers of the Fund. Such officers, as well as certain other employees and Directors of the Fund, may be directors, officers or employees of BNYM Investment Adviser.

For its services under the Management Agreement, the Fund has agreed to pay BNYM Investment Adviser an investment management fee, payable quarterly in arrears, computed at the annual rate of 1.25% of the average daily value of the Fund’s Managed Assets determined as of the last day of each quarter. “Managed Assets” of the Fund means the total assets of the Fund, including any assets attributable to leverage (i.e., Borrowings, Preferred Shares or the use of portfolio leverage), minus the Fund’s accrued liabilities, other than any liabilities or obligations attributable to leverage obtained through (i) indebtedness of any type (including, without limitation, Borrowings), (ii) the issuance of Preferred Shares, and/or (iii) any other means, all as determined in accordance with generally accepted accounting principles.
In addition to the Management Fee, pursuant to the Management Agreement, the Fund is responsible for all other expenses incurred in the operation of the Fund, including, without limitation the following: (i) organizational and offering expenses; (ii) taxes and interest; (iii) brokerage fees and commissions, if any, and other costs in connection with the purchase or sale of securities and other investment instruments (including, without limitation, security settlement costs); (iv) loan commitment fees; (v) interest and distributions paid on securities sold short; (vi) fees of Directors who are not officers, directors or employees of BNYM Investment Adviser or Alcentra, or who are otherwise holders of 5% or more of the outstanding voting securities of BNYM Investment Adviser, Alcentra or any of their affiliates; (vii) fees and expenses related to the registration and qualification of the Fund and the Fund’s shares for distribution under state and federal securities laws; (viii) fees and expenses related to the registration and listing the Fund’s shares on any securities exchange; (ix) expenses related to the Fund’s use of leverage, if any; (x) rating agency fees; (xi) advisory fees; (xii) charges of custodians; (xiii) charges of transfer, dividend disbursing and dividend reinvestment plan agents, if any; (xiv) certain insurance premiums; (xv) industry association fees; (xvi) outside auditing and legal expenses; (xvii) costs of independent pricing services; (xviii) costs of maintaining the Fund’s existence; (xix) expenses of repurchasing shares; (xx) the Fund’s allocable portion of the costs of the Fund’s chief compliance officer and staff; (xxi) costs of preparing, printing and distributing shareholders reports, notices, press releases, proxy statements, and reports to governmental agencies; (xxii) costs of shareholders’ meetings; and (xxiii) any extraordinary expenses(10,12),(990,986). BNYM Investment Adviser has agreed to pay all of the Fund’s organizational expenses and expenses associated with this offering.

To the extent the Fund utilizes leverage, the fees paid to BNYM Investment Adviser (and, indirectly, Alcentra) for investment management services will be higher than if the Fund did not utilize leverage because the management fees paid will be calculated based on the Fund’s Managed Assets. BNYM Investment Adviser and Alcentra will base their decision regarding whether and how much leverage to use for the Fund based on its assessment of whether such use of leverage will advance the Fund's investment objective. However, the fact that a decision to increase the Fund’s leverage will have the effect, all other things being equal, of increasing Managed Assets and therefore the management and sub-advisory fees, which are calculated on a quarterly basis, means that BNYM Investment Adviser and Alcentra, respectively, will have a conflict of interest in determining whether and when to increase the Fund’s use of leverage. BNYM Investment Adviser and Alcentra will seek to manage that conflict by increasing the Fund’s use of leverage only when they determine that such increase is consistent with the Fund’s investment objective, and any use of leverage will be approved by the Fund’s Board of Directors.

The basis for the Fund’s Board of Directors’ initial approval of the Management Agreement will be provided in the Fund’s semi-annual report to Common Shareholders for the period ending September 30, 2019. The basis for subsequent continuations of this agreement will be provided in annual or semi-annual reports to Common Shareholders for the periods during which such continuations occur.

Sub-Investment Adviser

BNYM Investment Adviser has engaged its affiliate, Alcentra NY, LLC, to serve as the Fund’s sub-investment adviser. Certain personnel of Alcentra UK, an affiliate of BNYM Investment Adviser and Alcentra, will be treated as “associated persons” of Alcentra under the Advisers Act, for purposes of providing investment advice, and will provide research and non-discretionary investment recommendations to Alcentra with respect to the Fund’s assets pursuant to a participating affiliate agreement between Alcentra and Alcentra UK. Alcentra UK also will provide certain trading and execution services with respect to the Fund’s investments, subject to the oversight of Alcentra.

Alcentra NY, LLC, a limited liability company that is organized under the laws of the State of Delaware, provides investment advisory services focusing on sub-investment grade debt. The Alcentra Group includes Alcentra UK, a limited company incorporated in England. BNY Mellon currently indirectly holds the majority, controlling interest of the Alcentra Group. As of March 31, 2019, the Alcentra Group’s aggregate assets under management were approximately $39 billion. The Alcentra Group is one of the largest global institutional below investment grade credit managers.
Pursuant to the Sub-Investment Advisory Agreement between BNYM Investment Adviser and Alcentra, Alcentra is responsible for implementation of the Fund’s investment strategy and investment of the Fund’s assets on a day-to-day basis in accordance with the Fund’s investment objective and policies. For services provided under the Sub-Investment Advisory Agreement, BNYM Investment Adviser has agreed to pay from its management fee paid by the Fund a sub-advisory fee to Alcentra computed at the annual rate of 0.625% of the value of the Fund’s Managed Assets determined as of the last day of each quarter.

The basis for the Fund’s Board of Directors’ initial approval of the Sub-Investment Advisory Agreement will be provided in the Fund’s semi-annual report to Common Shareholders for the period ending September 30, 2019. The basis for subsequent continuations of this agreement will be provided in annual or semi-annual reports to Common Shareholders for the periods during which such continuations occur.

Although BNYM Investment Adviser has been registered as a “commodity trading advisor” with the National Futures Association since December 19, 2012, BNYM Investment Adviser relies on the exemption in Regulation 4.14(a)(8) to provide commodity interest trading advice to the Fund.

**Portfolio Managers**

The Fund’s primary portfolio managers are Vijay Rajguru, Leland Hart, Chris Barris, Kevin Cronk, CFA, Hiram Hamilton and Suhail Shaikh. Each of the Fund’s primary portfolio managers reviews and recommends the allocation and rebalancing of the Fund’s assets across the Credit Strategies, with final determinations being made by Mr. Rajguru. Mr. Rajguru also serves as a primary portfolio manager across each of the Credit Strategies, and is supported by the Fund’s other primary portfolio managers depending on the particular Credit Strategy.

Mr. Rajguru is the Global Chief Investment Officer for Alcentra and oversees Alcentra’s global direct lending, loan, high yield and structured credit businesses in the United States and Europe. He also leads Alcentra’s capital markets activities and sits on all of Alcentra’s investment committees. Prior to joining Alcentra in September 2017, Mr. Rajguru was a Partner at GoldenTree Asset Management, where he was employed since 2007. His responsibilities included sourcing and originating loan, bond and structured credit investments, as well as restructuring stressed and distressed assets. Prior to that time, Mr. Rajguru was a Managing Director, and Head of Loan Capital Markets at Barclays Capital, where he worked in leveraged finance for over a decade.

Mr. Barris joined Alcentra in January 2013 as part of the combination of Alcentra with Standish Mellon Asset Management Company LLC’s high yield business, and is the Global Head of High Yield and Deputy Chief Investment Officer. He is responsible for managing all U.S. and global high yield portfolios, and has extensive experience managing a broad range of high yield bond strategies for both institutional and retail funds. Mr. Barris also is responsible for managing Alcentra’s multi-asset credit portfolios, including U.S. and European bonds and loans. Mr. Barris joined Standish Mellon Asset Management Company LLC, an affiliate of BNYM Investment Adviser and Alcentra, in 2005, where he served as a Director and Senior Portfolio Manager for U.S. and global high yield investments.

Mr. Cronk joined Alcentra in January 2013 as part of the combination of Alcentra with Standish Mellon Asset Management Company LLC’s high yield business, and is the Head of U.S. Credit Research and a member of the U.S. Investment Committee. Mr. Cronk joined Standish Mellon Asset Management Company LLC, an affiliate of BNYM Investment Adviser and Alcentra, in 2011 from Columbia Management, where he worked for eleven years as a High Yield Analyst and Portfolio Manager. Prior to that, he worked as a High Yield Investment Associate at Putnam Investments.

Mr. Hamilton joined Alcentra in March 2008, and is Alcentra’s Global Head of Structured Credit. Mr. Hamilton is the Portfolio Manager for Alcentra’s Structured Credit Opportunity funds and oversees investments in structured products across Alcentra’s funds. Previously, he was an Executive
Director at Morgan Stanley and Head of the CDO Group in London. During his eight years at Morgan Stanley, Mr. Hamilton structured and originated various credit arbitrage vehicles including CLOs and Opportunity Funds.

Mr. Hart joined Alcentra in January 2018, and is a Managing Director and Head of U.S. Loans and High Yield. Mr. Hart had primary responsibility for investing, fundraising and managing Alcentra’s loan business, including across registered investment companies, CLOs and separate accounts. Prior to joining Alcentra, he was a Managing Director for BlackRock Asset Management, where he was employed since 2009. Prior to that time, Mr. Hart was a Managing Director in the Leveraged Capital Markets Group of Lehman Brothers, where he worked for eight years.

Mr. Shaikh joined Alcentra in May 2018, and is a Managing Director and Head of U.S. Direct Lending. Mr. Shaikh joined Alcentra from Solar Capital Partners LLC, where he was a senior investment professional responsible for the origination, structuring and investment of middle market principal credits, spanning first and second lien loans as well as unitranche transactions. Prior to joining Solar Capital in 2011, Mr. Shaikh was in investment banking for over fifteen years as a leveraged finance specialist and financial sponsor banker, most recently as a Managing Director in the Financial Sponsors Group at Bank of America Merrill Lynch. He previously worked in CIBC World Market’s Financial Sponsor Group in New York, and in the Leveraged Finance and Telecom Groups at JPMorgan & Co. in New York and London.

Each of the Fund’s primary portfolio managers has managed the Fund’s assets since inception. See “Management Arrangements—Portfolio Management” in the SAI for further information about the Fund’s portfolio managers’ compensation, other accounts managed by the portfolio managers and the portfolio managers’ ownership of securities in the Fund.

**Key Persons**

If any two of Vijay Rajguru, Leland Hart, Chris Barris or Kevin Cronk depart Alcentra or cease to manage/supervise the affairs of the Fund during the life of the Fund (referred to as a “key person event”):

- The Fund will issue public disclosure promptly, but in any event no later than 5 business days of the key person event;

- The Fund will cease making any new investments in the Direct Lending and Subordinated Loans Strategy or in any other Level 3 Investments until qualified replacement portfolio managers have been approved by the Board of Directors (or a committee of Independent Directors authorized by the Board to take such action);

- If the key person event takes place within the first year after the completion of this offering, the Fund will commence conducting periodic quarterly tender offers for up to 2.5% of the Fund’s Common Shares then outstanding, at the discretion of the Board of Directors;

- Within 90 days of the key person event, BNYM Investment Adviser and Alcentra will submit to the Board of Directors (or a committee of Independent Directors authorized by the Board to take such action) qualified replacement portfolio managers for its approval;

- The Board of Directors (or such committee of Independent Directors) will approve the qualified replacement portfolio managers through an affirmative vote of a majority of the Board of Directors (or such committee of Independent Directors);

- If the qualified replacement portfolio managers are not approved by the Board of Directors (or such committee of Independent Directors) within 90 days of the key person event, BNYM Investment Adviser and Alcentra shall make a presentation to the Board of Directors addressing the likely effect, if any, of the key person event on their ability to continue to effect the Fund’s investment program. Potential courses of action BNYM Investment Adviser and Alcentra may recommend and the Board of Directors may consider include, but are not limited to, the orderly wind-down of the Fund.
NET ASSET VALUE

The net asset value of the Common Shares will be computed based upon the value of the Fund's portfolio securities and other assets. To calculate net asset value, the Fund's assets are valued and totaled, liabilities are subtracted, and the balance is divided by the total number of Common Shares then outstanding.

The Fund’s Board of Directors has approved procedures pursuant to which the Fund will value its investments. In accordance with these procedures, the Fund’s investments for which market quotations are readily available are valued at market value. Market values for various types of securities and other instruments are determined on the basis of closing prices or last sales prices on an exchange or other market, or based on quotes or other market information obtained from quotation reporting systems, established market makers, brokers, data delivery vendors or independent pricing services as described below under “—Valuation of Fund Investments Generally.”

When market quotations are not readily available or are deemed to be inaccurate or unreliable, the Fund values its investments at fair value as determined in good faith pursuant to policies and procedures approved by the Fund’s Board of Directors. The Fund’s investments in directly originated loans and any other Level 3 Investments will be fair valued as described below under “—Fair Valuation of Investments.”

For purposes of the 1940 Act, the Fund’s net asset value generally will be calculated by BNYM Investment Adviser, in consultation with Alcentra, on a quarterly basis and in accordance with the valuation policies and procedures adopted by the Board. Although the Fund will make available a daily net asset value, Common Shareholders will not be able to transact on the basis of that net asset value. Daily net asset value information, which is provided by the Fund for informational purposes only, is subject to valuation risk, as discussed below under “—Publication of Daily Net Asset Value.”

Valuation of Fund Investments Generally

Credit Instruments. A majority of the Fund’s credit instruments, including syndicated loans and other debt securities, generally will be valued, to the extent possible, by one or more independent pricing services (each, a “Service”) approved by the Fund’s Board of Directors. When, in the judgment of the Service, quoted bid prices for investments are readily available and are representative of the bid side of the market, these investments are valued at the mean between the quoted bid prices (as obtained by a Service from dealers in such securities) and asked prices (as calculated by the Service based upon its evaluation of the market for such securities). The value of other credit instruments is determined by a Service based on methods which include consideration of: yields or prices of securities of comparable quality, coupon, maturity and type; indications as to values from dealers; and general market conditions. The Services are engaged under the general supervision of the Fund’s Board of Directors.

Overnight and certain other short-term debt securities and instruments (excluding Treasury bills) will be valued by the amortized cost method, which approximates value, unless a Service provides a valuation for such security or, in the opinion of the Board of Directors or a committee or other persons designated by the Fund’s Board of Directors, the amortized cost method would not represent fair value.

Foreign Securities and Foreign Currencies. Market quotations of foreign securities in foreign currencies and any Fund assets or liabilities initially expressed in terms of foreign currency are translated into U.S. dollars at the spot rate, and foreign currency forward contracts are valued using the forward rate obtained from a Service approved by the Fund’s Board of Directors. If the Fund has to obtain prices as of the close of trading on various exchanges throughout the world, the calculation of the Fund’s net asset value may not take place contemporaneously with the determination of prices of certain of the Fund’s portfolio securities. Fair value of foreign equity securities may be determined with the assistance of a Service using correlations between the movement of prices of foreign securities and indices of domestic securities and other appropriate indicators, such as closing market prices of relevant depositary receipts and futures contracts. The valuation of a security based on this fair value process may differ from the
security’s most recent closing price and from the prices used by other registered investment companies to
calculate their net asset values. Foreign securities held by the Fund may trade on days that the Fund is not
open for business.

**Options, Futures, Swaps and Other Derivatives.** Generally, OTC options and total return and credit
default swap agreements, and options thereon, will be valued by a Service. Equity-linked instruments
generally will be valued by the Service based on the value of the underlying reference asset(s). Futures
contracts will be valued at the most recent settlement price.

**Fair Valuation of Investments**

Restricted securities, as well as securities or other assets for which recent market quotations or official
closing prices are not readily available or are determined by BNYM Investment Adviser or Alcentra
not to reflect accurately fair value (such as when the value of a security has been materially affected by
events occurring after the close of the exchange or market on which the security is principally traded (for
example, a foreign exchange or market) but before the Fund calculates its net asset value), or which are not
valued by a Service, are valued at fair value as determined in good faith based on procedures approved by
the Board. Fair value of investments may be determined by the Board of Directors or its pricing committee
or the Fund’s valuation committee using such information as it deems appropriate. The factors that may
be considered when fair valuing a security include fundamental analytical data, the nature and duration
of restrictions on disposition, an evaluation of the forces that influence the market in which the securities
are purchased and sold, and public trading in similar securities of the issuer or comparable issuers. The
valuation of a security based on fair value procedures may differ from the prices used by other registered
investment companies to calculate their net asset values.

With respect to the Fund’s investments in directly originated loans and any other Level 3 Investments,
the Fund’s Board of Directors uses the services of one or more independent valuation firms to aid it in
determining the fair value of those investments typically on a quarterly basis. Any retained independent
valuation firm will have expertise in complex valuations associated with alternative investments and
utilize a variety of techniques to calculate an instrument’s valuation. The valuation approach may vary
by instrument but may include available current market data, including relevant and applicable market
trading and transaction comparables, applicable market yields and multiples, security covenants, call
protection provisions, information rights, the nature and realizable value of any collateral, the portfolio
company’s ability to make payments, its earnings and discounted cash flows, the markets in which the
portfolio company does business, comparisons of financial ratios of peer companies that are public, the
principal market and enterprise values, among other factors. In addition, the information available in the
marketplace for these portfolio companies, their securities and the status of their businesses and financial
conditions is often extremely limited, outdated and difficult to confirm. The most relevant information may
often be that information which is provided by the portfolio company. Given limitations around the nature,
timeliness and amount of information provided by the portfolio company, fair valuations may become
more difficult and uncertain if such information is unavailable, becomes outdated or is determined to be
unreliable. Because valuations may fluctuate over short periods of time and may be based on estimates,
fair value determinations may differ materially from the value received in an actual transaction. If Alcentra
reasonably believes information or a valuation recommendation from an independent valuation firm is
inaccurate or unreliable, Alcentra will consider recommending a different fair valuation to the Fund’s
Board of Directors.

Fair value represents a good faith approximation of the value of an asset or liability. The fair value of
one or more assets or liabilities may not, in retrospect, be the price at which those assets or liabilities could
have been sold during the period in which the particular fair values were used in determining the Fund’s
net asset value. As a result, the Fund’s issuance (including through dividend or distribution reinvestment)
or repurchase of Common Shares through tender offers at net asset value at a time when it owns securities
that are valued at fair value may have the effect of diluting or increasing the economic interest of existing
Common Shareholders. Fair values assigned to the Fund’s investments also will affect the amount of the
management fee and sub-advisory fee paid to BNYM Investment Adviser and Alcentra, respectively.
The Fund’s net asset value used in connection with any tender offer and calculation of management and sub-advisory fees will be determined on a quarterly basis in accordance with the valuation policies and procedures adopted by the Board.

The Fund’s Board of Directors, with the assistance of BNYM Investment Adviser and Alcentra, will periodically assess the valuation methodologies of the independent valuation firms and any Service used to value the Fund’s other investments.

**Publication of Daily Net Asset Value**

Because the Fund does not offer Common Shares for purchase or redemption on a daily basis, it is not required to, nor does it, determine a daily net asset value in accordance with the 1940 Act. The Fund will determine its net asset value quarterly for purposes of compliance with the 1940 Act, although it also will calculate and publish a daily net asset value. Common Shareholders are not able to transact in Common Shares on a daily basis and, as a result, should consider the daily net asset value provided by the Fund for informational purposes only. Common Shareholders should not rely on third-party information that uses the published daily net asset value to calculate the Fund’s performance. The Fund’s performance, based on its quarterly net asset value, will be provided in the Fund’s reports to shareholders.

Values for a majority of the Fund’s investments are expected to be available on a daily basis, including through the Services, and will be reflected in the Fund’s published daily net asset value. However, BNYM Investment Adviser and Alcentra anticipate that approximately 10-25% of the Fund’s net assets may be invested in directly originated loans and other Level 3 Investments. With respect to those investments, fair value determinations typically will be made by the Fund’s Board of Directors quarterly and monitored by BNYM Investment Adviser and Alcentra throughout the quarter. As a result, the quarterly value of a fair valued investment by the Fund used to calculate its daily net asset value may be stale. Furthermore, information that becomes known to the Fund or to BNYM Investment Adviser or Alcentra after the Fund’s net asset value has been calculated on a particular day will not be used to retroactively adjust the value of an investment or the Fund’s published net asset value for that day.

**DIVIDENDS AND DISTRIBUTIONS**

Commencing with the Fund’s initial distribution, the Fund intends to make regular quarterly cash distributions of all or a portion of its net investment income to Common Shareholders. The Fund will pay Common Shareholders at least annually all or substantially all of its investment company taxable income. The Fund expects to declare the initial quarterly dividend approximately 60 to 90 days after completion of this offering and to pay that initial quarterly dividend approximately 90 to 120 days after completion of this offering, depending on market conditions. The initial distribution may be lower than those the Fund anticipates making once the Fund has fully invested the proceeds of the offering in accordance with its investment objective.

The portion of distributions that exceeds the Fund’s current and accumulated earnings and profits, which are calculated under U.S. federal income tax principles, will constitute a non-taxable return of capital. If distributions in any tax year are less than the Fund’s current earnings and profits but are in excess of net investment income and net realized capital gains, such excess is not treated as a non-taxable return of capital but rather may be taxable to Common Shareholders at ordinary income rates even though it may economically represent a return of capital. Under certain circumstances, such taxable excess distributions could be significant.

Various factors will affect the level of the Fund’s income, including the asset mix, the average maturity of the Fund’s portfolio and the Fund’s use of hedging. To permit the Fund to maintain a more stable quarterly distribution, the Fund may from time to time distribute less than the entire amount of income earned in a particular period. The undistributed income would be available to supplement future distributions. As a result, the distributions paid by the Fund for any particular quarterly period may be
more or less than the amount of income actually earned by the Fund during that period. Undistributed income will add to the Fund's net asset value and, correspondingly, distributions from undistributed income will deduct from the Fund's net asset value.

Under normal market conditions, BNYM Investment Adviser and Alcentra will seek to manage the Fund in a manner such that the Fund's distributions are reflective of the Fund's current and projected earnings levels. The distribution level of the Fund is subject to change based upon a number of factors, including the current and projected level of the Fund's earnings, and may fluctuate over time.

If an investor's Common Shares are accepted for repurchase in a tender offer, upon acceptance, such tendered Common Shares will no longer be considered outstanding and therefore will no longer be entitled to receive distributions from the Fund.

The Fund reserves the right to change its distribution policy and the basis for establishing the rate of its quarterly distributions at any time and may do so without prior notice to Common Shareholders.

All distributions declared by the Fund, including any capital gains distributions on Common Shares, will be paid in cash. The Fund does not offer, and does not intend to offer, a Dividend Reinvestment Plan.

**DESCRIPTION OF SHARES**

**Common Shares**

The Fund is authorized to issue 100,000,000 shares of common stock, $0.001 par value per share. The Fund’s Board of Directors, with the approval of a majority of the entire Board and without action by the Fund's shareholders, may amend the Fund's Charter to increase or decrease the total number of shares of stock of the Fund or the number of shares of any class that the Fund has authority to issue. The Common Shares have no preemptive, conversion, exchange, redemption or appraisal rights. Each share has equal voting, dividend, distribution and liquidation rights. The Common Shares outstanding are, and those offered hereby when issued will be, fully paid and nonassessable. Common Shareholders are entitled to one vote per share. All voting rights for the election of Directors are noncumulative, which means that the holders of more than 50% of the Common Shares can elect 100% of the Directors then nominated for election (assuming the Fund has not issued any Preferred Shares) if they choose to do so and, in such event, the holders of the remaining Common Shares will not be able to elect any Directors. Whenever Preferred Shares and Borrowings are outstanding, Common Shareholders will not be entitled to receive any distributions from the Fund unless all accrued dividends on the Preferred Shares and interest and principal payments on Borrowings have been paid, and unless the applicable asset coverage requirements under the 1940 Act would be satisfied after giving effect to the distribution. See “—Preferred Shares” below.

The foregoing description and the description below under “Certain Provisions of the Charter and By-Laws” are subject to the provisions contained in the Fund’s Charter and By-Laws.

**Preferred Shares**

The Fund’s Charter authorizes the Fund’s Board of Directors, without approval of Common Shareholders, to classify any unissued Common Shares into one or more classes or series, including Preferred Shares, with rights as determined by the Fund’s Board of Directors. The Fund has no current intention to issue Preferred Shares. If the Fund’s Board of Directors determines to authorize such an offering, the terms of the Preferred Shares may be the same as, or different from, the terms described below, subject to applicable law and the Fund’s Charter.

**Limited Issuance of Preferred Shares and Borrowings.**

Under the 1940 Act, the Fund could issue Preferred Shares with an aggregate liquidation preference of up to one-half of the value of the Fund’s Managed Assets less liabilities other than Borrowings, measured immediately after issuance of the Preferred Shares. “Liquidation preference” means the original purchase price of the shares being liquidated plus any accrued and unpaid dividends. In addition, the
Fund is not permitted to declare any cash dividend or other distribution on its Common Shares unless the liquidation preference of the Preferred Shares is less than one-half of the value of the Fund’s assets less liabilities other than Borrowings (determined after deducting the amount of such dividend or distribution) immediately after the distribution. Under the requirements of the 1940 Act, the Fund, immediately after any Borrowings, must have an asset coverage of at least 300%. With respect to such Borrowings, asset coverage means the ratio which the value of the assets of the Fund, less liabilities other than Borrowings, bears to the aggregate amount of such Borrowings represented by senior securities issued by the Fund. Certain types of Borrowings may result in the Fund being subject to covenants in credit agreements relating to asset coverage or portfolio composition or otherwise. The Fund may purchase or redeem any Preferred Shares and/or reduce outstanding Borrowings if necessary to maintain required asset coverage.

In addition, the Fund may be subject to certain restrictions imposed by guidelines of one or more NRSROs which may issue ratings for Preferred Shares, if any, or commercial paper or notes issued by the Fund. Such restrictions may be more stringent than those imposed by the 1940 Act.

**Distribution Preference.** Any Preferred Shares would have complete priority over the Fund’s Common Shares.

**Liquidation Preference.** In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Fund, holders of Preferred Shares would be entitled to receive a preferential liquidating distribution (expected to equal the original purchase price per share plus accumulated and unpaid dividends thereon, whether or not earned or declared) before any distribution of assets is made to Common Shareholders.

**Voting Rights.** Preferred Shares are required to be voting shares and to have equal voting rights with Common Shares. Except as otherwise indicated in this prospectus or the SAI and except as otherwise required by applicable law, holders of Preferred Shares would vote together with Common Shareholders as a single class.

Holders of Preferred Shares, voting as a separate class, would be entitled to elect two of the Fund’s Directors. The remaining Directors would be elected by Common Shareholders and holders of Preferred Shares, voting together as a single class. In the unlikely event that two full years of accrued dividends are unpaid on the Preferred Shares, the holders of all outstanding Preferred Shares, voting as a separate class, would be entitled to elect a majority of the Fund’s Directors until all dividends in arrears have been paid or declared and set apart for payment. In order for the Fund to take certain actions or enter into certain transactions, a separate class vote of holders of Preferred Shares would be required, in addition to the combined single class vote of the holders of Preferred Shares and Common Shares.

**Redemption, Purchase and Sale of Preferred Shares.** The terms of the Preferred Shares may provide that they are redeemable at certain times, in whole or in part, at the original purchase price per share plus accumulated dividends. The terms may also state that the Fund may tender for or purchase Preferred Shares and resell any shares so tendered.

**CERTAIN PROVISIONS OF THE CHARTER AND BYLAWS**

The Fund has provisions in its Charter and Bylaws that could have the effect of limiting the ability of other entities or persons to acquire control of the Fund, to cause it to engage in certain transactions or to modify its structure.

The Fund’s Bylaws provide that with respect to any annual or special meeting of the Fund’s shareholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, the business must be specified in the notice of meeting, brought by or at the direction of the Board of Directors or brought by a shareholder of record both at the time of giving notice and at the time of the annual meeting, and who is entitled to vote at the meeting on each individual nominated for election to the Board or on such other business, and who complied with
the advance notice procedures of the Bylaws, and it must be a proper subject under applicable law for shareholder action. To be properly brought before a special meeting, the business must be specified in the notice of meeting, and it must be a proper subject under applicable law for shareholder action.

The affirmative vote of at least 75% of the entire Board of Directors is required to authorize the conversion of the Fund from a closed-end to an open-end fund. Such conversion, or any amendment to the Charter to effect such conversion, also requires the affirmative vote of the holders of at least 75% of the votes entitled to be cast thereon by the Fund’s shareholders unless it is approved by a vote of at least 75% of the Continuing Directors (as defined below), in which event such conversion or amendment requires the approval of the holders of a majority of the votes entitled to be cast thereon by the shareholders of the Fund.

A “Continuing Director” is any member of the Board of Directors who (i) is not a person or affiliate of a person who enters or proposes to enter into a Business Combination (as defined below) with the Fund (an “Interested Party”) and (ii) who has been a member of the Board of Directors for a period of at least 12 months, or has been a member of the Board of Directors since the initial public offering of the Common Shares, or is a successor of a Continuing Director who is unaffiliated with an Interested Party and is recommended to succeed a Continuing Director by a majority of the Continuing Directors then on the Board of Directors. Any amendment to the Charter to change any of the provisions described in this paragraph and the preceding paragraph must be approved by 75% of the entire Board of Directors and approved by the affirmative vote of at least 75% of the votes entitled to be cast on the matter.

The affirmative vote of at least 75% of the entire Board of Directors and the holders of at least (i) 80% of the votes entitled to be cast thereon by the shareholders of the Fund and (ii) in the case of a Business Combination, 66-2/3% of the votes entitled to be cast thereon by the shareholders of the Fund other than votes entitled to be cast by an Interested Party who is (or whose affiliate is) a party to a Business Combination or an affiliate or associate of the Interested Party, are required to authorize any of the following transactions:

(i) any merger, consolidation or statutory share exchange of the Fund with or into any other entity;

(ii) any issuance or transfer by the Fund (in one or a series of transactions in any 12-month period) of any securities of the Fund to any person or entity for cash, securities or other property (or combination thereof) having an aggregate fair market value of $1,000,000 or more, excluding (a) issuances or transfers of debt securities of the Fund, (b) sales of securities of the Fund in connection with a public offering, (c) issuances of securities of the Fund pursuant to a dividend reinvestment plan adopted by the Fund, (d) issuances of securities of the Fund upon the exercise of any stock subscription rights distributed by the Fund and (e) portfolio transactions effected by the Fund in the ordinary course of business;

(iii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition by the Fund (in one or a series of transactions in any 12 month period) to or with any person or entity of any assets of the Fund having an aggregate fair market value of $1,000,000 or more except for portfolio transactions (including pledges of portfolio securities in connection with Borrowings) effected by the Fund in the ordinary course of its business (transactions within clauses (i) and (ii) and this clause (iii) above being known individually as a “Business Combination”);

(iv) any voluntary liquidation or dissolution of the Fund or an amendment to the Charter to terminate the Fund’s existence; or

(v) any shareholder proposal as to specific investment decisions made or to be made with respect to the Fund’s assets as to which shareholder approval is required under federal or Maryland law.

However, the shareholder vote described above will not be required with respect to the foregoing transactions (other than those set forth in (v) above) if they are approved by a vote of at least 75% of the Continuing Directors. In that case, if Maryland law requires shareholder approval, the affirmative vote of a majority of votes entitled to be cast thereon shall be required and if Maryland law does not require shareholder approval, no shareholder approval will be required. The Fund’s Bylaws contain provisions
the effect of which is to prevent matters, including nominations of Directors, from being considered at an annual meeting of shareholders where the Fund has not received notice of the matters generally no earlier than the 150th day nor later than 5:00 p.m., Eastern time, on the 120th day prior to the first anniversary date of the proxy statement for the preceding year's annual meeting.

The Board of Directors has determined that the foregoing voting requirements, which are generally greater than the minimum requirements under Maryland law and the 1940 Act, are in the best interest of the Fund’s shareholders generally.

Reference is made to the Charter and Bylaws of the Fund, on file with the SEC, for the full text of these provisions. These provisions could have the effect of discouraging a third party from seeking to obtain control of the Fund in a tender offer or similar transaction. On the other hand, these provisions may require persons seeking control of a Fund to negotiate with its management regarding the price to be paid for the shares required to obtain such control, they promote continuity and stability and they enhance the Fund’s ability to pursue long-term strategies that are consistent with its investment objective.

CLOSED-END FUND STRUCTURE

The Fund is a non-diversified, closed-end management investment company with no operating history (commonly referred to as a closed-end fund). Closed-end funds differ from open-end funds (which are generally referred to as mutual funds) in that closed-end funds do not redeem their shares at the request of the shareholder. In a mutual fund, if the shareholder wishes to sell shares of the fund, the mutual fund will redeem or buy back the shares at net asset value. Also, mutual funds generally offer new shares on a continuous basis to new investors and closed-end funds generally do not. The continuous inflows and outflows of assets in a mutual fund can make it difficult to manage the fund’s investments. By comparison, closed-end funds are generally able to stay more fully invested in securities that are consistent with their investment objectives and also have greater flexibility to make certain types of investments and to use certain investment strategies, such as financial leverage and investments in illiquid securities.

Unlike traditional listed closed-end funds which list their common shares for trading on a securities exchange, the Fund does not intend to list the Common Shares on any securities exchange. Therefore, investors should not expect to be able to sell their Common Shares regardless of how the Fund performs. The Fund is designed for long-term investors and an investment in the Common Shares, unlike an investment in a traditional listed closed-end fund, should be considered illiquid. Investors should consider that they may not have access to the money they invest until the Termination Date. An investment in the Common Shares is not suitable for investors who need access to the money they invest.

LIMITED TERM

In accordance with its Charter, the Fund will terminate at the close of business on the Termination Date, which will be the sixth anniversary of the closing date of the Fund’s initial public offering. The Board may choose to commence the liquidation and termination of the Fund prior to the Termination Date, which would cause the Fund to miss any market appreciation that occurs after the termination is implemented.

The Board may also, in its sole discretion and without shareholder approval, extend the Termination Date by up to one year to a date on or before 2026, the seventh anniversary of the Fund’s initial public offering, which date shall then become the Termination Date. The Board may, to the extent it deems appropriate and without shareholder approval, adopt a plan of liquidation at any time preceding the anticipated Termination Date, which plan of liquidation may set forth the terms and conditions for implementing the termination of the Fund’s existence, including the commencement of the winding down of its investment operations (the “wind-down period”) and the making of one or more liquidating distributions to Common Shareholders prior to the Termination Date. Under normal market conditions, the Fund currently expects to commence the wind-down period approximately six months before the Termination Date; however, the Fund retains broad flexibility to liquidate its portfolio, wind up its business and make liquidating distributions to Common Shareholders in a manner and on a schedule it believes...
will best contribute to the achievement of its investment objective. Accordingly, during the wind-down period and as the Fund nears the Termination Date, BNYM Investment Adviser and Alcentra may begin liquidating all or a portion of the Fund's portfolio through opportunistic sales. During this time, the Fund may not achieve its investment objective, comply with the investment guidelines described in this prospectus or be able to sustain its historical distribution levels.

The Fund intends to limit its investment in instruments in the Direct Lending and Subordinated Loans Strategy and in any other Level 3 Investments that, in each case, have a maturity date beyond the Termination Date if, immediately after the investment, those investments would exceed 5% of the Fund's total assets; provided, however, the Fund may exceed this amount if approved by a majority of the Fund's Board of Directors (or a designated committee of Independent Directors).

Although it is anticipated that the Fund will have distributed substantially all of its net assets to Common Shareholders as soon as practicable after the Termination Date, securities for which no market exists or securities trading at depressed prices, if any, may be placed in a liquidating trust. Securities placed in a liquidating trust may be held for an indefinite period of time, potentially several years or longer, until they can be sold or pay out all of their cash flows. During such time, Common Shareholders will be exposed to the risks associated with the securities held in the liquidating trust and the value of their interest in the liquidating trust will fluctuate with the value of the liquidating trust's remaining assets. To the extent the costs associated with a liquidating trust exceed the value of the remaining securities, the liquidating trust trustees may elect to write off or donate the remaining securities to charity. The Fund cannot predict the amount, if any, of securities that will be required to be placed in a liquidating trust or how long it will take to sell or otherwise dispose of such securities.

As soon as practicable after the Termination Date, the Fund will complete the liquidation of its portfolio (to the extent possible and not already liquidated), retire or redeem its leverage facilities (to the extent not already retired or redeemed), distribute all of its liquidated net assets to its Common Shareholders (to the extent not already distributed), and the Fund will cease to exist under Maryland law.

The Fund is not a target term fund and thus does not seek to return its initial public offering price of $100.00 per Common Share upon termination. The final distribution of net assets upon termination may be more than, equal to or less than $100.00 per Common Share.

**PERIODIC TENDER OFFERS**

In recognition that a secondary market for the Common Shares likely will not exist, beginning approximately one year after the completion of this offering and ending upon the adoption of a plan of liquidation, the Fund intends, but is not obligated, to conduct quarterly tender offers for up to 2.5% of the Common Shares then outstanding in the sole discretion of its Board of Directors. In determining whether the Fund should conduct a tender offer, the Board of Directors will consider the recommendation of BNYM Investment Adviser and Alcentra, as well as a variety of operational, business and economic factors. In any given quarter, BNYM Investment Adviser and Alcentra may or may not recommend to the Board that the Fund conduct a tender offer, and even if BNYM Investment Adviser and Alcentra do recommend to the Board that the Fund conduct a tender offer, the Board may not approve such recommendation. For example, if adverse market conditions cause the Fund's investments to become illiquid or trade at depressed prices or if BNYM Investment Adviser and Alcentra believe that conducting a tender offer for 2.5% or less of the Common Shares then outstanding would impose an undue burden on Common Shareholders who do not tender compared to the benefits of giving Common Shareholders the opportunity to sell all or a portion of their shares of Common Shares at net asset value, the Fund may choose not to conduct a tender offer or may choose to conduct a tender offer for less than 2.5% of the Common Shares then outstanding. Accordingly, there may be periods during which no tender offer is made, and it is possible that no tender offers will be conducted during the term of the Fund. If a tender offer is not made during the life of the Fund, Common Shareholders may not be able to sell their Common Shares as it is unlikely that a
secondary market for the Common Shares will develop or, if a secondary market does develop, Common Shareholders may be able to sell their Common Shares only at substantial discounts from net asset value. The Fund is designed primarily for long-term investors, who are prepared to hold the Common Shares until the expiration of the Fund’s term, and an investment in Common Shares should be considered illiquid.

In any quarterly tender offer, the Fund currently expects to offer to purchase outstanding Common Shares at the Fund’s most recent quarter-end net asset value (or a percentage thereof), as determined in accordance with the Fund’s valuation procedures. The Fund’s net asset value may change materially after a tender is completed in connection with the next quarter-end net asset value determination. The Fund’s daily published net asset value also may vary, perhaps materially, during any tender offer period from the net asset value (or percentage thereof) at which the Fund is offering to purchase outstanding Common Shares.

The Fund anticipates selling portfolio investments to fund tender offers. However, subject to the Fund’s investment restriction with respect to leverage, the Fund may utilize leverage to finance the repurchase of Common Shares pursuant to any tender offers. However, there can be no assurance that the Fund will be able to obtain such financing for tender offers if it attempts to do so. The use of Borrowings to finance the repurchase of Common Shares will reduce the Fund’s net investment income and further increase the Fund’s expenses borne by Common Shareholders, in addition to the increase in pro rata expenses that will result from having a smaller base of assets after any such tender offers over which to spread fixed expenses.

Although tender offers generally would be beneficial to Common Shareholders by providing them with some ability to sell their Common Shares at (or close to) net asset value, the acquisition of Common Shares by the Fund will decrease the total assets of the Fund. Tender offers are, therefore, likely to increase the Fund’s expense ratio, may result in untimely sales of portfolio securities, increase the percentage of the Fund’s assets invested in illiquid securities and/or may limit the Fund’s ability to participate in new investment opportunities. To the extent the Fund maintains a cash position to satisfy Fund purchases of its Common Shares, the Fund would not be fully invested, which may reduce the Fund’s investment performance. In order to fund purchase requests by Common Shareholders, the Fund may be required to sell its more liquid, higher quality portfolio securities to raise funds to purchase Common Shares that are tendered, which may increase risks for remaining Common Shareholders. Consummating a tender offer may require the Fund to liquidate portfolio securities, and realize gains or losses, at a time when BNYM Investment Adviser and Alcentra would otherwise consider it disadvantageous to do so.

While the Fund intends to conduct quarterly tender offers as described herein, the Fund is not required to do so and may amend, suspend or terminate any such tender offer program at any time. Common Shareholders have no right to require the Fund to redeem their Common Shares. Quarterly tender offers may be delayed or discontinued at any time.

It is the Fund’s announced policy, which may be changed by the Fund’s Board of Directors, not to purchase Common Shares pursuant to a tender offer if (1) such purchases would impair the Fund’s status as a regulated investment company under the U.S. federal income tax laws (which would cause the Fund’s income to be taxed at the corporate level in addition to the taxation of Common Shareholders who receive distributions from the Fund); (2) the Fund would not be able to liquidate portfolio securities in a manner that is orderly and consistent with the Fund’s investment objective and policies in order to purchase Common Shares tendered pursuant to the tender offer; or (3) there is, in the Board of Directors’ judgment, any (a) legal action or proceeding instituted or threatened challenging the tender offer or otherwise materially adversely affecting the Fund, (b) declaration of a banking moratorium by Federal or state authorities or any suspension of payment by banks in the United States or New York State, which is material to the Fund, (c) limitation imposed by Federal or state authorities on the extension of credit by lending institutions, (d) commencement of war, armed hostilities, acts of terrorism or other international or national calamity directly or indirectly involving the United States that in the sole determination of the Board of Directors is material to the Fund, or (e) other events or conditions that would have a material adverse effect on the Fund or its Common Shareholders if Common Shares tendered pursuant to the tender offer.
offer were purchased. Thus, there can be no assurance that the Fund’s Board of Directors will proceed with any tender offer. The Board of Directors may modify these conditions in light of circumstances existing at the time. The Fund may not purchase Common Shares to the extent such purchases would result in the asset coverage with respect to any Borrowing being reduced below the asset coverage requirement set forth in the 1940 Act. Accordingly, in order to purchase all Common Shares tendered, the Fund may have to repay all or part of any then outstanding Borrowing to maintain the required asset coverage. In addition, the amount of Common Shares for which the Fund makes any particular tender offer may be limited for the reasons set forth above or in respect of other concerns related to the Fund’s portfolio or the impact of the tender offer on those Common Shareholders who do not tender their Common Shares in the offer.

If a tender offer is oversubscribed, the Fund will generally repurchase a pro rata portion of the Common Shares tendered by each Common Shareholder. As a result, the Fund may repurchase less than the full amount of Common Shares that a Common Shareholder tenders. However, the Fund’s Board of Directors, in its discretion, subject to applicable law, may amend a tender offer to include all or part of the oversubscribed amounts.

If an investor’s Common Shares are accepted for repurchase in a tender offer, upon acceptance, such tendered Common Shares will no longer be considered outstanding. Accordingly, such Common Shares will cease to have any voting rights and holders of such shares will no longer be entitled to receive distributions declared by the Fund after such Common Shares have been accepted for repurchase.

Each tender offer would be made, and Common Shareholders would be notified, in accordance with the requirements of the Exchange Act and the 1940 Act, either by publication or mailing or both. The tender offer documents will contain information prescribed by such laws and the rules and regulations promulgated thereunder. The purchase of tendered Common Shares by the Fund is a taxable event to those Common Shareholders. See “Certain Material U.S. Federal Income Tax Consequences.” The Fund currently expects to pay all costs and expenses associated with the making of any tender offer. Selected securities dealers or other financial intermediaries may charge a processing fee to confirm a purchase of Common Shares by the Fund pursuant to a tender offer.

CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following discussion is a general summary of certain material U.S. federal income tax considerations applicable to the Fund and the Common Shareholders, including the Fund’s qualification and taxation as a RIC for U.S. federal income tax purposes under Subchapter M of the Code and to the acquisition, ownership, and disposition of shares in the Fund’s Common Shares.

This discussion does not purport to be a complete description of all of the tax considerations relating thereto. In particular, the Fund has not described certain considerations that may be relevant to certain types of Common Shareholders subject to special treatment under U. S. federal income tax laws, including Common Shareholders subject to the alternative minimum tax, insurance companies, dealers in securities, traders in securities that elect to use a mark-to-market method of accounting for securities holdings, pension plans and trusts, real estate investment trusts, regulated investment companies, tax exempt organizations, financial institutions, persons who hold Common Shares as part of a straddle or a hedging or conversion transaction, Common Shareholders that are treated as partnerships for U.S. federal income tax purposes, and U.S. shareholders (as defined below) whose functional currency is not the U.S. dollar. This discussion assumes that Common Shareholders hold Common Shares as capital assets (within the meaning of the Code) and does not address owners of a Common Shareholder. This discussion is based upon the Code, its legislative history, U.S. Treasury regulations (including temporary and proposed regulations), published rulings and court decisions, each as of the date of this prospectus and all of which are subject to change, possibly with retroactive effect, which could affect the continuing accuracy of this discussion. The Fund has not sought and will not seek any ruling from the Internal Revenue Service (the “IRS”) regarding the offering of its Common Shares pursuant to this prospectus or the statement of additional information. Accordingly, there can be no assurance that the IRS would not assert, and that
a court would not sustain, a position contrary to any of the tax consequences discussed herein. This discussion does not discuss any aspects of U.S. estate or gift tax or foreign, state or local tax nor does it discuss the special treatment under U.S. federal income laws that could result if the Fund invests in tax-exempt securities or certain other investment assets.

A “U.S. shareholder” is a beneficial owner of Common Shares that is for U.S. federal income tax purposes:

• a citizen or individual resident of the United States;
• a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or any state thereof or the District of Columbia;
• a trust, if a court within the United States has primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions, or the trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a domestic trust for U.S. federal income tax purposes; or
• an estate, the income of which is subject to U.S. federal income taxation regardless of its source.

A “non-U.S. shareholder” is a beneficial owner of Common Shares that is neither a U.S. shareholder nor an entity treated as a partnership for U.S. federal income tax purposes.

If a partnership (including an entity treated as a partnership for U.S. federal income tax purposes) holds Common Shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Prospective beneficial owners of Common Shares that are partnerships or partners in such partnerships should consult their own tax advisers with respect to the purchase, ownership and disposition of Common Shares.

Tax matters are very complicated and the tax consequences to Common Shareholders will depend on the facts of their particular situation. Common Shareholders are encouraged to consult their own tax advisers regarding the specific consequences of such an investment, including tax reporting requirements, the applicability of U.S. federal, state, local and foreign tax laws, eligibility for the benefits of any applicable tax treaty and the effect of any possible changes in the tax laws.

**Taxation of the Fund**

**RIC Qualification Requirements**

The Fund will elect to be treated as, and intends to continue to qualify in each taxable year as, a RIC under Subchapter M of the Code, and the remainder of this discussion so assumes. If the Fund qualifies as a RIC and satisfies certain annual distribution requirements, described below, then the Fund generally will not be subject to U.S. federal income tax on the portion of its investment company taxable income and net capital gain (generally, net long-term capital gain in excess of net short-term capital loss) that it timely distributes (or is deemed to distribute) to Common Shareholders. The Fund will be subject to U.S. federal income tax at the regular corporate rates on any income or capital gain not distributed (or deemed distributed) to Common Shareholders.

The Fund will be subject to a 4% nondeductible U.S. federal excise tax on certain undistributed income unless it distributes in a timely manner an amount at least equal to the sum of (1) 98% of its ordinary income for each calendar year, (2) 98.2% of its net capital gain income (both long-term and short-term) for the one-year period ending October 31 in that calendar year and (3) any income realized, but not distributed, in preceding years (to the extent that income tax was not imposed on such amounts) less certain over-distributions in prior years (collectively, the “Excise Tax Requirement”). Any ordinary income or net capital gain income retained by the Fund that is subject to corporate income tax for the tax year ending in that calendar year will be considered to have been distributed by year end (or earlier if estimated taxes are paid).
To qualify as a RIC for U.S. federal income tax purposes, the Fund generally must, among other things, meet the following tests:

“90% Income Test”

- derive in each taxable year at least 90% of its gross income from (a) dividends, interest, payments with respect to certain securities loans, gains from the sale of stock, foreign currencies, other securities or other income derived with respect to its business of investing in such stock, securities or currencies, or (b) net income derived from an interest in a “qualified publicly traded partnership,” or “QPTP”; and

“Diversification Tests”

- diversify its holdings so that at the end of each quarter of the taxable year:
  - at least 50% of the value of its assets consists of cash, cash equivalents, U.S. Government securities, securities of other RICs and other securities that, with respect to any issuer, do not represent more than 5% of the value of its assets or more than 10% of the outstanding voting securities of that issuer; and
  - no more than 25% of the value of its assets is invested in the securities, other than U.S. Government securities or securities of other RICs, of (i) one issuer, (ii) two or more issuers that are controlled, as determined under applicable tax rules, by the Fund and that are engaged in the same or similar or related trades or businesses or (iii) securities of one or more QPTPs

“Annual Distribution Requirement”

- distribute with respect to each taxable year at least 90% of the sum of its investment company taxable income (determined without regard to the dividends paid deduction) and net tax exempt interest income, if any, for such year.

In general, for purposes of the 90% Income Test described above, items of income derived from an investment in an entity or arrangement that is treated as a partnership for U.S. federal income tax purposes generally will be treated as qualifying income only to the extent they are attributable to items of the partnership that would be qualifying income if realized by a RIC. However, as noted above, 100% of the net income derived from an interest in a QPTP (generally a publicly traded partnership that is eligible to be treated as a partnership under the Code, other than a publicly traded partnership that derives 90% of its income from the sources described in clause (a) of the 90% Income Test) is qualifying income for purposes of the 90% Income Test. Although income from a QPTP is qualifying income for purposes of the 90% Income Test, investment in QPTPs cannot exceed 25% of a fund’s assets.

The Fund may be required to recognize taxable income in circumstances in which it does not receive cash, such as income from hedging arrangements, certain foreign currency transactions, or debt instruments subject to the original issue discount (“OID”) rules. For example, if the Fund holds debt obligations that are treated under applicable tax rules as having OID (such as debt instruments with PIK interest or, in certain cases, that have increasing interest rates or that are issued with warrants), the Fund must include in income each year a portion of the OID that accrues over the life of the obligation, regardless of whether cash representing such income is received by the Fund in the same taxable year. Because any OID or other amounts accrued will be included in the Fund’s investment company taxable income for the year of accrual, the Fund may be required to make a distribution to Common Shareholders in order to satisfy the Annual Distribution Requirement and/or the Excise Tax Requirement, even though it will not have received any corresponding cash in respect of the underlying investment.

The Fund’s functional currency is the U.S. dollar for U.S. federal income tax purposes. Gains or losses attributable to fluctuations in exchange rates between the time the Fund accrues income, expenses or other liabilities denominated in a currency other than the U.S. dollar and the time the Fund actually collects such income or pays such expenses or liabilities may be treated as ordinary income or loss. Similarly, gains or
losses on foreign currency forward contracts, the disposition of debt denominated in a foreign currency and other financial transactions denominated in foreign currency, to the extent attributable to fluctuations in exchange rates between the acquisition and disposition dates, may also be treated as ordinary income or loss.

If the Fund fails to satisfy the 90% Income Test or the Diversification Tests in any taxable year, the Fund may be eligible for relief provisions if the failures are due to reasonable cause and not willful neglect and if a penalty tax is paid with respect to each failure to satisfy the applicable requirements. Additionally, relief is provided for certain de minimis failures of the Diversification Tests where the Fund corrects the failure within a specified period. If the applicable relief provisions are not available or cannot be met, all of the Fund’s income would be subject to corporate-level income tax. The Fund cannot provide assurance that it would qualify for any such relief should it fail the 90% Income Test or the Diversification Tests.

If the Fund fails to satisfy the Annual Distribution Requirement or otherwise fails to qualify as a RIC in any taxable year, and is not eligible for relief as described above, the Fund will be subject to tax in that year on all of its taxable income, regardless of whether the Fund makes any distributions to Common Shareholders. In that case, all of the Fund’s income will be subject to corporate-level income tax, reducing the amount available to be distributed to Common Shareholders, and Common Shareholders would no longer be eligible for the benefits related to the Fund’s treatment as a RIC, for example the benefits of the interest related dividends rules. See the section titled “Taxation of U.S. Shareholders.”

Capital Loss Carryforwards

A RIC may not use any net capital losses (i.e., realized capital losses in excess of realized capital gains) to offset its investment company taxable income, but is permitted to carry forward a net capital loss to offset capital gain indefinitely. The excess of the Fund’s net short-term capital loss over its net long-term capital gain is treated as a short-term capital loss arising on the first day of its next taxable year and the excess of the Fund’s net long-term capital loss over its net short-term capital gain is treated as a long-term capital loss arising on the first day of the Fund’s next taxable year. If future capital gain is offset by carried-forward capital losses, such future capital gain is not subject to Fund-level U.S. federal income tax, regardless of whether distributed to Common Shareholders. A RIC cannot carry back or carry forward any net operating losses. Further, a RIC’s deduction of net business interest expense is limited to its “business interest income,” plus 30% of its “adjusted taxable income,” plus its “floor plan financing interest expense.” Due to these limits on the deductibility of expenses, net capital losses and business interest expenses, there may be circumstances in which the Fund may, for U.S. federal income tax purposes, have aggregate taxable income that the Fund is required to distribute and that is taxable to stockholders even if this income is greater than the aggregate net income the Fund actually earned during those years.

Although in general the passive loss rules of the Code do not apply to RICs, such rules do apply to a RIC with respect to items attributable to an interest in a QPTP. The Fund’s investments in partnerships, including in QPTPs, may result in the Fund being subject to state, local or foreign income, franchise or withholding tax liabilities.

Taxation of U.S. Shareholders

This section is applicable to Common Shareholders that are U.S. shareholders. If you are a non-U.S. shareholder, this section does not apply to you; please see the section titled “Taxation of Non-U.S. Shareholders.”

Fund Distributions

Distributions by the Fund generally are taxable to U.S. shareholders as ordinary income or long-term capital gain. Distributions of the Fund’s investment company taxable income (which is, generally, its U.S. federal taxable income excluding net capital gain subject to certain statutory adjustments) will be taxable as ordinary income to U.S. shareholders to the extent of the Fund’s current and accumulated earnings and profits. Distributions of the Fund’s net capital gain (which generally is the excess of the Fund’s net long-term capital gain over its net short-term capital loss) properly reported by the Fund as “capital gain dividends” will be taxable to U.S. shareholders as long-term capital gains (which, under current law, are
taxed at preferential rates in the case of individuals, trusts or estates). This is true regardless of U.S. shareholders' holding periods for their Common Shares. Distributions in excess of the Fund's earnings and profits first will reduce a U.S. shareholder's adjusted tax basis in such shareholder's Common Shares and, after the adjusted tax basis is reduced to zero, will constitute capital gain to such U.S. shareholder.

Although the Fund currently intends to distribute any of its net capital gain for each taxable year on a timely basis, the Fund may in the future decide to retain some or all of its net capital gain, and may designate the retained amount as a “deemed distribution.” In that case, among other consequences, the Fund will pay tax on the retained amount, each U.S. shareholder will be required to include such shareholder’s share of the deemed distribution in income as if it had been actually distributed to the U.S. shareholder, and the U.S. shareholder will be entitled to claim a credit equal to such shareholder’s allocable share of the tax paid thereon by the Fund. The amount of the deemed distribution net of such tax will be added to the U.S. shareholder’s adjusted tax basis for such shareholder’s Common Shares or Preferred Shares, if any.

In general, dividends (other than capital gain dividends) paid by the Fund to U.S. individual shareholders may be eligible for preferential tax rates applicable to long-term capital gain to the extent that the Fund's income consists of dividends paid by U.S. corporations and certain “qualified foreign corporations” on shares that have been held by the Fund for at least 61 days during the 121-day period commencing 60 days before the shares become ex-dividend. Dividends paid on shares held by the Fund will not be taken into account in determining the applicability of the preferential maximum tax rate to the extent that the Fund is under an obligation (pursuant to a short sale or otherwise) to make related payments with respect to positions in substantially similar or related property. Dividends paid by REITs are not generally eligible for the preferential maximum tax rate. Distributions out of current or accumulated earnings and profits also generally will not be eligible for the 20% pass through deduction under Section 199A of the Code. Further, a “qualified foreign corporation” does not include any foreign corporation, which for its taxable year in which its dividend was paid, or the preceding taxable year, is a passive foreign investment company (“PFIC,” discussed below). In order to be eligible for the preferential rate, the U.S. shareholder must have held his or her Common Shares for at least 61 days during the 121-day period commencing 60 days before the Fund Common Shares become ex-dividend. Additional restrictions on a U.S. shareholder’s qualification for the preferential rate may apply.

In general, dividends (other than capital gain dividends) paid by the Fund to U.S. shareholders that are taxable as corporations for U.S. federal income tax purposes may be eligible for the dividends received deduction to the extent that the Fund’s income consists of dividends paid by U.S. corporations (other than REITs) on shares that have been held by the Fund for at least 46 days during the 91-day period commencing 45 days before the shares become ex-dividend. Dividends paid on shares held by the Fund generally will not be taken into account for this purpose to the extent the stock on which the dividend is paid is considered to be “debt-financed” (generally, acquired with borrowed funds), or to the extent that the Fund is under an obligation (pursuant to a short sale or otherwise) to make related payments with respect to positions in substantially similar or related property. Moreover, the dividend received deduction may be disallowed or reduced if the corporate U.S. shareholder fails to satisfy the foregoing holding period and other requirements with respect to its Common Shares of the Fund or by application of the Code.

An additional 3.8% surtax is imposed on certain net investment income (including ordinary dividends and capital gain distributions received from a RIC and net gains from redemptions or other taxable dispositions of RIC shares) of U.S. individuals, estates and certain trusts. The tax applies to the lesser of (i) such net investment income (or, in the case of an estate or trust, its undistributed net investment income), and (ii) the excess, if any, of such person’s “modified adjusted gross income” (or, in the case of an estate or trust, its “adjusted gross income”) over a threshold amount. For these purposes, “net investment income” generally includes interest and taxable distributions and deemed distributions paid with respect to shares of common stock, and net gain attributable to the disposition of common stock (in each case, unless the shares of common stock are held in connection with certain trades or businesses), but will be reduced by any deductions properly allocable to these distributions or this net gain.
Sale of Common Shares

A U.S. shareholder generally will recognize taxable gain or loss if the U.S. shareholder sells or otherwise disposes of such shareholder's Common Shares. The amount of gain or loss will be measured by the difference between such U.S. shareholder's adjusted tax basis in the Common Shares sold and the amount of the proceeds received in exchange. Any gain arising from such sale or disposition generally will be treated as long-term capital gain or loss if the U.S. shareholder has held such Common Shares for more than one year. Otherwise, such gain or loss will be classified as short-term capital gain or loss. However, any capital loss arising from the sale or disposition of Common Shares held for six months or less will be treated as long-term capital loss to the extent of the amount of capital gain dividends received, or undistributed capital gain deemed received, with respect to such Common Shares. In addition, all or a portion of any loss recognized upon a disposition of Common Shares may be disallowed if substantially identical stock or securities are purchased within 30 days before or after the disposition.

The repurchase of Common Shares by the Fund generally will be a taxable transaction for U.S. federal income tax purposes, either as a sale or exchange or, under certain circumstances, as a dividend. A repurchase of Common Shares generally will be treated as a sale or exchange if the receipt of cash by the shareholder results in a "complete redemption" of the U.S. shareholder's interest in the Fund or is "substantially disproportionate" or "not essentially equivalent to a dividend" with respect to the shareholder. In determining whether any of these tests have been met, Common Shares actually owned and Common Shares considered to be owned by the U.S. shareholder by reason of certain constructive ownership rules generally must be taken into account. If any of the tests for sale or exchange treatment is met, a U.S. shareholder generally will recognize capital gain or loss (which will be treated in the same manner as described above) equal to the difference between the amount of cash received by the U.S. Shareholder and the adjusted tax basis of the Common Shares repurchased.

If none of the tests for sale or exchange treatment is met, the amount received by a U.S. shareholder on a repurchase of Common Shares by the Fund will be taxable to the U.S. shareholder as a dividend to the extent of such U.S. shareholder's allocable share of the Fund's current and accumulated earnings and profits. The excess of such amount received over the portion that is taxable as a dividend would constitute a non-taxable return of capital (to the extent of the U.S. shareholder's adjusted tax basis in the Common Shares sold), and any amount in excess of the U.S. shareholder's adjusted tax basis would constitute taxable capital gain. Any remaining tax basis in the Common Shares repurchased by the Fund will be transferred to any remaining Common Shares held by such U.S. shareholder. In addition, if a repurchase of Common Shares is treated as a dividend to the tendering U.S. shareholder, a constructive dividend may result to a non-tendering U.S. shareholder whose proportionate interest in the earnings and assets of the Fund has been increased by such repurchase.

Tax Shelter Reporting Regulations

Under U.S. Treasury regulations, if a U.S. shareholder recognizes a loss with respect to common stock of the Fund in excess of $2 million or more for a non-corporate U.S. shareholder or $10 million or more for a corporate U.S. shareholder in any single taxable year, such shareholder must file with the IRS a disclosure statement on Form 8886. Direct investors of “portfolio securities” in many cases are excepted from this reporting requirement, but under current guidance, equity owners of a RIC are not excepted. The fact that a loss is reportable under these regulations does not affect the legal determination of whether the taxpayer’s treatment of the loss is proper. Significant monetary penalties apply to a failure to comply with this reporting requirements. States may also have a similar reporting requirement. U.S. shareholders should consult their tax advisor to determine the applicability of these regulations in light of their individual circumstances.

Taxation of Non-U.S. Shareholders

This section applies to non-U.S. shareholders. If you are not a non-U.S. shareholder it does not apply to you.
Distributions of the Fund’s investment company taxable income to non-U.S. shareholders generally will be subject to U.S. withholding tax (unless lowered or eliminated by an applicable income tax treaty) to the extent payable from the Fund’s current and accumulated earnings and profits unless an exception applies. A RIC that traces the source of interest related dividends may, in certain circumstances, pay such dividends without withholding. However, the Fund may not be able to obtain the information necessary to employ tracing and, therefore, non-U.S. shareholders may not be able to avoid withholding in this circumstance.

If a non-U.S. shareholder receives distributions and such distributions are effectively connected with a U.S. trade or business of the non-U.S. shareholder and, if an income tax treaty applies, attributable to a permanent establishment in the United States of such non-U.S. shareholder, such distributions generally will be subject to U.S. federal income tax at the rates applicable to U.S. persons. In that case, the Fund will not be required to withhold U.S. federal income tax if the non-U.S. shareholder complies with applicable certification and disclosure requirements. Special certification requirements apply to a non-U.S. shareholder that is a foreign trust and such entities are urged to consult their own tax advisors.

Actual or deemed distributions of the Fund’s net capital gain (which generally is the excess of the Fund’s net long-term capital gain over the Fund’s net short-term capital loss) to a non-U.S. shareholder, and gains recognized by a non-U.S. shareholder upon the sale of Common Shares, will not be subject to withholding of U.S. federal income tax and generally will not be subject to U.S. federal income tax unless (a) the distributions or gains, as the case may be, are effectively connected with a U.S. trade or business of the non-U.S. shareholder and, if an income tax treaty applies, are attributable to a permanent establishment maintained by the non-U.S. shareholder in the United States (as discussed above) or (b) the non-U.S. shareholder is an individual, has been present in the United States for 183 days or more during the taxable year, and certain other conditions are satisfied. For a corporate non-U.S. shareholder, distributions (both actual and deemed), and gains recognized upon the sale of the Common Shares that are effectively connected with a U.S. trade or business may, under certain circumstances, be subject to an additional “branch profits tax” (unless lowered or eliminated by an applicable income tax treaty). Non-U.S. shareholders are encouraged to consult their own advisors as to the applicability of an income tax treaty in their individual circumstances.

If the Fund distributes its net capital gain in the form of deemed rather than actual distributions (which the Fund may do in the future), a non-U.S. shareholder will be entitled to a U.S. federal income tax credit or tax refund equal to the non-U.S. shareholder’s allocable share of the tax the Fund pays on the capital gain deemed to have been distributed. In order to obtain the refund, the non-U.S. shareholder must obtain a U.S. taxpayer identification number (if one has not been previously obtained) and timely file a U.S. federal income tax return even if the non-U.S. shareholder would not otherwise be required to obtain a U.S. taxpayer identification number or file a U.S. federal income tax return.

A non-U.S. shareholder who is otherwise subject to withholding of U.S. federal income tax may be subject to information reporting and backup withholding of U.S. federal income tax on dividends unless the non-U.S. shareholder provides the Fund or the dividend paying agent with an IRS Form W-8BEN or W-8BEN-E (or an acceptable substitute form) or otherwise meets documentary evidence requirements for establishing that it is a non-U.S. shareholder or otherwise establishes an exemption from backup withholding.

Pursuant to Sections 1471 to 1474 of the Code and the U.S. Treasury regulations thereunder, the relevant withholding agent generally will be required to withhold 30% of any dividends paid on the Common Shares to (i) a foreign financial institution unless such foreign financial institution agrees to verify, report and disclose its U.S. accountholders and meets certain other specified requirements or (ii) a non-financial foreign entity that is the beneficial owner of the payment unless such entity certifies that it does not have any substantial U.S. owners or provides the name, address and taxpayer identification number of each substantial U.S. owner and such entity meets certain other specified requirements. If payment of this withholding tax is made, non-U.S. shareholders that are otherwise eligible for an exemption from, or reduction of, U.S. federal withholding taxes with respect to such dividends or proceeds will be required to seek a credit or refund from the IRS to obtain the benefit of such exemption or reduction. In certain cases, the relevant foreign
financial institution or non-financial foreign entity may qualify for an exemption from, or be deemed to be in compliance with, these rules. Certain jurisdictions have entered into agreements with the United States that may supplement or modify these rules.

**PFICs**

The Fund may purchase shares in a “passive foreign investment company” (a “PFIC”) and, as such, may be subject to U.S. federal income tax on a portion of any “excess distribution” or gain from the disposition of such shares, even if such income is distributed as a taxable dividend by the Fund to Common Shareholders. Additional charges in the nature of interest may be imposed on the Fund in respect of deferred taxes arising from such distributions or gains. If the Fund invests in a PFIC and elects to treat the PFIC as a “qualified electing fund” under the Code (a “QEF”), in lieu of the foregoing requirements, the Fund will be required to include in income each year a portion of the ordinary earnings and net capital gain of the QEF, even if such income is not distributed to the Fund. The Fund’s ability to make this election will depend on factors beyond its control. Alternatively, the Fund may elect to mark-to-market at the end of each taxable year its shares in such PFIC; in this case, the Fund will recognize as ordinary income any increase in the value of such shares, and as ordinary loss any decrease in such value to the extent it does not exceed prior increases included in income. The benefit of these elections may be limited. Under either election, the Fund may be required to recognize in any year income in excess of its distributions from PFICs and its proceeds from dispossession of PFIC stock during that year, and such income will nevertheless be subject to the Annual Distribution Requirement, will be taken into account for purposes of determining whether the Fund satisfies the Excise Tax Requirement, and under recently proposed regulations, generally will not be treated as qualifying income for purposes of the 90% Income Test to the extent not currently distributed by the PFIC to the Fund.

**Taxation of Certain Fund Investments**

Investments in debt obligations that are at risk of or are in default present special tax issues for the Fund. Tax rules are not entirely clear on the treatment of such debt obligations, including as to whether and to what extent the Fund should recognize market discount on such a debt obligation, when the Fund may cease to accrue interest, OID or market discount, when and to what extent the Fund may take deductions for bad debts or worthless securities and how the Fund shall allocate payments received on obligations in default between principal and interest.

The Fund may invest in options, futures contracts, forward contracts, swaps and derivatives, as well as other hedging or similar transactions, which may be subject to one or more special tax rules (including notional principal contract, constructive sale, straddle, wash sale, short sale and other rules), the effect of which may be to accelerate income to the Fund (including, potentially, without a corresponding receipt of cash with which to make required distributions), defer Fund losses, cause adjustments in the holding periods of Fund securities, convert capital gains into ordinary income, convert long-term capital gains into short-term capital gains and convert short-term capital losses into long-term capital losses. These investments likely will not be exempt from regular U.S. federal income tax and these rules could therefore affect the amount, timing and character of distributions to shareholders of the Fund. In addition, because the tax rules applicable to derivative financial instruments are in some cases uncertain under current law, an adverse determination or future guidance by the IRS with respect to these rules (which determination or guidance could be retroactive) may affect whether the Fund has made sufficient distributions, and otherwise satisfied the applicable requirements, to maintain its qualification as a RIC and avoid fund-level taxation. In certain circumstances, the Fund may be required to purchase or sell securities, or otherwise change its portfolio, in order to comply with the tax rules applicable to RICs under the Code.

Some of the options and other strategies employed by the Fund may be deemed to reduce risk to the Fund by substantially diminishing its risk of loss in offsetting positions in substantially similar or related property, thereby giving rise to “straddles” under the U.S. Federal income tax rules. The straddle rules require the Fund to defer certain losses on positions within a straddle and to terminate the holding period for shares that become part of a straddle before the long-term capital gains period has been reached. In other words, the
Fund will not be respected as having owned the shares for any time before the options lapse or are otherwise
terminated. Some of the covered call options that are considered to offset substantially similar or related
property will constitute “qualified covered call options” that are generally excepted from the straddle rules.
As such, they generally will not trigger the loss deferral provisions of the straddle rules and the holding
period for the substantially similar property will not be terminated. However, the holding period may be
suspended in certain circumstances while the call options are outstanding. Further, an option on an index is
not eligible for qualified covered call treatment. Because of the straddle rules and qualified covered call rules,
at this time it is unclear the extent to which the gains from the sale of Fund portfolio securities underlying (or
substantially similar to) call options will be treated as short-term capital gains and thus, insofar as not offset
by short-term losses, taxable as ordinary income when distributed.

The tax treatment of the Fund’s options activity will vary based on the nature and the subject of
the options. In general, option premiums are not immediately included in the income of the Fund when
received. Instead, in the case of certain options (including options on single stocks, options on certain
narrow-based indices and options not listed on certain exchanges), the premiums are recognized when the
option contract expires, the option is exercised by the holder, or the Fund transfers or otherwise terminates
the option. If an option written by the Fund with respect to individual stocks is exercised and the Fund
sells or delivers the underlying stock, the Fund generally will recognize capital gain or loss equal to (a) the
sum of the exercise price and the option premium received by the Fund minus (b) the Fund’s basis in the
stock. Such gain or loss generally will be short-term or long-term depending upon the holding period of the
underlying stock. The gain or loss with respect to any termination of the Fund’s obligation under such an
option other than through the exercise of the option and related sale or delivery of the underlying stock will
be short-term gain or loss. Thus, if an option written by the Fund expires unexercised, the Fund generally
will recognize short-term gain equal to the premium received.

Certain options that are listed on a qualified board of exchange (“listed options”) written or purchased
by the Fund (including options on futures contracts, broad-based equity indices and debt securities) as
well as certain futures contracts will be governed by section 1256 of the Code (“section 1256 contracts”).
Section 1256 contracts held by the Fund at the end of each taxable year (and, for purposes of the 4% excise
tax (discussed below), on certain other dates as prescribed under the Code) are “marked-to-market” with
the result that unrealized gains or losses are treated as though they were realized and the resulting gain or
loss generally is treated as 60% long-term and 40% short-term capital gains (or losses). Almost no options
listed on non-U.S. exchanges will meet the requirements for section 1256 treatment.

Backup Withholding

The Fund generally is required to withhold and remit to the Treasury a percentage of the taxable
distributions paid to certain Common Shareholders who fail to properly furnish the Fund with a correct
taxpayer identification number, who has under-reported dividend or interest income, who fails to certify to the
Fund that he or she is not subject to such withholding, or with respect to whom the IRS notifies the Fund that
a shareholder is subject to backup withholding. Corporate shareholders, certain foreign persons and other
Common Shareholders specified in the Code and applicable regulations are generally exempt from backup
withholding, but may need to provide documentation to the Fund to establish such exemption.

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

The SAI summarizes further federal income tax considerations that may apply to the Fund and its
Common Shareholders and may qualify the considerations discussed herein.
**PLAN OF DISTRIBUTION**

The Fund is offering Common Shares at an offering price equal to $100.00 per Common Share. The purchase of Common Shares in this offering is not subject to a sales load. The minimum required purchase by each investor is 250 Common Shares. The Fund, however, in its sole discretion, may accept investments below this minimum. Please note that the Distributor or a selling agent may establish a higher minimum investment amount for its clients. The offering period for the Common Shares is expected to end on or about **2019**.

The Fund has entered into a distribution agreement (the “Distribution Agreement”) with the Distributor, a wholly-owned subsidiary of BNYM Investment Adviser, to serve as distributor and solicit investors on a reasonable best efforts basis, subject to various conditions. Under the Distribution Agreement, the Distributor’s responsibilities include, but are not limited to, selling Common Shares upon the terms set forth in this prospectus and making arrangements for the collection of purchase monies or the payment of purchase proceeds. Pursuant to the Distribution Agreement, the Fund will agree to indemnify the Distributor against certain liabilities, including liabilities arising under the Securities Act. The Distributor will not act as a market maker with respect to the Common Shares.

The Distributor has entered into a dealer agreement with each of Morgan Stanley Smith Barney LLC (“Morgan Stanley”) and BofA Securities, Inc. (“BofA Securities”), and may engage one or more other Dealers to assist in the distribution of the Common Shares. The Distributor may enter into new selling agreements with Dealers, or may amend existing selling agreements with Dealers setting forth the parties’ payment and other obligations with respect to the initial offering of the Common Shares. The selling agreements with Dealers may contain similar or substantially different terms. Pursuant to a selling agreement, a Dealer may be a third party beneficiary of certain representations and warranties that the Fund provides the Distributor in the Distribution Agreement. Pursuant to a selling agreement, the Distributor may indemnify a Dealer against certain liabilities, including liabilities arising under the 1933 Act. A Dealer may also be a third party beneficiary of any indemnification obligation the Fund may owe the Distributor under the Distribution Agreement that results from an indemnification claim by a Dealer against the Distributor.

Dealers or other financial intermediaries may impose terms and conditions on investor accounts and investments in the Fund that are in addition to the terms and conditions set forth in this prospectus. Such terms and conditions are not imposed by the Fund, the Distributor or any other service provider of the Fund. Any terms and conditions imposed by a Dealer or other financial intermediary, or operational limitations applicable to such parties, may affect or limit a Common Shareholder’s ability to purchase Common Shares or tender Common Shares for repurchase, or otherwise transact business with the Fund. Common Shareholders should direct any questions regarding fees, terms and conditions applicable to their accounts, or relevant operational limitations to their Dealer or other financial intermediary.

The Fund, BNYM Investment Adviser, Alcentra and the Distributor have entered into an Initial Offering Period Agreement with Morgan Stanley and BofA Securities, which sets out the obligations of the parties with respect to the initial offering of the Common Shares. Pursuant to the Initial Offering Period Agreement, the Fund, BNYM Investment Adviser, Alcentra and the Distributor have agreed to jointly and severally indemnify Morgan Stanley and BofA Securities against certain liabilities, including liabilities under the Securities Act, or to contribute to the payments the Dealers may be required to make for any of these liabilities.

The Fund will have the sole right to accept orders to purchase Common Shares and reserves the right to reject any order in whole or in part. The offering may be terminated by the Fund or the Distributor at any time.

No market currently exists for the Common Shares. The Common Shares will not be listed on a securities exchange, and the Fund does not anticipate that a secondary market will develop for the common shares. None of BNYM Investment Adviser, Alcentra, the Distributor or the Dealers intends to make a market in the Common Shares.
The Distributor has the exclusive right to distribute Common Shares directly to investors and through Dealers. The Distributor's obligation is an agency or “best efforts” arrangement under which neither the Distributor nor any Dealer is required to purchase any Common Shares.

BNYM Investment Adviser (and not the Fund) has agreed to pay from its own assets compensation of up to $2.00 per Common Share to the Dealers in connection with the offering, which amount will not exceed % of the total price to the public of the Common Shares sold in this offering. BNYM Investment Adviser also has agreed to pay for certain expenses of the Dealers, including expenses related to the fees and disbursements of counsel in connection with the offering and the review by the Financial Industry Regulatory Authority (“FINRA”) of the terms of the sale of the Common Shares, the filing fees incident to the filing of marketing materials with FINRA and, as mutually agreed between the parties, reasonable transportation and other expenses incurred by the Dealers in connection with presentations to prospective purchasers of the Common Shares as agreed upon in writing. Such expenses will not exceed $ or $ per Common Share as a reimbursement of expenses incurred in connection with the offering. These reimbursements will not exceed % of the total price to the public of the Common Shares sold in this offering.

BNYM Investment Adviser (and not the Fund) will reimburse the Distributor for the compensation paid by the Distributor to certain of its representatives that participate in the offering and marketing of the Common Shares. BNYM Investment Adviser (and not the Fund) also will reimburse reasonable and documented out-of-pocket expenses related to the marketing and offering of the Fund incurred by the Distributor and employees of BNYM Investment Adviser or Alcentra. The compensation and expense reimbursement paid to the Distributor will not exceed % of the total public offering price of the Common Shares.

All compensation and expense reimbursements to the Distributor or Dealers will not, in the aggregate, exceed 9.00% of the total price to the public of the Common Shares sold in this offering.

Prior to the public offering of the Common Shares, an affiliate of BNYM Investment Adviser purchased Common Shares from the Fund in an amount satisfying the net worth requirements of Section 14(a) of the 1940 Act. As of the date of this prospectus, the BNYM Investment Adviser affiliate owned 100% of the outstanding Common Shares. BNYM Investment Adviser may be deemed to control the Fund until such time as it owns less than 25% of the outstanding Common Shares, which is expected to occur as of the completion of this offering.

The principal business address of BNY Mellon Securities Corporation is 240 Greenwich Street, New York, New York 10286. The principal business address of Morgan Stanley is 2000 Westchester Avenue, Purchase, New York 10577. The principal business address of BofA Securities is One Bryant Park, New York, New York, 10036.

**CUSTODIAN AND TRANSFER AGENT**

The Fund’s securities and cash are held under a custodian agreement with The Bank of New York Mellon, located at 225 Liberty Street, New York, New York 10286. The transfer agent for the Fund’s shares is Computershare, Inc., located at 250 Royall Street, Canton, Massachusetts 02021.

**REPORTS TO SHAREHOLDERS**

The Fund will send unaudited semi-annual and audited annual reports to its Common Shareholders, including a list of investments held.

**LEGAL OPINIONS AND INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Certain legal matters will be passed on for the Fund by Proskauer Rose LLP, New York, New York, and for the Dealers by Clifford Chance US LLP. As to certain matters of Maryland law, the Dealers may rely on the opinion of Venable LLP.

KPMG LLP, an independent registered public accounting firm, provides auditing services to the Fund.
# TABLE OF CONTENTS OF THE STATEMENT OF ADDITIONAL INFORMATION

<table>
<thead>
<tr>
<th>Description of the Fund</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Objective and Policies</td>
<td>2</td>
</tr>
<tr>
<td>Investments, Investment Techniques and Risks</td>
<td>4</td>
</tr>
<tr>
<td>Investment Restrictions</td>
<td>43</td>
</tr>
<tr>
<td>Management of the Fund</td>
<td>44</td>
</tr>
<tr>
<td>Management Arrangements</td>
<td>52</td>
</tr>
<tr>
<td>Net Asset Value</td>
<td>58</td>
</tr>
<tr>
<td>Portfolio Transactions</td>
<td>60</td>
</tr>
<tr>
<td>Summary of the Fund’s Proxy Voting Policy and Procedures</td>
<td>62</td>
</tr>
<tr>
<td>Certain Material U.S. Federal Income Tax Consequences</td>
<td>63</td>
</tr>
<tr>
<td>Counsel and Independent Registered Public Accounting Firm</td>
<td>71</td>
</tr>
<tr>
<td>Financial Statement</td>
<td>72</td>
</tr>
<tr>
<td>Privacy Policy</td>
<td>76</td>
</tr>
<tr>
<td>Appendix A—Rating Categories</td>
<td>A-1</td>
</tr>
<tr>
<td>Appendix B—Summary of the Proxy Voting Policy and Procedures of the BNY Mellon Family of Funds</td>
<td>B-1</td>
</tr>
</tbody>
</table>
This page intentionally left blank.
Until , 2019 (90 days after the date of this prospectus), all dealers that buy, sell or trade Common Shares, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer’s obligation to deliver a prospectus when acting as an underwriter and with respect to its unsold allotments or subscriptions.