
MA Specialty Credit Income Fund



Annual Report

For the Period Ended December 31, 2024

MA Specialty Credit Income Fund
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**MA Specialty Credit Income Fund
Shareholder Letter
December 31, 2024 (Unaudited)**

Dear Shareholders,

We are pleased to present the Annual Report for MA Specialty Credit Income Fund (the “Fund”)¹ for the fiscal period ended December 31, 2024. We appreciate your trust as we strive for consistent and resilient returns in line with the Fund’s objectives.

The past year was marked by an active Federal Reserve, a shifting banking landscape, and the continued expansion of private credit, particularly in asset-based finance. The regional banking crisis in 2023 accelerated the transition of asset-based lending away from banks, as rising capital costs constrained their ability to efficiently deploy capital. This trend persisted in 2024, with more assets moving from public and securitization markets into funds that serve as stable, long-term counterparties and partners. This environment created attractive opportunities for disciplined credit investors. The Fund remained focused on directly originating credit investments across specialty, consumer, and commercial finance while maintaining a strong risk management framework.

Since operations began on May 28, 2024, the Fund has generated a net return² of 5.50%, including a 5.12% six-month return since its July 1, 2024 registration as an investment company under the Investment Company Act of 1940, as amended. This compared to returns of 1.98% and 5.47% of the IG Bonds (BBG AGG)³ and High Yield (BBG HY)⁴ Index over the same six-month period, respectively. Performance was driven by a portfolio of highly diversified loans across several segments, including insurance premium finance, consumer debt receivables, and traditional inventory and accounts receivable lending.

Based on 2024, we anticipate a robust pipeline of opportunities that align with the Fund’s target deal size and investment strategy. The new administration’s policies may create particularly attractive prospects within select consumer and commercial sectors. As a firm, we continue to invest in technology, talent, and platform expansion to support growth. Our investment approach is direct origination-led, focused on disciplined underwriting and active risk management, with the goal of delivering consistent monthly income to our investors.

We appreciate your continued support and look forward to our relationship with you.

Sincerely,

Ashees Jain
US Chief Investment Officer
MA Asset Management, LLC

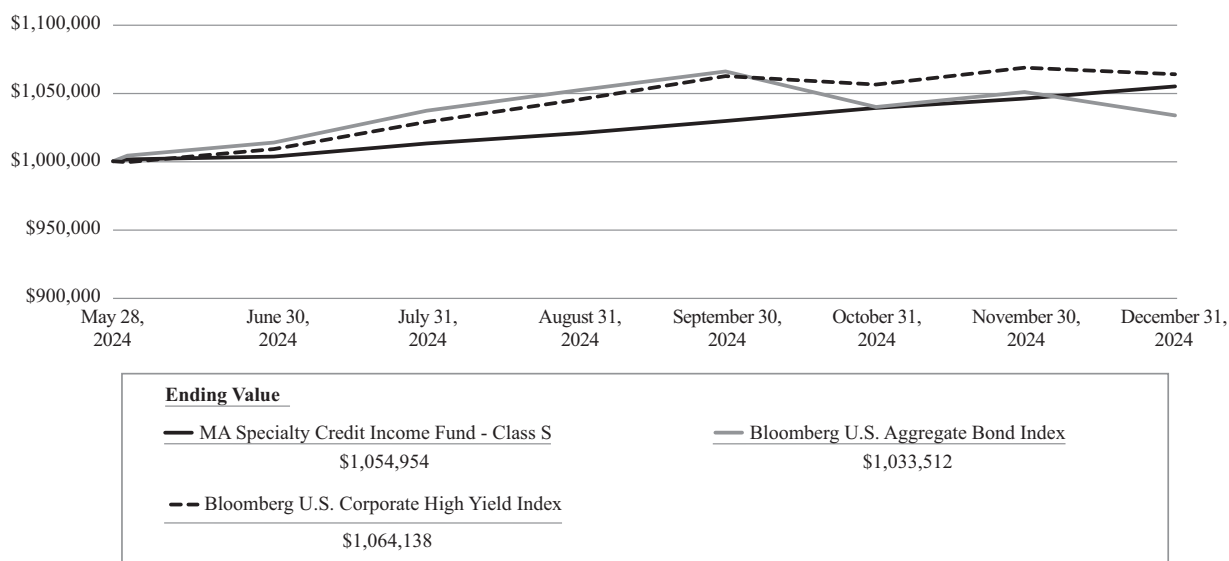
The performance data quoted represents past performance and is not a guarantee of future results.

MA Specialty Credit Income Fund is distributed by Distribution Services, LLC, an affiliate of ACA Global, Three Canal Plaza, Suite 100, Portland ME, 04101. Distribution Services, LLC and MA Asset Management, LLC are unaffiliated.

- 1. The MA Specialty Credit Income Fund is a “non-diversified” Fund under the Investment Company Act of 1940. Changes in the market value of a single holding may cause a greater fluctuation in the Fund’s net asset value than in a “diversified” fund. The Fund is not intended as a complete investment program but instead as a way to help investors diversify into credit related investments.*
- 2. Net return is calculated on a compounded basis.*
- 3. “IG Bonds” refers to investment-grade bonds, benchmarked against the Bloomberg U.S. Aggregate Index (BBG AGG), a broad-based benchmark measuring the U.S. dollar-denominated, investment-grade, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, fixed-rate agency mortgage-backed securities, asset backed securities and commercial mortgage-backed securities (agency and non-agency).*
- 4. “High Yield” refers to high-yield investments, benchmarked against the Bloomberg U.S. Corporate High Yield Index (BBG HY), which tracks the U.S. dollar-denominated, high-yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody’s, Fitch, and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, as defined by the index methodology, are excluded.*

MA Specialty Credit Income Fund
Fund Performance
December 31, 2024 (Unaudited)

This chart represents historical performance of a hypothetical investment of \$1,000,000 of the Fund, Bloomberg Aggregate Bond Index*, and Bloomberg U.S. Corporate High Yield** from May 28, 2024 (commencement of operations) to December 31, 2024 and includes the reinvestment of dividends and capital gains.



	Since Inception (5/28/24)
MA Specialty Credit Income Fund—Class S	5.50%
Bloomberg U.S. Aggregate Bond Index	3.35%
Bloomberg U.S. Corporate High Yield Index	6.41%

The performance data quoted here represents past performance and past performance is not a guarantee of future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance information quoted. The most recent quarter end performance may be obtained by calling 844-994-4822.

Returns reflect the reinvestment of distributions made by the Fund, if any. The graph and the performance table above do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

For the Fund's current expense ratio, please refer to the Financial Highlights Section of this report.

* The Bloomberg U.S. Aggregate Bond Index measures the performance of investment-grade, USD-denominated, fixed-rate taxable bond market. The index is unmanaged and it is not possible to invest in an index.

** The Bloomberg U.S. Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. The index is unmanaged and it is not possible to invest in an index.

MA Specialty Credit Income Fund
Consolidated Schedule of Investments
December 31, 2024

Description	Interest	Maturity Date	Shares/ Principal	Cost	Value
Collateralized Loan Obligations (2.84%)					
MCF CLO 10 LTD ^{(a)(b)(c)}	11.06% (3-Month SOFR + 6.40%)	4/15/2035	\$ 2,000,000	\$ 2,026,903	\$ 2,027,814
Total Collateralized Loan Obligations (Cost \$2,026,903) (2.84%)				<u>2,026,903</u>	<u>2,027,814</u>
Private Loans (100.60%)					
ABL REVOLVER IHC ^{(b)(d)}	14.17% (1-Month SOFR + 9.50%)	6/30/2027	3,959,777	4,005,621	4,070,526
ABL REVOLVER RCP ^{(a)(d)}	17.00%	3/31/2026	3,644,678	3,710,351	3,740,248
ABL REVOLVER RF ^{(a)(b)(d)}	13.92% (1-Month SOFR + 9.25%)	4/15/2026	7,843,351	7,861,114	7,922,475
ABL TERM PCG ^{(a)(d)}	12.00%	6/28/2027	5,937,879	5,944,681	5,961,904
ABL TERM GP ^{(b)(d)}	11.57% (Daily SOFR + 7.00%)	9/27/2028	20,000,000	20,000,000	20,212,263
ABL TERM VI ^(d)	13.25%	11/20/2027	20,000,000	20,000,000	20,000,000
BE OLD I LLC ELC ^{(a)(d)(e)(f)}	11.00%	9/30/2028	10,166,486	9,936,066	8,830,920
BE OLD I LLC 2ALC ^{(a)(d)(e)(f)}	12.00%	2/29/2028	1,186,163	1,228,717	1,137,386
Private Loans (Cost \$72,686,550) (100.60%)				<u>72,686,550</u>	<u>71,875,722</u>
Private Real Estate Debt (8.29%)					
XCAL 2023-MSN10 B1 ^{(a)(b)(c)(d)(f)(g)} . . .	11.17% (1-Month SOFR + 6.50%)	11/15/2025	2,305,952	2,322,833	2,322,833
XCAL 2023-MSN10 B2 ^{(a)(b)(c)(d)(f)(g)} . . .	21.25% (1-Month SOFR + 16.58%)	11/15/2025	944,048	950,959	950,959
XCF 2024-OSL A ^{(a)(b)(c)(d)(f)(g)}	8.67% (1-Month SOFR + 4.00%)	2/15/2026	2,000,000	2,014,641	2,078,259
XCF 2024-OSL B2 ^{(a)(b)(c)(d)(f)(g)}	29.76% (1-Month SOFR + 25.09%)	2/15/2026	550,000	554,026	569,669
Private Real Estate Debt (Cost \$5,842,459) (8.29%)				<u>5,842,459</u>	<u>5,921,720</u>
Short-Term Investments					
Money Market Fund (0.48%)					
Fidelity Investments Money Market Treasury Portfolio—Class I	4.52% ^(h)		344,579	344,579	344,579
Total Short-Term Investments (Cost \$344,579) (0.48%)				<u>344,579</u>	<u>344,579</u>
Total Investments (Cost \$80,900,491) (112.21%)				\$80,900,491	\$80,169,835
Liabilities in excess of other assets (-12.21%)					(8,723,055)
Net Assets—100.00%					<u>\$71,446,780</u>

- (a) Investment was acquired in-kind from private funds managed by the Adviser between May 28, 2024 and June 30, 2024 in exchange for cash and shares.
- (b) Floating rate securities are securities whose yields vary with a designated market index or market rate. These securities are shown at their current rates as of December 31, 2024.
- (c) Security exempt from registration under Rule 144A of the Securities Act of 1933. This security is restricted to resale to qualified buyers.
- (d) Fair valued using significant unobservable inputs. The total of all such investments represents 108.89% of net assets.
- (e) This investment is made through the majority owned subsidiary BE OLD I, LLC.
- (f) Security restricted as to resale.
- (g) This investment is made through the wholly owned subsidiary BE X CAL II, LLC.
- (h) The rate is the annualized seven-day yield at period end.

See accompanying notes to the consolidated financial statements.

MA Specialty Credit Income Fund
Consolidated Schedule of Investments
December 31, 2024 (Continued)

<u>Summary by Investment Type</u>	<u>Value</u>	<u>% of Net Assets</u>
Collateralized Loan Obligations	\$ 2,027,814	2.84%
Private Loans	71,875,722	100.60%
Private Real Estate Debt	5,921,720	8.29%
Short-Term Investments	344,579	0.48%
Total Investments	80,169,835	112.21%
Liabilities in excess of other assets	(8,723,055)	(12.21)%
Total	<u><u>\$71,446,780</u></u>	<u><u>100.00%</u></u>

Additional information on restricted securities is as follows:

<u>Investment</u>	<u>Initial Acquisition Date</u>	<u>Cost</u>
MCF CLO 10 LTD	6/26/2024	\$2,026,903
BE OLD I LLC ELC	6/1/2024	9,936,066
BE OLD I LLC 2ALC	6/1/2024	1,228,717
XCAL 2023-MSN10 B1	6/1/2024	2,322,833
XCAL 2023-MSN10 B2	6/1/2024	950,959
XCF 2024-OSL A	6/10/2024	2,014,641
XCF 2024-OSL B2	6/10/2024	554,026

See accompanying notes to the consolidated financial statements.

MA Specialty Credit Income Fund
Consolidated Statement of Assets and Liabilities
December 31, 2024

ASSETS:

Investments in securities, at value (cost \$80,555,912)	\$79,825,256
Investments in short-term investments, at value (cost \$344,579)	344,579
Cash	1,023,879
Receivable for investment securities sold	957,227
Interest	794,325
Deferred offering costs (see note 2)	327,006
Prepaid expenses	256,273
Other assets	<u>52,380</u>
Total Assets	<u><u>\$83,580,925</u></u>

LIABILITIES:

Secured credit facility (net of deferred financing fees of \$411,370) (see note 7)	\$10,409,045
Payable to Adviser	238,850
Due to related parties	807,962
Accrued organizational costs (see note 2)	33,333
Interest on secured credit facility	47,331
Accounting and administrative fees	23,556
Transfer agent fees and expenses	16,620
Professional fees	84,137
Custody fees	17,630
Trustee fees	80,000
Chief compliance officer fees	13,950
Deferred loan revenue	241,465
Other accrued expenses	<u>120,266</u>
Total Liabilities	<u>12,134,145</u>

Net assets	<u><u>\$71,446,780</u></u>
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NET ASSETS CONSIST OF:

Paid-in capital (unlimited shares authorized at \$0.001 par value common stock)	\$72,324,306
Total accumulated deficit	<u>(877,526)</u>
Total net assets	<u><u>\$71,446,780</u></u>
Class S shares of beneficial interest outstanding	<u>2,866,797</u>
Net asset value per share	<u><u>\$ 24.92</u></u>

See accompanying notes to the consolidated financial statements.

MA Specialty Credit Income Fund
Consolidated Statement of Operations
For the Period May 28, 2024 (Commencement of Operations) to December 31, 2024

INVESTMENT INCOME:

Interest income	<u>\$4,811,370</u>
Total investment income	<u>4,811,370</u>

EXPENSES:

Incentive fees	518,169
Management fees	309,286
Organizational costs (see note 2)	275,622
Professional fees	260,821
Interest on secured credit facility	170,070
Servicing fees	140,463
Trustee fees	80,000
Accounting and administrative fees	70,809
Commitment fees	67,778
Pricing expense	29,272
Chief compliance officer fees	27,900
Transfer agent fees and expenses	25,932
Custody fees	17,630
Offering costs (see note 2)	7,336
Insurance expense	1,232
Other expenses	<u>98,277</u>
Total expenses	<u>2,100,597</u>

Less: reimbursement from the Adviser (see note 6)

Expenses voluntarily waived by the Adviser

(228,964)

Expenses contractually waived by the Adviser

(854,678)

Net Expenses

1,016,955

Net investment income

3,794,415

NET REALIZED GAIN AND NET CHANGE IN UNREALIZED

DEPRECIATION ON INVESTMENTS:

Net realized gain on:

Investments

49,861

Net change in unrealized depreciation on:

Investments

(730,656)

Total net realized gain and net change in unrealized depreciation on investments

(680,795)

Net increase in net assets resulting from operations

\$3,113,620

See accompanying notes to the consolidated financial statements.

MA Specialty Credit Income Fund
Consolidated Statement of Changes in Net Assets

For the Period May 28, 2024
(Commencement of
Operations) to December 31,
2024

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS:	
Net investment income	\$ 3,794,415
Net realized gain on investments	49,861
Net change in unrealized depreciation on investments	<u>(730,656)</u>
Net increase in net assets resulting from operations	<u>3,113,620</u>
DISTRIBUTIONS TO SHAREHOLDERS:	
Class S	<u>(3,686,076)</u>
Total distributions to shareholders	<u>(3,686,076)</u>
CAPITAL TRANSACTIONS:	
Proceeds from shares sold:	
Class S	45,201,993
Reinvestment of distributions:	
Class S	2,353
In kind contributions:	
Class S	29,831,690
Cost of shares repurchased:	
Class S	<u>(3,016,800)</u>
Net increase in net assets from capital transactions	<u>72,019,236</u>
Total increase in net assets	71,446,780
Net assets:	
Beginning of period	<u>—</u>
End of period	<u><u>\$71,446,780</u></u>
CAPITAL SHARE TRANSACTIONS:	
Issuance of shares:	
Class S	2,986,703
Shares reinvested:	
Class S	94
Shares repurchased:	
Class S	<u>(120,000)</u>
Net increase from capital share transactions	<u>2,866,797</u>

See accompanying notes to the consolidated financial statements.

MA Specialty Credit Income Fund
Consolidated Statement of Cash Flows
For the Period May 28, 2024 (Commencement of Operations) to December 31, 2024

Cash flows from operating activities:

Net increase in net assets from operations	\$ 3,113,620
Adjustments to reconcile net increase in net assets from operations to net cash used in operating activities:	
Purchases of investments	(78,090,781)
Proceeds from redemptions, sales, or other dispositions of investments	31,267,618
Net cash (paid) received for purchases, sales, and maturities of short-term investments ..	(344,579)
Net change in unrealized depreciation on:	
Investments	730,656
Net realized gain on investments	(49,861)
Amortization	50,984
Changes in operating assets and liabilities:	
Assets:	
Interest	(382,202)
Deferred offering costs (see note 2)	(327,006)
Prepaid expenses	(196,472)
Other assets	32,136
Liabilities:	
Payable to Adviser	238,850
Due to related parties	(51,633)
Accrued organizational costs (see note 2)	33,333
Interest on secured credit facility	9,230
Accounting and administrative fees	23,556
Transfer agent fees and expenses	16,620
Professional fees	84,137
Custody fees	17,630
Trustee fees	80,000
Chief compliance officer fees	13,950
Deferred loan revenue	241,465
Other accrued expenses	17,564
Net cash used in operating activities	<u>(43,471,185)</u>

Cash flows from financing activities:

Proceeds from secured credit facility	10,300,000
Repayments on secured credit facility	(4,041,898)
Deferred financing fees	(411,370)
Proceeds from shares sold	45,201,993
Payments for shares repurchased	(3,016,800)
Cash contributed	146,862
Cash distributions paid, net of reinvestments	(3,683,723)
Net cash provided by financing activities	<u>44,495,064</u>
Net change in cash	1,023,879
Cash at beginning of period	<u>—</u>
Cash at end of period	<u>\$ 1,023,879</u>

Supplemental disclosure of cash activity:

Interest paid on borrowings	\$ 38,101
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Non-cash transactions disclosure:

In kind contributions	\$ 29,831,690
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See accompanying notes to the consolidated financial statements.

MA Specialty Credit Income Fund
Consolidated Financial Highlights

**For the Period May 28, 2024
(Commencement of
Operations) to December 31,
2024**

Net asset value per Class S Share, beginning of period*	\$ 25.00
Net investment income ⁽¹⁾	1.62
Net realized gain and unrealized loss	(0.28)
Total from investment operations	1.34
Distributions to shareholders	(1.42)
Net asset value per Class S Share, end of period	\$ 24.92
Total Return ⁽²⁾⁽³⁾	5.50%
Ratios/Supplemental Data:	
Gross expenses ⁽⁴⁾⁽⁵⁾	5.69%
Net expenses ⁽⁴⁾⁽⁵⁾⁽⁶⁾	2.91%
Net investment income ⁽⁴⁾⁽⁶⁾	10.87%
Net assets end of period (in thousands)	\$71,447
Portfolio turnover ⁽³⁾	51.93%

* Represents the initial net asset value per share of \$25.00.

(1) Based on average shares outstanding during the period.

(2) Based on the net asset value as of period end, Assumes an investment at net asset value at the beginning of the period and reinvestment of all distributions during the period, if any.

(3) Not annualized for periods less than one year.

(4) Annualized for periods less than one year, with the exception of non-recurring offering and organizational costs.

(5) Percentages shown include interest expense. Gross and net expense ratios, respectively, excluding interest expense and commitment fees are as follows:

Gross Expenses ⁽⁴⁾	4.99%
Net Expenses ⁽⁴⁾	2.22%

(6) The Adviser has entered into an Expense Limitation Agreement with the Fund beginning on the commencement of operations and ending on December 31, 2025, to limit the amount of the Fund's total annual ordinary operating expenses, excluding certain "Specified Expenses" as outlined in the Notes to the Consolidated Financial Statements. For the period May 28, 2024 (Commencement of Operations) to December 31, 2024, the Adviser voluntarily and contractually waived \$228,964, or 0.66%, and \$854,678, or 2.12%, respectively.

**For the Period May 28, 2024
(Commencement of
Operations) to December 31,
2024**

Secured Credit Facility

Senior securities, end of period (000's)	\$10,820
Asset coverage, per \$1,000 of senior security principal amount	7,603

See accompanying notes to the consolidated financial statements.

MA Specialty Credit Income Fund
Notes to the Consolidated Financial Statements
December 31, 2024

1. ORGANIZATION

MA Specialty Credit Income Fund (the “Fund”) is organized as a Delaware statutory trust that is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as a non-diversified, closed-end management investment company that is operated as an interval fund. The Fund commenced operations on May 28, 2024 and registered as an investment company under the 1940 Act on July 1, 2024. The Fund has registered two separate classes of shares of beneficial interests, designated as Class S Shares, and Class F Shares (collectively, the “Shares”). Only Class S Shares are currently offered for purchase. The Fund may offer additional classes of its Shares in the future.

The investment adviser to the Fund is MA Asset Management, LLC (the “Adviser”). The Adviser is registered as an investment adviser with the U.S. Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). The Adviser is a wholly-owned subsidiary of MA Financial Group Limited (“MA Financial Group”).

The Fund’s investment objective is to generate attractive current income from a differentiated portfolio of credit investments, while maintaining capital stability and selectively seeking opportunities for capital appreciation. Under normal circumstances, the Fund will invest at least 80% of its assets in private loans, credit facilities, and credit-related investments (each a “Loan”) sourced by the Adviser. These Loans would typically be made by the Fund either (a) directly to borrowers, (b) sourced from or financed in partnership with non-bank originators, which are finance companies whose primary line of business is making loans or leases that the Adviser has a proprietary relationship with, or (c) in some cases, sourced from or financed in partnership with banks or traditional financial institutions that the Adviser has a proprietary relationship with. The Adviser analyzes a broad group of specialty credit and asset-based finance segments, spanning consumer Loans, commercial Loans and Loans with specialized collateral, and seeks to select what the Adviser believes are the best opportunities within the various segments of the asset-based finance market. The Adviser believes that the opportunity set in these specialty credit and asset-based finance segments is attractive, with the potential to generate compelling returns, and highly scalable as banks and traditional financial institutions continue to narrow their lending focus due to market, structural and secular forces. The Fund’s investment strategy is designed to produce a portfolio that is low to moderate duration, high yielding, well collateralized, with consistent cash flow characteristics, a strong risk/return edge and low correlation to liquid or traditional fixed income markets. Through these types of investments, the Adviser seeks to further reduce the overall risk and duration of the Fund’s portfolio and to give the Fund exposure to the substantial growth of non-bank finance opportunities emerging as banks and traditional financial institutions continue to narrow the focus of their direct lending activities. The form of the Loans that the Adviser will originate for the Fund could include senior credit, structured credit (on a senior or subordinated basis) or other forms of credit-related instruments such as leases, receivables, loan purchase relationships, forward flow programs, preferred instruments or equivalent, or other payment streams. In addition to its primary focus of investing in private Loans, the Adviser will also seek to hold a portion of the Fund’s investment portfolio in certain types of tradeable instruments, which will generally be structured products, that are aligned to its broader specialty credit and asset-based finance investment strategy, in order to facilitate liquidity for the Fund and, at certain times, to opportunistically capitalize on market conditions. There is no limit on the maturity or duration of the loans that the Fund will originate. The Fund may invest in additional strategies in the future as opportunities in different strategies present.

Prior to the Fund’s registration as an investment company under the 1940 Act, certain private funds managed by the Adviser transferred certain of their assets to the Fund in exchange for cash and shares of the Fund in an aggregate amount equal to the net asset value (“NAV”) of the transferred assets.

Consolidation of Subsidiaries

On August 16, 2022, BE XCAL II, LLC (“BE XCAL”) was formed as a limited liability company, and it is a wholly owned subsidiary of the Fund. The Consolidated Schedule of Investments, Consolidated Statement of Assets and Liabilities, Consolidated Statement of Operations, Consolidated Statement of Changes in Net Assets, Consolidated Statement of Cash Flows, and Consolidated Financial Highlights of the Fund includes the accounts of BE XCAL. All inter-company accounts and transactions have been eliminated in the consolidation for the Fund. On June 1, 2024, 100% of the interests in BE XCAL were transferred to the Fund in exchange for shares of the Fund in an aggregate amount equal to the NAV of the transferred assets. At the time of this transfer, the assets of

MA Specialty Credit Income Fund
Notes to the Consolidated Financial Statements
December 31, 2024 (Continued)

BE XCAL were \$5,619,973 and the liabilities of BE XCAL were \$108,936. As of December 31, 2024, net assets of the BE XCAL were \$5,861,051 or approximately 8.20% of the Fund's total net assets.

On July 20, 2021, BE OLD I, LLC ("BE OLD") was formed as a limited liability company, and it is a majority-owned subsidiary of the Fund. The Fund owns 77.27% of BE OLD. The Consolidated Schedule of Investments, Consolidated Statement of Assets and Liabilities, Consolidated Statement of Operations, Consolidated Statement of Changes in Net Assets, Consolidated Statement of Cash Flows, and Consolidated Financial Highlights of the Fund includes the Fund's proportionate ownership of BE OLD's accounts. The proportionate share of all inter-company accounts and transactions have been eliminated in the consolidation for the Fund. On June 1, 2024, 77.27% of the interests in BE OLD were transferred to the Fund in exchange for shares of the Fund in an aggregate amount equal to the NAV of the transferred assets. At the time of this transfer, the Fund's proportionate share of the assets of BE OLD was \$13,953,773 and the Fund's proportionate share of the liabilities of BE OLD was \$5,453,773. As of December 31, 2024, the net value of the Fund's ownership of BE OLD was \$8,654,563, or approximately 12.11% of the Fund's total net assets. At the time of the transfer of BE OLD to the Fund, BE OLD had accrued distributions payable to the related private funds managed by the Adviser of \$1,045,598, of which the Fund's proportionate share was \$807,962. The amount is recorded in due to related parties on the Consolidated Statement of Assets and Liabilities. BE OLD I LLC is a special purpose vehicle (SPV) established to facilitate investments in small balance consumer loans. The Fund holds a preferred equity interest in BE OLD I LLC, which is collateralized by a portfolio of these loans.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation and Use of Estimates

The Fund is an investment company and follows the accounting and reporting guidance under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946, Financial Services—Investment Companies. The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The preparation of the financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from these estimates.

Organizational and Offering Costs

Organizational costs consist of the costs of forming the Fund, drafting of bylaws, administration, custody and transfer agency agreements, legal services in connection with the initial meeting of trustees and the Fund's seed audit costs. Offering costs consist of the costs of preparation, review and filing with the SEC the Fund's registration statement, the costs of preparation, review and filing of any associated marketing or similar materials, the costs associated with the printing, mailing or other distribution of the Prospectus, SAI and/or marketing materials, and the amounts of associated filing fees and legal fees associated with the offering. The aggregate amount of the organizational costs and offering costs as of the date of the accompanying financial statements are \$275,622 and \$334,342, respectively. Organizational costs are expensed as incurred subject to the Expense Limitation Agreement. Offering costs, which are subject to the Expense Limitation Agreement, are accounted for as a deferred charge until Fund shares are offered to the public and will therefore be amortized to expense over twelve months on a straight-line basis. As of December 31, 2024, \$327,006 of offering costs remains as an unamortized deferred asset, while \$7,336 has been expensed subject to the Fund's Expense Limitation Agreement.

Cash and Cash Equivalents

Cash includes cash deposits held at banks or other financial institutions. Cash equivalents represent short-term, highly liquid investments that are readily convertible to known amounts or cash, with a near maturity date (typically three months or less) so the risk of a change in value due to interest rates is insignificant.

Valuation of Investments

The Board of Trustees of the Fund ("the Board") has approved valuation procedures for the Fund (the "Valuation Procedures") which are used for determining the fair value of any Fund investments for which a market quotation is not readily available. The valuation of the Fund's investments is performed in accordance with the principles found in Rule 2a-5 of the 1940 Act and in conjunction with FASB's Accounting Standards Codification Topic 820,

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Fair Value Measurement (“ASC 820-10”). The Board has designated the Adviser as the valuation designee of the Fund. As valuation designee, the Adviser performs the fair value determination relating to any and all Fund investments, subject to the conditions and oversight requirements described in the Valuation Procedures. In furtherance of its duties as valuation designee, the Adviser has formed a valuation committee (the “Valuation Committee”), to perform fair value determinations and oversee the day-to-day functions related to the fair valuation of the Fund’s investments. The Valuation Committee may consult with representatives from outside legal counsel or other third-party consultants in their discussions and deliberations.

In determining the NAV, portfolio instruments generally are valued using prices provided by independent pricing services or obtained from other sources, such as broker-dealer quotations. Exchange-traded instruments generally are valued at the last reported sales price or official closing price on an exchange, if available. Independent pricing services typically value non-exchange-traded instruments utilizing a range of market-based inputs and assumptions, including readily available market quotations obtained from broker-dealers making markets in such instruments, cash flows, and transactions for comparable instruments. In pricing certain instruments, the pricing services may consider information about an instrument’s issuer or market activity provided by the Fund’s Adviser. Non-U.S. securities and currency are valued in U.S. dollars based on non-U.S. currency exchange rate quotations supplied by an independent quotation service.

In certain situations, the valuation designee may use the fair value of a portfolio instrument if such portfolio instrument is not priced by a pricing service, if the pricing service’s price is deemed unreliable or if events occur after the close of a securities market (usually a foreign market) and before the Fund values its assets that would materially affect NAV. A portfolio 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. Because non-U.S. portfolio instruments may trade on days when Fund Shares are not priced, the value of portfolio instruments held by the Fund can change on days when Fund Shares cannot be redeemed. The valuation designee expects to use fair value pricing primarily when a portfolio instrument is not priced by a pricing service or a pricing service’s price is deemed unreliable.

Due to the subjective nature of fair value pricing, the Fund’s value for a particular portfolio instrument may be different from the last price determined by the pricing service or the last bid or ask price in the market.

Certain short-term instruments maturing within 60 days or less may be valued at amortized cost, which approximates fair value. The value of the securities of other open-end funds held by the Fund, if any, will be calculated using the NAV of such open-end funds, and the prospectuses for such open-end funds explain the circumstances under which they use fair value pricing and the effects of using fair value pricing.

Valuation of fixed income investments, such as loans and debt securities, depends upon a number of factors, including prevailing interest rates for like securities, expected volatility in future interest rates, call features, put features and other relevant terms of the debt. For investments without readily available market prices, these factors may be incorporated into discounted cash flow models to arrive at fair value. Other factors that may be considered include the borrower’s ability to adequately service its debt, the fair market value of the portfolio company in relation to the face amount of its outstanding debt and the quality of the collateral securing its debt investments.

Collateralized Loan Obligations

The Fund may invest in collateralized loan obligations (“CLOs”). CLOs are backed by a portfolio of senior secured loans. The Fund’s CLO investments may include senior/mezzanine CLO debt tranches (rated investment grade), mezzanine CLO debt tranches (rated below investment grade or unrated), subordinated CLO equity tranches (unrated), leveraged loans (including warehouse facilities that hold such loans) and vehicles that invest indirectly in CLO securities or leveraged loans. If there are defaults or the relevant collateral otherwise underperforms, scheduled payments to senior tranches of such securities take precedence over those of mezzanine tranches, and scheduled payments to mezzanine tranches have a priority in right of payment to subordinated/equity tranches. In light of the above, CLOs may therefore present risks similar to those of other types of debt obligations and, in fact, such risks may be of greater significance in the case of CLOs depending upon the Fund’s ranking in the capital structure. In certain cases, losses may equal the total amount of the Fund’s principal investment. CLO securities carry additional risks, including: (i) the possibility that distributions from collateral assets will not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or default; (iii) investments

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in CLO equity and junior debt tranches will likely be subordinate in right of payment to other senior classes of CLO debt; and (iv) the complex structure of a particular security may produce disputes with the issuer or unexpected investment results, especially during times of market stress or volatility.

CLOs and collateralized debt obligation (“CDOs”) are typically privately offered and sold, and thus, are not registered under the securities laws, which means less information about the security may be available as compared to publicly offered securities and only certain institutions may buy and sell them. As a result, investments in CLOs and CDOs may be characterized by the Fund as illiquid securities. An active dealer market may exist for CLOs and CDOs that can be resold in Rule 144A transactions, but there can be no assurance that such a market will exist or will be active enough for the Fund to sell such securities.

Distributions to Shareholders

The Fund’s distribution policy is to accrue dividends monthly and make monthly distributions to Shareholders. The Fund’s distributions may be funded from unlimited amounts of offering proceeds or borrowings, which may constitute a return of capital and reduce the amount of capital available to the Fund for investment. A return of capital to Shareholders is a return of a portion of their original investment in the Fund, thereby reducing the tax basis of their investment. As a result from such reduction in tax basis, Shareholders may be subject to tax in connection with the sale of Fund Shares, even if such Shares are sold at a loss relative to the Shareholder’s original investment.

Federal Income Taxes

As of July 1, 2024, the Fund qualifies and intends to continue to qualify as a “regulated investment company” (“RIC”) under Subchapter M of the Internal Revenue Code of 1986. If so qualified, the Fund will not be subject to federal income tax to the extent it distributes substantially all of its net investment income and capital gains to shareholders. Therefore, no federal income tax provision is required. Management of the Fund is required to determine whether a tax position taken by the Fund is more likely than not to be sustained upon examination by the applicable taxing authority, based on the technical merits of the position. Based on its analysis, there were no tax positions identified by management of the Fund which did not meet the “more likely than not” standard as of December 31, 2024.

Indemnifications

In the normal course of business, the Fund enters into contracts that provide general indemnifications. The Fund’s maximum exposure under these agreements is dependent on future claims that may be made against the Fund, and therefore cannot be established; however, the risk of loss from such claims is considered remote.

Repurchase Offers

The Fund is a closed-end investment company structured as an interval fund and, as such, has adopted a fundamental policy to make quarterly repurchase offers, at per-class NAV, of not less than 5% of the Fund’s outstanding Shares on the repurchase request deadline. The Fund will offer to purchase only a small portion of its Shares each quarter, and there is no guarantee that shareholders will be able to sell all of the Shares that they desire to sell in any particular repurchase offer. Under current regulations, such offers must be for not less than 5% nor more than 25% of the Fund’s Shares outstanding on the repurchase request deadline. If a repurchase offer is oversubscribed, the Fund may repurchase only a pro rata portion of the Shares tendered by each shareholder. The potential for proration may cause some investors to tender more Shares for repurchase than they wish to have repurchased or result in investors being unable to liquidate all or a given percentage of their investment during in the particular repurchase offer.

During the period ended December 31, 2024 the Fund completed one repurchase Offer as follows:

<u>Repurchase Offer Notice</u>	<u>Repurchase Request Deadline</u>	<u>Repurchase Offer Amount</u>	<u>% of Shares Repurchased</u>	<u>Number of Shares Repurchased</u>
October 8, 2024	November 12, 2024	5.00%	4.00%	120,000

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Segment Reporting

The Fund's chief operating decision maker (CODM), the Principal Executive Officer, manages the Fund's business activities as a single operating and reportable segment at the consolidated level. Accordingly, the CODM uses consolidated net income to measure segment profit or loss, allocate resources and assess performance. Further, the CODM reviews and utilizes functional expenses (cost of revenue, sales, and marketing, research and development and general administrative) at the consolidated level to manage the Fund's operations. Other segment items included in consolidated net income are interest income and other expenses, which are reflected in the consolidated statement of operations.

3. FAIR VALUE DISCLOSURES

The Fund records all investments at fair value. In accordance with the authoritative guidance on fair value measurements and disclosures under U.S. GAAP, the Fund discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to valuations based on unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurement). The guidance establishes three levels of fair value as listed below.

- Level 1—Inputs that reflect unadjusted quoted prices in active markets for identical assets and liabilities that the Fund has the ability to access at the measurement date.
- Level 2—Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3—Inputs that are unobservable.

The notion of unobservable inputs is intended to allow for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Under Level 3, the owner of an asset must determine fair value based on its own assumptions about what market participants would take into account in determining the fair value of the asset, using the best information available.

The inputs or methodology for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

A financial instrument's level within the fair value hierarchy is based upon the lowest level of any input that is significant to the fair value measurement; however, the determination of what constitutes "observable" requires significant judgment by the valuation designee. The valuation designee considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Where the Fund uses the NAV as a practical expedient to determine the fair value of certain Investment Funds, these investments have not been classified in the U.S. GAAP fair value hierarchy. The Fund's short-term investment money market is valued at its publicly traded NAV as a Level 1 investment.

The following table is a summary of information about the levels within the fair value hierarchy at which the Fund's investments are measured as of December 31, 2024:

Investments	Level 1	Level 2	Level 3	Total
Short-Term Investments	\$344,579	\$ —	\$ —	\$ 344,579
Collateralized Loan Obligations . .	—	2,027,814	—	2,027,814
Private Loans	—	—	71,875,722	71,875,722
Private Real Estate Debt	—	—	5,921,720	5,921,720
Total	<u>\$344,579</u>	<u>\$2,027,814</u>	<u>\$77,797,442</u>	<u>\$80,169,835</u>

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The following is a roll-forward of the activity in investments in which significant unobservable inputs (Level 3) were used in determining fair value on a recurring basis:

	Beginning balance May 28, 2024	Transfers into Level 3	Transfers out of Level 3	Total realized gain/(loss)	Total unrealized appreciation/ (depreciation)	Purchases	In Kind Transfers	Amortization	Sales	Balance as of December 31, 2024
Private Loans . .	\$—	\$—	\$—	\$—	\$(810,828)	\$75,734,345	\$18,508,498	\$(33,468)	\$(21,522,825)	\$71,875,722
Private Real										
Estate Debt . .	—	—	—	—	79,261	406,435	5,450,000	(13,976)	—	5,921,720
	<u>\$—</u>	<u>\$—</u>	<u>\$—</u>	<u>\$—</u>	<u>\$(731,567)</u>	<u>\$76,140,780</u>	<u>\$23,958,498</u>	<u>\$(47,444)</u>	<u>\$(21,522,825)</u>	<u>\$77,797,442</u>

The change in unrealized appreciation/(depreciation) for investments held at period-end is \$(731,567).

The following table presents additional information about valuation methodologies and inputs used for investments that are measured at fair value and categorized within Level 3 as of December 31, 2024:

Investment Type	Fair Value December 31, 2024	Valuation Methodologies	Unobservable Input*	Input Range	Weighted Average
Private Loans	\$71,875,722	Discounted cash flow	Discount rate	7.00% - 17.84%	12.44%
Private Real Estate Debt	5,921,720	Discounted cash flow	Discount rate	8.79% - 33.89%	13.90%

* The impact of an increase in input would be a decrease in valuation.

4. PRINCIPAL RISKS

Investing in the Fund involves risks, including the risk that a Shareholder may receive little or no return on their investment or that a Shareholder may lose part or all of their investment. Below is a summary of the principal risks of investing in the Fund. For a more complete discussion of the risks of investing in the Fund please see the Fund's prospectus.

Shares Not Listed; No Market for Shares

The Fund has been organized as a closed-end management investment company. Closed-end funds differ from open-end management investment companies (commonly known as mutual funds) because investors in a closed-end fund do not have the right to redeem their shares on a daily basis. Unlike most closed-end funds, which typically list their shares on a securities exchange, the Fund does not currently intend to list the Shares for trading on any securities exchange, and the Fund does not expect any secondary market to develop for the Shares in the foreseeable future. Therefore, an investment in the Fund, unlike an investment in a typical closed-end fund, is not a liquid investment.

Closed-end Interval Fund; Liquidity Risks.

The Fund is a non-diversified, closed-end management investment company structured as an "interval fund" and designed primarily for long-term investors. The Fund is not intended to be a typical traded investment. There is no secondary market for the Fund's Shares and the Fund expects that no secondary market will develop. An investor should not invest in the Fund if the investor needs a liquid investment. Closed-end funds differ from open-end management investment companies, commonly known as mutual funds, in that investors in a closed-end fund do not have the right to redeem their shares on a daily basis at a price based on NAV. Although the Fund, as a fundamental policy, will make quarterly offers to repurchase between 5% and 25% of its outstanding Shares at NAV, the number of Shares tendered in connection with a repurchase offer may exceed the number of Shares the Fund has offered to repurchase, in which case not all of an investor's Shares tendered in that offer will be repurchased. In connection with any given repurchase offer, it is likely that the Fund may offer to repurchase only the minimum amount of 5% of its outstanding Shares. Hence, an investor may not be able to sell its Shares when and/or in the amount that it desires.

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Interest Rate Risk

General interest rate fluctuations and changes in credit spreads on floating rate loans may have a substantial negative impact on the Fund's investments and investment opportunities and, accordingly, may have a material adverse effect on the Fund's rate of return on invested capital, the Fund's net investment income and the Fund's NAV. Certain of the Fund's debt investments will have variable interest rates that reset periodically based on benchmarks such as SOFR and the prime rate, so an increase in interest rates may make it more difficult for issuers to service their obligations under the debt investments that the Fund will hold. In addition, to the extent the Fund borrows money to make investments, its returns will depend, in part, upon the difference between the rate at which it borrows funds and the rate at which it invests those funds. As a result, there can be no assurance that a significant change in market interest rates will not have a material adverse effect on the Fund's net investment income to the extent it uses debt to finance its investments. In periods of rising interest rates, the Fund's cost of funds would increase, which could reduce its net investment income. In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner, although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). From time to time, the Fund may be exposed to medium- to long-term spread duration securities. Longer spread duration securities have a greater adverse price impact to increases in interest rates. Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules.

If general interest rates rise, there is a risk that the issuers in which the Fund holds floating rate securities will be unable to pay escalating interest amounts, which could result in a default under their loan documents. Rising interest rates could also cause issuers to shift cash from other productive uses to the payment of interest, which may have a material adverse effect on their business and operations and could, over time, lead to increased defaults. In addition, rising interest rates may increase pressure on the Fund to provide fixed rate loans, which could adversely affect the Fund's net investment income, as increases in the cost of borrowed funds would not be accompanied by increased interest income from such fixed-rate investments.

Risks Associated with the Fund Distribution Policy

The Fund intends to make regular distributions. In order to maintain a relatively stable level of distributions, the Fund may pay out less than all of its net investment income to the extent consistent with maintaining its ability to be subject to tax as a "regulated investment company" under the Code, pay out undistributed income from prior months, return capital in addition to current period net investment income or borrow money to fund distributions. The distributions for any full or partial calendar year might not be made in equal amounts, and one distribution may be larger than the other. The Fund will make a distribution only if authorized by the Board and declared by the Fund out of assets legally available for these distributions. This distribution policy may, under certain circumstances, have certain adverse consequences to the Fund and its Shareholders because it may result in a return of capital, which would reduce the NAV of the Shares and, over time, potentially increase the Fund's expense ratios. If a distribution constitutes a return of capital, it means that the Fund is returning to Shareholders a portion of their investment rather than making a distribution that is funded from the Fund's earned income or other profits. The Fund's distribution policy may be changed at any time by the Board.

There is a possibility that the Fund may make total distributions during a calendar or taxable year in an amount that exceeds the Fund's net investment company taxable income and net capital gains for the relevant taxable year. In such situations, if a distribution exceeds the Fund's then-current and accumulated earnings and profits (as determined for U.S. federal income tax purposes), a portion of each distribution paid with respect to such taxable year would generally be treated as a return of capital for U.S. federal income tax purposes, thereby reducing the amount of a Shareholder's tax basis in such Shareholder's Fund Shares. When a Shareholder sells Fund Shares, the amount, if any, by which the sales price exceeds the Shareholder's tax basis in Fund Shares may be treated as a gain subject to tax. A return of capital reduces a Shareholder's tax basis in Fund Shares, it generally will increase the amount of such Shareholder's gain or decrease the amount of such Shareholder's loss when such Shareholder sells Fund Shares. To the extent that the amount of any return of capital distribution exceeds a Shareholder's tax basis in Fund Shares, such excess generally will be treated as gain from a sale or exchange of the Shares.

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If the Fund elects to issue preferred Shares and/or notes or other forms of indebtedness, its ability to make distributions to its Shareholders may be limited by the asset coverage requirements and other limitations imposed by the 1940 Act and the terms of the Fund's preferred Shares, notes or other indebtedness.

High Yield Debt Risk

The Fund may invest in debt securities that may be classified as “higher-yielding” (and, therefore, higher-risk) debt securities (also known as “junk bonds”). In most cases, such debt will be rated below “investment grade” or will be unrated and will face both ongoing uncertainties and exposure to adverse business, financial or economic conditions and the issuer's failure to make timely interest and principal payments. The market for high yield securities (junk bonds) has experienced periods of volatility and reduced liquidity. High yield securities (junk bonds) may or may not be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured by all or substantially all of the issuer's assets. High yield securities (junk bonds) may also not be protected by financial covenants or limitations on additional indebtedness. The market values of certain of these debt securities may reflect individual corporate developments. General economic recession or a major decline in the demand for products and services in the industry in which the borrower operates would likely have a materially adverse impact on the value of such securities or could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities. In addition, adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the value and liquidity of these high yield debt securities (junk bonds).

Credit Debt Risk

One of the fundamental risks associated with the Fund's investments is credit risk, which is the risk that an issuer will be unable to make principal and interest payments on its outstanding debt obligations when due. The Fund's return to investors would be adversely impacted if an issuer of debt in which the Fund invests becomes unable to make such payments when due.

Although the Fund may make investments that the Adviser believes are secured by specific collateral, the value of which may initially exceed the principal amount of such investments or the Fund's fair value of such investments, there can be no assurance that the liquidation of any such collateral would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal payments with respect to such investment, or that such collateral could be readily liquidated. The Fund may also invest in leveraged loans, high yield securities, marketable and non-marketable common and preferred equity securities and other unsecured investments, each of which involves a higher degree of risk than secured loans. Furthermore, the Fund's right to payment and its security interest, if any, may be subordinated to the payment rights and security interests of a senior lender, to the extent applicable. Certain of these investments may have an interest-only payment schedule, with the principal amount remaining outstanding and at risk until the maturity of the investment. In addition, loans may provide for payments-in-kind, which have a similar effect of deferring current cash payments. In such cases, an issuer's ability to repay the principal of an investment may depend on a liquidity event or the long-term success of the company, the occurrence of which is uncertain. With respect to the Fund's investments in any number of credit products, if the borrower or issuer breaches any of the covenants or restrictions under the credit agreement that governs loans of such issuer or borrower, it could result in a default under the applicable indebtedness as well as the indebtedness held by the Fund. Such default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. This could result in an impairment or loss of the Fund's investment or a pre-payment (in whole or in part) of the Fund's investment.

Issuers in which the Fund invests could deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment or the continuation or worsening of the current (or any future) economic and financial market downturns and dislocations. As a result, companies that the Fund expected to be stable or improve may operate, or expect to operate, at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or maintain their competitive position, or may otherwise have a weak financial condition or experience financial distress. In addition, exogenous factors such as fluctuations of the equity markets also could result in warrants and other equity securities or instruments owned by the Fund becoming worthless.

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Portfolio Fair Value Risk

Under the 1940 Act, the Fund is required to carry its portfolio investments at market value or, if there is no readily available market value, at fair value. There is not a public market for the securities of the privately held companies in which the Fund may invest. Many of the Fund's investments are not exchange-traded, but are, instead, traded on a privately negotiated over the counter ("OTC") secondary market for institutional investors. The Adviser, as valuation designee, is responsible for the valuation of the Fund's portfolio investments and implementing the portfolio valuation process set forth in the Adviser's and the Fund's valuation policy. The Adviser has a conflict of interest as valuation designee as it receives an asset-based management fee. Valuations of Fund investments are disclosed quarterly in reports publicly filed with the SEC.

A high proportion of the Fund's investments relative to its total investments are valued at fair value. Certain factors that may be considered in determining the fair value of the Fund's investments include dealer quotes for securities traded on the OTC secondary market for institutional investors, the nature and realizable value of any collateral, the issuer's earnings and its ability to make payments on its indebtedness, the markets in which the issuer does business, comparison to selected publicly-traded companies, discounted cash flow and other relevant factors. The factors and methodologies used for the valuation of such securities are not necessarily an indication of the risks associated with investing in those securities nor can it be assured that the Fund can realize the fair value assigned to a security if it were to sell the security. Such valuations, and particularly valuations of private securities and private companies, are inherently uncertain, and they often reflect only periodic information received by the Adviser about such companies' financial condition and/or business operations, which may be on a lagged basis and can be based on estimates. Determinations of fair value may differ materially from the values that would have been used if an exchange-traded market for these securities existed. Investments in private companies are typically governed by privately negotiated credit agreements and covenants, and reporting requirements contained in the agreements may result in a delay in reporting their financial position to lenders, which in turn may result in the Fund's investments being valued on the basis of this reported information. Further, the Fund is offered on a daily basis and calculates a daily NAV per Share. The Adviser seeks to evaluate on a daily basis material information about the Fund's investments; however, for the reasons noted herein, the Adviser may not be able to acquire and/or evaluate properly such information on a daily basis. Due to these various factors, the Adviser's fair value determinations could cause the Fund's NAV on a valuation day to materially differ from what it would have been had such information been fully incorporated. As a result, investors who purchase shares may receive more or less shares and investors who tender their shares may receive more or less cash proceeds than they otherwise would receive.

Market Risk

The success of the Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Fund's investments), trade barriers, currency exchange controls, disease outbreaks, pandemics, and national and international political, environmental and socioeconomic circumstances (including wars, terrorist acts or security operations). In addition, the current U.S. political environment and the resulting uncertainties regarding actual and potential shifts in U.S. foreign investment, trade, taxation, economic, environmental and other policies under the current Administration, as well as the impact of geopolitical tension, such as a deterioration in the bilateral relationship between the U.S. and China, an escalation in conflict between Russia and Ukraine, significant conflict between Israel and Hamas in the Middle East or other systemic issuer or industry-specific economic disruptions, could lead to disruption, instability and volatility in the global markets. Unfavorable economic conditions also would be expected to increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us.

Current and historic market turmoil has illustrated that market environments may, at any time, be characterized by uncertainty, volatility and instability. Serious economic disruptions may result in governmental authorities and regulators enacting significant fiscal and monetary policy changes, including by providing direct capital infusions into companies, introducing new monetary programs and considerably increasing or lowering interest rates, which, in some cases resulted in negative interest rates.

As global systems, economies and financial markets are increasingly interconnected, events that once had only local impact are now more likely to have regional or even global effects. Events that occur in one country, region

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or financial market will, more frequently, adversely impact issuers in other countries, regions or markets. These impacts can be exacerbated by failures of governments and societies to adequately respond to an emerging event or threat. These types of events quickly and significantly impact markets in the U.S. and across the globe leading to extreme market volatility and disruption. The extent and nature of the impact on supply chains or economies and markets from these events is unknown, particularly if a health emergency or other similar event, such as the COVID-19 pandemic, persists for an extended period of time. The value of the Fund's investment may decrease as a result of such events, particularly if these events adversely impact the operations and effectiveness of the Adviser or key service providers or if these events disrupt systems and processes necessary or beneficial to the investment advisory or other activities on behalf the Fund.

Many of the issuers in which the Fund will make investments may be susceptible to economic slowdowns or recessions and may be unable to repay the loans made to them during these periods. Therefore, non-performing assets may increase and the value of the Fund's portfolio may decrease during these periods as the Fund is required to record the investments at their current fair value. Adverse economic conditions also may decrease the value of collateral securing some of the Fund's loans and the value of its investments. Economic slowdowns or recessions could lead to financial losses in the Fund's portfolio and a decrease in revenues, net income and assets. Unfavorable economic conditions also could increase the Fund's and the issuers' funding costs, limit the Fund's and the issuers' access to the capital markets or result in a decision by lenders not to extend credit to the Fund or the issuers. These events could prevent the Fund from increasing investments and harm its operating results.

An issuer's failure to satisfy financial or operating covenants imposed by the Fund or other lenders could lead to defaults and, potentially, acceleration of the time when the loans are due and foreclosure on its secured assets, which could trigger cross-defaults under other agreements and jeopardize the issuer's ability to meet its obligations under the debt that the Fund holds. The Fund may incur additional expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting issuer. In addition, if one of the issuers were to go bankrupt, depending on the facts and circumstances, including the extent to which the Fund will actually provide significant managerial assistance to that issuer, a bankruptcy court might subordinate all or a portion of the Fund's claim to that of other creditors.

The prices of financial instruments in which the Fund may invest can be highly volatile. General fluctuations in the market prices of securities may affect the value of the investments held by the Fund. Instability in the securities markets may also increase the risks inherent in the Fund's investments.

Nature of the Fund's Investment Risk

The Fund has a very broad mandate with respect to the type and nature of investments in which it participates. While some of the loans in which the Fund will invest may be secured, the Fund may also invest in debt and equity securities that are either unsecured and subordinated to substantial amounts of senior indebtedness, or a significant portion of which may be unsecured. In such instances, the ability of the Fund to influence an issuer's affairs, especially during periods of financial distress or following an insolvency is likely to be substantially less than that of senior creditors. For example, under terms of subordination agreements, senior creditors are typically able to block the acceleration of the debt or other exercises by the Fund of its rights as a creditor. Accordingly, the Fund may not be able to take the steps necessary to protect its investments in a timely manner or at all. In addition, the debt securities in which the Fund will invest may not be protected by financial covenants or limitations upon additional indebtedness, may have limited liquidity and may not be rated by a credit rating agency.

The borrowers of loans constituting the Fund's assets may seek the protections afforded by bankruptcy, insolvency and other debtor relief laws. Bankruptcy proceedings are unpredictable as described further below in "Bankruptcy of Borrower Risk." Additionally, the numerous risks inherent in the insolvency process create a potential risk of loss by the Fund of its entire investment in any particular investment. Insolvency laws may, in certain jurisdictions, result in a restructuring of the debt without the Fund's consent under the "cramdown" provisions of applicable insolvency laws and may also result in a discharge of all or part of the debt without payment to the Fund.

Debt securities are also subject to other risks, including (i) the possible invalidation of an investment transaction as a "fraudulent conveyance," (ii) the recovery of liens perfected or payments made on account of a debt in the period before an insolvency filing as a "preference," (iii) equitable subordination claims by other creditors, (iv) so called "lender liability" claims by the issuer of the obligations (see "Risks Related to Investments in Loans") and

MA Specialty Credit Income Fund
Notes to the Consolidated Financial Statements
December 31, 2024 (Continued)

(v) environmental liabilities that may arise with respect to collateral securing the obligations. Additionally, adverse credit events with respect to any issuer, such as missed or delayed payment of interest and/or principal, bankruptcy, receivership, or distressed exchange, can significantly diminish the value of the Fund's investment in any such company. The Fund's investments may be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by the Fund earlier than expected. Accordingly, there can be no assurance that the Fund's investment objective will be realized.

Use of Leverage Risk

The Fund may employ leverage, including through a secured credit facility, to achieve its investment objective and may consider other potential uses of leverage in the future. The Fund's willingness to use leverage, and the extent to which leverage is used at any time, will depend on many factors, including the Adviser's assessment of the yield curve environment, interest rate trends, market conditions and other factors.

Risk Relating to Fund's RIC Status

Although the Fund intends to elect to be treated as a RIC under Subchapter M of the Code, no assurance can be given that the Fund will be able to qualify for and maintain RIC status. If the Fund qualifies as a RIC under the Code, the Fund generally will not be subject to corporate-level federal income taxes on its income and capital gains that are timely distributed (or deemed distributed) as dividends for U.S. federal income tax purposes to its Shareholders. To qualify as a RIC under the Code and to be relieved of federal taxes on income and gains distributed as dividends for U.S. federal income tax purposes to the Fund's Shareholders, the Fund must, among other things, meet certain source-of-income, asset diversification and distribution requirements. The distribution requirement for a RIC is satisfied if the Fund distributes dividends each tax year for U.S. federal income tax purposes of an amount generally at least equal to 90% of the sum of its net ordinary income and net short-term capital gains in excess of net long-term capital losses, if any, to the Fund's Shareholders.

5. CAPITAL STOCK

The Fund currently offers Class S Shares and intends to offer Class F Shares at a later date. With respect to Class S Shares, the minimum initial investment is \$1,000,000 for all accounts. With respect to Class F Shares, the minimum initial investment is \$2,500 for regular accounts and \$1,000 for retirement plan accounts. There is no minimum subsequent investment amount for Class S Shares or Class F Shares. The Fund reserves the right to waive investment minimums. The Fund may charge a distribution and/or shareholder servicing fee totaling up to 0.50% per year on Class F Shares. The Fund and the Adviser have received exemptive relief to, among other things, (i) designate multiple classes of Shares; (ii) impose on certain of the classes an early withdrawal charge and schedule waivers of such; and (iii) impose class specific annual asset-based distribution fees on the assets of the various classes of Shares to be used to pay for expenses incurred in fostering the distribution of the Shares of the particular class. Under the exemptive relief, the Fund and/or the Adviser may be required to comply with certain regulations that would not otherwise apply.

Shares will generally be offered for purchase on each business day.

The Fund is structured as a closed-end interval fund which means that the Shareholders will not have the right to redeem their Shares on a daily basis. In addition, the Fund does not expect any trading market to develop for the Shares. For each repurchase offer the Board will set an amount between 5% and 25% of the Fund's Shares based on relevant factors, including the liquidity of the Fund's positions and the Shareholders' desire for liquidity.

6. AGREEMENTS

Investment Advisory Agreement and Incentive Fee

Pursuant the investment advisory agreement, dated as of April 18, 2024 (the "Investment Advisory Agreement"), by and between the Fund and the Adviser, and in consideration of the advisory services provided by the Adviser to the Fund, the Adviser is entitled to a fee consisting of two components—a base management fee (the "Management Fee") and an incentive fee (the "Incentive Fee"). The Management Fee is calculated and payable monthly in arrears at the annual rate of 0.95% of the average daily value of the Net Assets. "Net Assets" means the total assets of the Fund minus the Fund's liabilities. The Management Fee commenced being charged to the

MA Specialty Credit Income Fund
Notes to the Consolidated Financial Statements

December 31, 2024 (Continued)

Fund on July 1, 2024. For the period July 1, 2024 to December 31, 2024, the Adviser earned gross Management Fees of \$309,286.

The Incentive Fee is calculated and payable quarterly in arrears based upon the Fund's "pre-incentive fee net investment income" for the immediately preceding quarter, subject to a hurdle rate, expressed as a rate of return on the Fund's Net Assets equal to 1.50% per quarter (or an annualized hurdle rate of 6.00%), subject to a "catch-up" feature. For this purpose, "pre-incentive fee net investment income" means interest income, dividend income, and any other income earned or accrued during the calendar quarter, minus the Fund's operating expenses (which, for this purpose shall not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation or Incentive Fee) for the quarter. For purposes of the Incentive Fee, Net Assets are calculated for the relevant quarter as the weighted average of the NAV of the Fund as of the first business day of each month therein. The weighted average NAV shall be calculated for each month by multiplying the NAV as of the beginning of the first business day of the month times the number of days in that month, divided by the number of days in the applicable calendar quarter.

The "catch-up" provision is intended to provide the Adviser with an incentive fee of 15% on all of the Fund's pre-incentive fee net investment income when the Fund's pre-incentive fee net investment income reaches 2.1429% of Net Assets in any calendar quarter.

For the period July 1, 2024 to December 31, 2024, the Adviser earned a gross Incentive Fee of \$518,169. The Adviser contractually waived the incentive fee catch-up of \$289,205 and voluntarily waived the residual incentive fee of \$228,964. These waiver amounts are not recoupable by the Adviser.

Management Fee Waiver Agreement

Pursuant to a Management Fee Waiver Agreement between the Fund and the Adviser (the "Management Fee Waiver Agreement"), the Adviser has contractually agreed, through the first year after the date on which the Fund's Net Assets equal \$250 million, but in no instance sooner than December 31, 2025, to waive (i) the Management Fee it is entitled to receive from the Fund pursuant to the Investment Advisory Agreement to the extent necessary to limit its Management Fee to 0.70% of the average daily value of the Fund's Net Assets and (ii) the catch-up feature related to the Incentive Fee, with the effect that the Incentive Fee will equal 15% of the portion of the Fund's pre-incentive fee net investment income that exceeds the hurdle rate. For the period ended December 31, 2024, the Advisor waived \$81,388, which is not recoupable by the Adviser.

Expense Limitation Agreement

The Adviser and the Fund have entered into the Expense Limitation Agreement in respect of each of Class S Shares and Class F Shares under which the Adviser has agreed contractually until December 31, 2025 to waive its Management Fee and/or reimburse the Fund's initial organizational and offering costs, as well as the Fund's operating expenses on a monthly basis to the extent that the Fund's monthly total annualized fund operating expenses in respect of each class (excluding (i) expenses directly related to the costs of making investments, including interest and structuring costs for borrowings and line(s) of credit, taxes, brokerage costs, the Fund's proportionate share of expenses related to co-investments, litigation and extraordinary expenses, (ii) Incentive Fees and (iii) any distribution and/or shareholder servicing fees) exceed 2.00% of the average NAV of such class (the "Expense Cap").

In consideration of the Adviser's agreement to waive its Management Fee and/or reimburse the Fund's operating expenses, the Fund has agreed to repay the Adviser in the amount of any waived Management Fees and Fund expenses reimbursed in respect of each of Class S Shares and Class F Shares subject to the limitation that a reimbursement (an "Adviser Recoupment") will be made only if and to the extent that: (i) it is payable not more than three years from the date on which the applicable waiver or expense payment was made by the Adviser; and (ii) the Adviser Recoupment does not cause the Fund's total annual operating expenses (on an annualized basis and net of any reimbursements received by the Fund during such fiscal year) during the applicable quarter to exceed the Expense Cap of such class. The Adviser Recoupment for a class of Shares will not cause Fund expenses in respect of that class to exceed the Expense Cap either (i) at the time of the waiver or (ii) at the time of recoupment. The Expense Limitation Agreement will remain in effect until December 31, 2025, unless and until the Board approves its modification or termination.

MA Specialty Credit Income Fund
Notes to the Consolidated Financial Statements

December 31, 2024 (Continued)

As of December 31, 2024, the Adviser waived \$484,085, eligible for recoupment through December 31, 2027.

For the period from September 1, 2024 to December 31, 2024, the Adviser contractually agreed to lower the Expense Cap to 1.00%.

Administration Agreement

The Fund has entered into an administration agreement (the “Administration Agreement”) with UMB Fund Services, Inc. (the “Administrator”). The Administrator will perform, or oversee the performance of, certain of the Fund’s required administrative services, which include, among other things, providing assistance in accounting, legal, compliance, operations, being responsible for the financial records that the Fund is required to maintain and preparing reports to the Fund’s Shareholders and reports filed with the Securities and Exchange Commission (“SEC”). In addition, the Administrator generally will oversee the payment of the Fund’s expenses and the performance of administrative and professional services rendered to the Fund by others.

Distribution Plan Agreement

The Fund has adopted a “Distribution and Shareholder Services Plan” with respect to its Class F Shares under which the Fund may compensate financial industry professionals for distribution-related expenses, if applicable, and providing ongoing services in respect of clients with whom they have distributed Shares of the Fund. Such services may include electronic processing of client orders, electronic fund transfers between clients and the Fund, account reconciliations with the Fund’s transfer agent, facilitation of electronic delivery to clients of Fund documentation, monitoring client accounts for back-up withholding and any other special tax reporting obligations, maintenance of books and records with respect to the foregoing, and such other information and liaison services as the Fund or the Adviser may reasonably request. Under the Distribution and Shareholder Services Plan, the Fund’s Class F Shares may incur expenses on an annual basis of up to 0.50% of its average monthly Net Assets. With respect to Class F Shares, the entire fee is characterized as a “distribution fee.”

The Distribution and Shareholder Services Plan operates in a manner consistent with Rule 12b-1 under the 1940 Act, which regulates the manner in which an open-end investment company may directly or indirectly bear the expenses of distributing its shares. Although the Fund is not an open-end investment company, it has undertaken to comply with the terms of Rule 12b-1 as a condition of an exemptive order under the 1940 Act which permits it to have asset based distribution fees.

Distribution Agreement

Distribution Services, LLC, serves as the Fund’s principal underwriter and acts as the Distributor of the Fund’s Shares on a best efforts basis, subject to various conditions. Distribution Services LLC was formerly known as UMB Distribution Services LLC. On December 6, 2024, all equity interests in Distribution Services LLC were sold to Foreside Financial Group, LLC. The Fund’s agreement with UMB Distribution Services, LLC was novated to Distribution Services LLC. The Fund’s Shares are offered for sale through the Distributor at NAV plus any applicable sales load. The Distributor also may enter into broker-dealer selling agreements with other broker dealers for the sale and distribution of the Fund’s Shares.

Custodian Agreement

UMB Bank, n.a. (the “Custodian”), serves as the primary custodian of the assets of the Fund, and may maintain custody of such assets with U.S. and non-U.S. sub custodians (which may be banks and trust companies), securities depositories and clearing agencies in accordance with the requirements of Section 17(f) of the Investment Company Act and the rules thereunder. Assets of the Fund are not held by the Adviser or commingled with the assets of other accounts other than to the extent that securities are held in the name of the Custodian or U.S. or non-U.S. sub custodians in a securities depository, clearing agency or omnibus customer account of such custodian. In consideration for these services, the Fund pays the Custodian a minimum monthly custodian fee.

7. LINES OF CREDIT

The Fund entered into a line of credit agreement (the “Fund Credit Agreement”) with TriState Capital Bank on October 23, 2024, which matures on October 23, 2026. The terms of the Fund Credit Agreement provide a \$15,000,000 committed, secured revolving credit facility. The Fund Credit Agreement provides for a commitment fee of 0.35% per annum on unused capacity plus interest accruing on any borrowed amounts, for any day, at a rate

MA Specialty Credit Income Fund

Notes to the Consolidated Financial Statements

December 31, 2024 (Continued)

per annum equal to the greater of (a) the Term SOFR rate plus 3.15%, and (b) the all-in floor of 4.75% per annum. As of December 31, 2024, the outstanding balance was \$10,200,000 at an effective interest rate of 7.68%. For the period ended December 31, 2024, the average daily principal balance outstanding and related average interest rate was approximately \$2,191,429 and 7.78%, respectively, and the maximum outstanding balance was \$10,200,000. Interest expense during the period ended December 31, 2024 was \$32,729. Commitment fees incurred are prepaid and amortized over the term of the loan. For the period ended December 31, 2024, commitment fees were \$43,630. Unused commitment fees for the period ended December 31, 2024 were \$411,370.

The Fund's majority owned subsidiary BE OLD entered into a line of credit agreement (the "BE OLD Credit Agreement") with Forbright Bank on December 15, 2021 and amended on December 6, 2023, and which matures on March 10, 2025. The terms of the BE OLD Credit Agreement provide a \$25,000,000 committed, secured revolving credit facility (the "BE OLD Credit Facility"). The BE OLD Credit Agreement provides for a commitment fee of 0.375% per annum on unused capacity plus interest accruing on any borrowed amounts, for any day, at a rate per annum equal to the greater of (a) the Term SOFR rate plus 3.75%, and (b) the Maximum Rate as defined in the BE OLD Credit Agreement. As of December 31, 2024, BE OLD's outstanding balance was \$802,890 at an effective interest rate of 8.30%. The Fund's consolidated share of the outstanding balance was \$620,415.

For the period ended December 31, 2024, BE OLD's average daily principal balance outstanding and related average interest rate was approximately \$2,744,367, and 8.74%, respectively, and BE OLD's maximum outstanding balance of the BE OLD Credit Facility was \$5,285,383. BE OLD's interest expense during the period ended December 31, 2024, was \$124,688. The Fund's proportionate share of BE OLD's line of credit interest expense was \$96,350.

8. BENEFICIAL OWNERSHIP & RELATED PARTY TRANSACTIONS

The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities of the Fund creates a presumption of control under Section 2(a)(9) of the 1940 Act. On December 31, 2024, MA Eagle II Holdings Fund owned 95% of the Fund. This entity is an affiliate of the Fund and may be deemed to be affiliated with the Adviser.

9. INVESTMENT TRANSACTIONS

For the period ended December 31, 2024, there were purchases of \$78,090,781, of which \$34,691,098 were contributed in-kind, and sales of \$31,267,618.

10. FEDERAL INCOME TAXES

At December 31, 2024, gross unrealized appreciation and depreciation of investments owned by the Funds, based on cost for federal income tax purposes were as follows:

Cost of investments	<u>\$80,900,491</u>
Gross unrealized appreciation	465,821
Gross unrealized depreciation	<u>(1,196,477)</u>
Net unrealized appreciation/(depreciation) on investments	<u>\$ (730,656)</u>

The difference between cost amounts for financial statement and federal income tax purposes is due primarily to timing differences in recognizing certain gains and losses in security transactions.

GAAP requires that certain components of net assets to be reclassified between financial and tax reporting. These reclassifications have no effect on net assets or net asset value per share. For the period ended December 31, 2024,

MA Specialty Credit Income Fund
Notes to the Consolidated Financial Statements

December 31, 2024 (Continued)

permanent differences in book and tax accounting have been reclassified to paid-in capital and total distributable earnings (accumulated deficit) as follows:

	Increase (Decrease)
Paid-In Capital	Total Distributable Investment Income (Loss)
\$305,070	\$(305,070)

As of December 31, 2024, the components of accumulated earnings (deficit) on a tax basis were as follows:

Unrealized depreciation on investments	\$(730,656)
Organizational Costs	(146,870)
Total accumulated earnings/(deficit)	<u>\$(877,526)</u>

The tax character of the distribution paid during the fiscal period ended December 31, 2024 are as follows:

Distributions paid from:	2024
Ordinary income	\$3,686,076
Net long term capital gains	—
Return of capital	—
Total distributions paid	<u>\$3,686,076</u>

11. COMMITMENTS

Commercial loans purchased by the Fund (whether through participations or as a lender of record) may be structured to include both term loans, which are generally fully funded at the time of investment, and unfunded loan commitments, which are contractual obligations for future funding. Unfunded loan commitments may include revolving credit facilities and delayed draw term loans, which may obligate the Fund to supply additional cash to the borrower on demand, representing a potential financial obligation by the Fund in the future. As of December 31, 2024, the Fund had outstanding investment commitments totaling approximately \$7,449,998.

12. SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated subsequent events through the date of issuance. There have been no subsequent events, except as noted below, that occurred during such period that would require disclosure or would be required to be recognized in the consolidated financial statements.

On February 7, 2024, the Fund completed a quarterly Repurchase Offer resulting in no repurchases.

In February 2025, the Credit Facility with Forbright Bank, held through the Fund's majority owned subsidiary BE OLD, was fully paid off and terminated.

MA Specialty Credit Income Fund
Report of Independent Registered Public Accounting Firm

December 31, 2024

To the Shareholders and Board of Trustees of
MA Specialty Credit Income Fund

Opinion on the Financial Statements

We have audited the accompanying consolidated statement of assets and liabilities, including the consolidated schedule of investments, of MA Specialty Credit Income Fund (the “Fund”) as of December 31, 2024, the related consolidated statements of operations, changes in net assets, cash flows, and the consolidated financial highlights for the period May 28, 2024 (commencement of operations) to December 31, 2024, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2024, the results of its consolidated operations, changes in net assets, cash flows, and financial highlights for the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2024, by correspondence with the custodian, counterparties and loan agents. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

We have served as the Fund’s auditor since 2024.



COHEN & COMPANY, LTD.
Cleveland, Ohio
February 28, 2025

MA Specialty Credit Income Fund

Additional Information

December 31, 2024 (Unaudited)

Availability of Quarterly Portfolio Schedules

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Part F of Form N-PORT. The Fund's Form N-PORT is available, without charge and upon request by calling 844-944-4822 or on the SEC's website at www.sec.gov.

Proxy Voting Policies and Procedures

A description of the Fund's proxy voting policies and procedures related to portfolio securities is available without charge, upon request, by calling the Fund at 844-944-4822 or on the SEC's website at www.sec.gov.

Proxy Voting Record

Information regarding how the Fund voted proxies for portfolio securities, if applicable, during the most recent 12-month period ended June 30, will also be available without charge and upon request by calling 844-944-4822, by visiting <https://mafinancial.com/us/invest/ma-specialty-credit-income-fund> or by accessing the Fund's Form N-PX on the SEC's website at www.sec.gov.

Tax Information

For the year ended December 31, 2024, 0% of the dividends paid from net investment income, including short-term capital gains (if any), for the Fund is designated as qualified dividend income.

For the year ended December 31, 2024, 0% of the dividends paid from net investment income, including short-term capital gains (if any), for the Fund qualifies for the dividends received deduction available to corporate shareholders.

Approval of Investment Advisory Agreement

At an in-person meeting of the Board of Trustees (the "Board") of MA Specialty Credit Income Fund (the "Fund") held on April 18, 2024 (the "Meeting"), the Board, including a majority of the Trustees who are not considered to be "interested persons" of the Fund (the "Independent Trustees") under the Investment Company Act of 1940, as amended (the "1940 Act"), unanimously voted to approve for an initial two-year period an investment advisory agreement by and between MA Asset Management, LLC (the "Adviser") and the Fund (the "Agreement").

In connection with their consideration of whether to approve the Agreement, the Board received and reviewed information provided by the Adviser relating to the Fund, the Agreement and the Adviser, including comparative fee and expense information and other information regarding the nature, extent and quality of services to be provided by the Adviser under the Agreement. The materials provided to the Board generally included, among other items: (i) information on the Fund's management fee, incentive fee and other expenses, including information comparing the management fee and incentive fee to be paid by the Fund to those of a peer group of funds; (ii) information about the Adviser's estimated profitability with respect to the Agreement; (iii) a memorandum prepared by the Adviser in response to a request submitted by legal counsel to the Fund (the "Response Memorandum"), including a description of the Adviser's business and certain other information about the Adviser to be considered in connection with the review by the members of the Board; and (iv) a memorandum from legal counsel to the Fund on the responsibilities of the Board in considering for approval investment advisory arrangements under the 1940 Act. The Board, including the Fund's Independent Trustees, also considered other matters such as: (i) the Fund's investment objective and strategies; (ii) the Adviser's investment personnel and operations, including the personnel and other resources devoted to the Fund; (iii) the Adviser's financial results and financial condition; (iv) the resources to be devoted to the Fund's investment policies and restrictions, policies on personal securities transactions and other compliance policies and procedures; (v) the Adviser's policies with respect to allocation of investments and seeking best execution; and (vi) possible conflicts of interest. Throughout the process, the Board had the opportunity to ask questions of and request additional materials from the Adviser.

In determining whether to approve the Agreement for the Fund, the members of the Board reviewed and evaluated information and factors they believed to be relevant and appropriate through the exercise of their reasonable business judgment. The Board, including the Independent Trustees, did not identify any single factor as determinative. Individual members of the Board may have evaluated the information presented differently from one another, giving different weights to various factors in considering whether to approve the Agreement. The

MA Specialty Credit Income Fund

Additional Information

December 31, 2024 (Unaudited) (Continued)

Board was also furnished with an analysis of its fiduciary obligations in connection with its evaluation of the Agreement and, throughout the evaluation process, the Board was assisted by counsel for the Fund. A more detailed summary of the important, but not necessarily all, factors the Board considered with respect to its approval of the Agreement is provided below.

The nature, extent and quality of the services to be provided to the Fund under the Agreement. The Board considered the responsibilities the Adviser would have under the Agreement, and the services that would be provided by the Adviser to the Fund, including, without limitation, the management, oversight, operational, and governance services that the Adviser and its employees would provide to the Fund, the services already provided by the Adviser related to organizing the Fund, the Adviser's coordination of services for the Fund by its service providers, its compliance procedures and practices, and its efforts to promote the Fund. The Board also considered the background and experience of the Adviser's senior management personnel. The Board noted that certain of the Fund's officers are employees of the Adviser or its affiliates and serve the Fund without additional compensation from the Fund. The Board further considered information regarding the Adviser's program designed to ensure compliance with federal securities and other applicable laws and the Adviser's risk management processes. After reviewing the foregoing information and further information in the Adviser's Response Memorandum (which included, among other information, descriptions of the Adviser's business) and discussing the Adviser's proposed services to the Fund, the Board concluded that the quality, extent, and nature of the services proposed to be provided by the Adviser would be satisfactory and appropriate for the Fund.

Investment management capabilities and experiences of the Adviser. The Board considered the quality of the services to be provided and the quality of the Adviser's resources that are available to the Fund. The Board evaluated the Adviser's advisory, operational, governance, distribution, legal, compliance, and risk management services, among other services, and information the Board received regarding the experience and professional qualifications of the Adviser's key personnel and the size and functions of its staff. After consideration of these factors, the Board determined that the Adviser would be an appropriate investment adviser for the Fund.

Performance. The Board considered that the Fund had no operational history and that its performance was not a factor at this time in deciding whether to approve the Agreement.

Cost of the services to be provided and profits to be realized by the Adviser from the relationship with the Fund. The Board examined and evaluated the fee arrangement between the Adviser and the Fund under the proposed Agreement, including as compared with the fees and expenses of certain unaffiliated closed-end funds operated as interval funds considered by the Adviser to have similar investment objectives and strategies to the Fund (the "Peer Group"). The Board considered information about the Adviser's estimated profitability with respect to the Fund, as well as the expected costs of services provided by the Adviser to the Fund. The Board received and reviewed information relating to the financial condition of the Adviser and its affiliates. The Board also considered potential benefits for the Adviser in managing the Fund, including promotion of the Adviser's name and enhancement of its reputation in the industry. Upon further consideration and discussion of the foregoing, the Board concluded that the fees to be paid to the Adviser by the Fund are appropriate and representative of arm's-length negotiations.

Economies of Scale. The Board considered the size and growth prospects of the Fund and how it relates to the structure of the Fund's management fee schedule, which does not include breakpoints. The Board considered that the Fund's growth prospects were uncertain and concluded that it would be premature to consider economies of scale as a factor in approving the Agreement at the present time.

Comparison of fees to be paid to those under other investment advisory contracts. In evaluating the management fee, incentive fee and other expenses the Board considered the Fund's management and incentive fees in absolute terms and as compared with the fees and expenses of the Peer Group. Based upon the comparative fee information provided, the Board noted that the Fund's management and incentive fees were generally in line with the Peer Group. The Board also considered the Adviser's commitment pursuant to the expense limitation agreement with the Fund whereby the Adviser would agree to waive its management fee and/or reimburse the Fund's initial organizational and offering costs, as well as the Fund's operating expenses on a monthly basis to the extent that the Fund's monthly total annualized fund operating expenses in respect of each class of shares of

MA Specialty Credit Income Fund

Additional Information

December 31, 2024 (Unaudited) (Continued)

the Fund (with certain customary exclusions) exceed 2.00% of the average net asset value of such class. The Board further considered that the Adviser has contractually agreed, through the first year after the date on which the Fund's net assets equal \$250 million, but in no instance sooner than December 31, 2025, to waive (i) the management fee it would be entitled to receive from the Fund pursuant to the Agreement to the extent necessary to limit its management fee to 0.70% of the average daily value of the Fund's net assets and (ii) the catch-up feature component of the Fund's incentive fee. The Board considered the level of the Fund's management and incentive fees in light of the level of service expected to be received from the Adviser and the strategies to be employed in managing the Fund.

Benefits derived or to be derived by the Adviser from its relationship with the Fund. The Board considered "fall-out" or ancillary benefits that would accrue to the Adviser as a result of its relationship with the Fund (other than the advisory fee), including non-quantifiable reputational benefits, and concluded that those benefits were reasonable and fair and consistent with industry practice and the best interests of the Fund and its shareholders.

Conclusion. In connection with their consideration of the Agreement, the Board gave weight to various factors, but did not identify any particular factor as controlling its decision. After deliberation and consideration of the information provided, including the factors described above, the Trustees concluded, in the exercise of their business judgment, that the management fee and incentive fee that would be payable by the Fund was reasonable in light of the services to be provided to it by the Adviser, the Adviser's anticipated costs and the Fund's reasonably anticipated asset levels. The Trustees concluded that the Adviser's management likely would benefit the Fund and its shareholders and that the Agreement should be approved.

MA Specialty Credit Income Fund

Fund Management

December 31, 2024 (Unaudited)

The members of the Board and the Fund's officers and their brief biographical information, including their addresses, their year of birth and descriptions of their principal occupations during the past five years, is set forth below. The Fund's Statement of Additional Information includes additional information about the membership of the Board, and is available without charge, upon request, by calling the Fund at 844-944-4822.

INDEPENDENT TRUSTEES

Name, address ⁽¹⁾ and year of birth	Position(s) Held with the Trust	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee
Richard Bohan 1964	Trustee	Since inception	Retired (2021-present); Head of Money Market Trading, Fidelity Investments (1999-2020).	1	None
Louise Brindle 1973	Trustee	Since inception	Chief Risk Officer, Periscope (2024-present); Managing Director, Goldman Sachs (2005-2022).	1	None
Akshay Murthy 1980	Trustee	Since inception	Managing Director and Chief Financial Officer, Intricate Bay Capital (2022-2024); Head of NAM Structuring, Global Spread Products, Citibank (2015-2022).	1	None

(1) The address of each Trustee is care of the Principal Financial Officer of the Fund at 3 West Main Street, Suite 301, Irvington, NY, 10533.

MA Specialty Credit Income Fund

Fund Management

December 31, 2024 (Unaudited) (Continued)

INTERESTED TRUSTEE AND OFFICERS

Name, address ⁽¹⁾ and year of birth	Position(s) Held with the Trust	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee
Joseph P. Marra ⁽²⁾ 1968	Trustee, President, Principal Executive Officer	Since inception	Managing Director and Head of US Asset Management, MA Asset Management (2023-present); Partner and Chief Executive Officer, Blue Elephant Capital Management (2013-2023).	1	Biltmore Technologies (2019-present); RecFi (2017-present).
Paul Grady 1981	Treasurer, Principal Financial Officer, Principal Accounting Officer	Since inception	Chief Financial Officer and Chief Compliance Officer, MA Asset Management (2023-present); Senior Controller roles, UBS (2005-2023).	N/A	N/A
Liam Clarke 1996	Chief Compliance Officer	Since inception	Director, Vigilant Compliance, LLC, (2021-present); Financial Services Assurance Experienced Associate, PricewaterhouseCoopers (2018-2021).	N/A	N/A

(1) The address of the Trustee is care of the Principal Financial Officer of the Fund at 3 West Main Street, Suite 301, Irvington, NY, 10533.

(2) “Interested person,” as defined in the 1940 Act, of the Fund. Joseph P. Marra is an interested person of the Fund due to his affiliation with the Adviser.

MA Specialty Credit Income Fund

Privacy Notice

December 31, 2024 (Unaudited)

FACTS

WHAT DOES THE FUND DO WITH YOUR PERSONAL INFORMATION?

Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number
- Account balances
- Account transactions
- Transaction history
- Wire transfer instructions
- Checking account information

When you are *no longer* our customer, we continue to share your information as described in this notice.

How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons funds choose to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does the Fund share?	Can you limit this sharing?
For our everyday business purposes — such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes — to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes — information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes — information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For nonaffiliates to market to you	No	We don't share

Questions?

Call 877-773-7703

MA Specialty Credit Income Fund

Privacy Notice

December 31, 2024 (Unaudited) (Continued)

What we do	
How does the Fund protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does the Fund collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> • Open an account • Provide account information • Give us your contact information • Make a wire transfer • Tell us where to send the money <p>We also collect your information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> • Sharing for affiliates' everyday business purposes — information about your creditworthiness • Affiliates from using your information to market to you • Sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies.
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <p><i>The Fund doesn't share with nonaffiliates so they can market to you.</i></p>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <p><i>The Fund doesn't jointly market.</i></p>

Investment Manager

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Irvington, NY 10533
Website: www.mafinancial.com

Custodian Bank

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Fund Administrator, Transfer Agent and Fund Accountant

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