

Semi-Annual Report

June 30, 2026



Flat Rock Enhanced Income Fund

FLAT ROCK
— GLOBAL —

Where Investors Come First

Table of Contents

Portfolio Update	1
Schedule of Investments	4
Statement of Assets and Liabilities	9
Statement of Operations	10
Statements of Changes in Net Assets	11
Statement of Cash Flows	12
Financial Highlights	13
Notes to Financial Statements	15
Additional Information	29
Renewal of Investment Advisory Agreement	33

INVESTMENT OBJECTIVE

Flat Rock Enhanced Income Fund’s (the “Fund”) investment objective is to generate current income and, as a secondary objective, long-term capital appreciation.

PERFORMANCE as of June 30, 2026

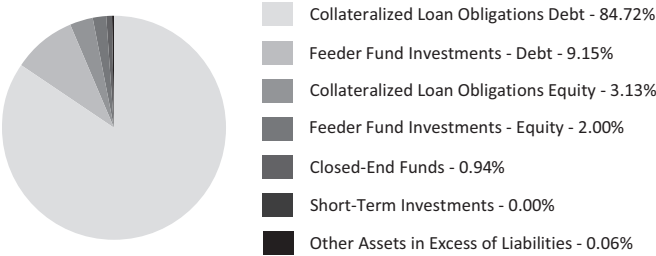
	6 Months	1 Year	3 Year	Since Inception ⁽¹⁾
Flat Rock Enhanced Income Fund ⁽²⁾	2.56%	7.91%	11.62%	11.86%
Bloomberg US Corporate High Yield Bond Index ⁽³⁾	1.96%	5.91%	8.86%	9.04%
S&P BDC Total Return Index ⁽⁴⁾	-8.41%	-12.05%	5.33%	7.84%

- ⁽¹⁾ The Fund’s inception date was on January 3, 2023.
- ⁽²⁾ Performance returns are net of management fees and other Fund expenses.
- ⁽³⁾ The Bloomberg US Corporate High Yield Bond Index is a rules-based, market-value-weighted index engineered to measure publicly issued non-investment grade USD fixed-rate, taxable and corporate bonds.
- ⁽⁴⁾ The S&P BDC Total Return Index is designed to track leading business development companies (“BDCs”) that trade on major U.S. exchanges. BDCs are publicly traded private equity firms that invest equity and debt capital in small and mid-sized businesses and make managerial assistance available to portfolio companies. Constituent companies are BDCs that meet minimum market capitalization and liquidity requirements. The index uses a capped market capitalization weighting scheme. Modifications are made to market cap weights, if required, to reflect available float, while applying single stock capping to the index constituents.

Performance data quoted represents past performance, which is not a guarantee of future results. Current performance may be lower or higher than the performance quoted. The principal value and investment return of an investment will fluctuate so that your shares, if repurchased by the Fund, may be worth more or less than their original cost. Total return measures net investment income and capital gain or loss from portfolio investments. All performance shown assumes reinvestment of dividends and capital gains distributions.

The Fund is a continuously offered, non-diversified, closed-end management investment company that is operated as an interval fund. The Fund is suitable only for investors who can bear the risks associated with the Fund’s limited liquidity and should be viewed as a long-term investment. The Fund’s shares have no history of public trading, nor is it intended that its shares will be listed on a national securities exchange at this time, if ever. Investing in the Fund’s shares may be speculative and involves a high degree of risk, including the risks associated with leverage. Investing in the Fund involves risk, including the risk that shareholders may receive little or no return on their investment or that shareholders may lose part or all of their investment. The Fund intends to invest primarily in the junior debt tranches of collateralized loan obligations (“CLOs”) that own or have exposure to a pool of senior secured loans made to companies whose debt is rated below investment grade or, in some circumstances, unrated, with a particular emphasis on CLO debt tranches initially rated “BB” by a nationally recognized statistical rating organization. To a lesser extent, the Fund may invest in other debt securities of CLO instruments, equity of CLO instruments or other debt securities as permitted under Flat Rock Global, LLC’s (“Flat Rock” or the “Adviser”) allocation policy. The Fund’s investments in the junior debt tranches of CLOs are exposed to leveraged credit risk. The Fund may pay distributions in significant part from sources that may not be available in the future and that are unrelated to its performance, such as a return of capital, borrowings or offering proceeds. The amount of distributions that the Fund may pay, if any, is uncertain.

ASSET ALLOCATION as of June 30, 2026*



* Holdings are subject to change.
Percentages are based on net assets of the Fund.

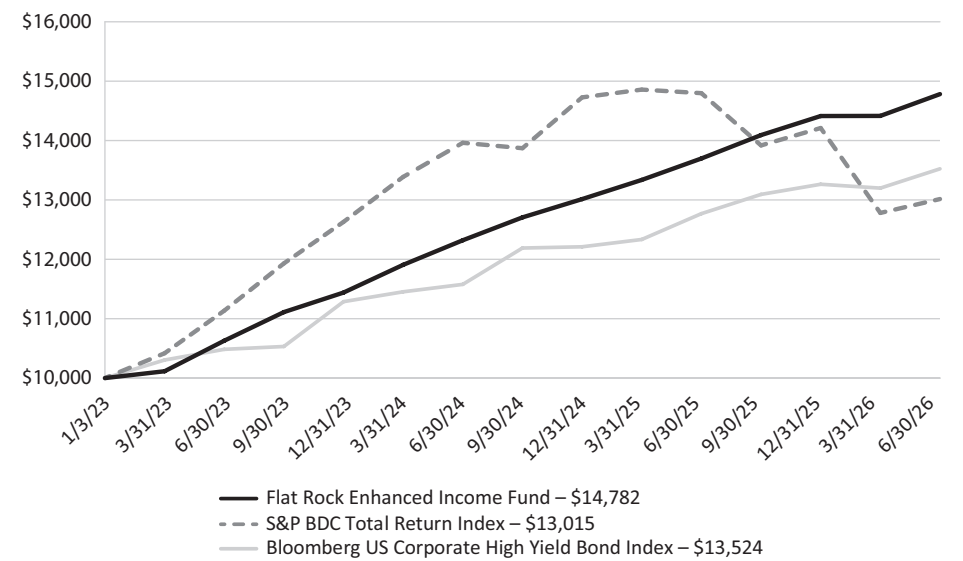
TOP TEN HOLDINGS* as of June 30, 2026

	% of Net Assets
Bain Capital Global Direct Lending Fund U II RN LP, Series 2025-1A	3.75%
Great Lakes CLO Ltd., Series 2015-1A	3.54%
Fortress Credit Opportunities XXVII CLO B, LLC, Series 2026-27A	3.07%
Blackrock Mt. Lassen CLO XV, LLC, Series 2025-1I	2.83%
Blackrock Shasta CLO XIV, LLC, Series 2024-2I	2.81%
Maranon Loan Funding Ltd., Series 2021-3A	2.77%
Maranon Loan Funding, LLC, Series 2022-1A	2.74%
Monroe Capital MML CLO Ltd., Series 2024-1A	2.67%
Lake Shore MM CLO V, LLC, Series 2022-1A	2.63%
Lake Shore MM CLO II Ltd., Series 2019-2A	2.51%

* Holdings are subject to change and exclude cash equivalents.

GROWTH OF A HYPOTHETICAL \$10,000 INVESTMENT

The graph below illustrates the growth of a hypothetical \$10,000 investment assuming the purchase of common shares of beneficial interest at the net asset value ("NAV") of \$20.00 on January 3, 2023 (commencement of operations) and tracking its progress through June 30, 2026.



The hypothetical \$10,000 investment at inception includes changes due to share price and reinvestment of dividends and capital gains. The chart does not imply future performance. Indexes are unmanaged, do not incur fees, expenses or taxes, and cannot be invested in directly. Performance quoted does not include a deduction for taxes that a shareholder would pay upon the Fund’s repurchase of the shareholder’s shares.

June 30, 2026 (Unaudited)

	Principal Amount	Fair Value
COLLATERALIZED LOAN OBLIGATIONS DEBT^{(a)(b)} - 84.72%		
ABPCI Direct Lending Fund ABS II, LLC, Series 2022-2A, Class C, 8.24%, 3/1/2032	\$ 4,171,302	\$ 3,858,455
ABPCI Direct Lending Fund ABS III, LLC, Series 2023-1A, Class ER, 11.66%, 8/1/2035 (3M US SOFR + 800 bps) ^(c)	8,750,000	8,611,750
ABPCI Direct Lending Fund ABS IV LP, Series 2024-1A, Class CR, 10.66%, 2/1/2036 (3M US SOFR + 700 bps) ^(c)	12,000,000	11,174,400
Barings Middle Market CLO Ltd., Series 2023-IIA, Class ER, 13.38%, 7/20/2034 (3M US SOFR + 970 bps) ^(c)	8,500,000	8,550,917
Barings Middle Market CLO Ltd., Series 2023-IA, Class D, 12.30%, 1/20/2036 (3M US SOFR + 862 bps) ^(c)	11,853,269	11,860,174
BCC Middle Market CLO, LLC, Series 2023-2A, Class ER, 10.67%, 10/21/2035 (3M US SOFR + 700 bps) ^(c)	14,500,000	14,368,743
BCC Middle Market CLO, LLC, Series 2025-2A, Class E, 10.16%, 10/22/2037 (3M US SOFR + 650 bps) ^(c)	5,000,000	4,930,295
BCC Middle Market CLO, LLC, Series 2018-1A, Class DRR, 11.38%, 4/20/2038 (3M US SOFR + 770 bps) ^(c)	14,000,000	13,964,678
BlackRock Maroon Bells CLO XI, LLC, Series 2022-1A, Class ER, 11.44%, 1/15/2038 (3M US SOFR + 777 bps) ^(c)	14,500,000	14,068,582
Blackrock Mt. Hood CLO X, LLC, Series 2023-1A, Class ER, 11.18%, 10/20/2037 (3M US SOFR + 750 bps) ^(c)	14,156,875	13,953,840
Blackrock Mt. Lassen CLO XV, LLC, Series 2025-1I, Class E, 11.92%, 7/15/2037 (3M US SOFR + 825 bps) ^(c)	20,000,000	20,157,228
Blackrock Rainier CLO VI Ltd., Series 2021-6A, Class ER, 11.93%, 4/20/2037 (3M US SOFR + 825 bps) ^(c)	7,000,000	6,980,279
Blackrock Shasta CLO XIV, LLC, Series 2024-2A, Class E, 11.17%, 7/15/2036 (3M US SOFR + 750 bps) ^(c)	20,000,000	20,034,038
Brightwood Capital MM CLO Ltd., Series 2023-1A, Class ER, 10.92%, 10/15/2035 (3M US SOFR + 725 bps) ^(c)	10,000,000	9,900,088
Brightwood Capital MM CLO Ltd., Series 2024-2A, Class E, 12.22%, 4/15/2036 (3M US SOFR + 855 bps) ^(c)	5,000,000	5,024,747
Churchill Middle Market CLO Ltd., Series 2019-1A, Class ER, 11.81%, 4/23/2036 (3M US SOFR + 814 bps) ^(c)	16,000,000	16,000,000
Eldridge MMPC CLO Ltd., Series 2025-2A, Class E, 10.58%, 1/15/2038 (3M US SOFR + 690 bps) ^(c)	11,800,000	11,639,470
Fortress Credit Opportunities VIII CLO, LLC, Series 2023-8A, Class ER, 10.61%, 10/22/2037 (3M US SOFR + 695 bps) ^(c)	10,000,000	9,948,105
Fortress Credit Opportunities XIX CLO, LLC, Series 2022-19A, Class ER, 11.67%, 10/15/2036 (3M US SOFR + 800 bps) ^(c)	14,000,000	14,074,040
Fortress Credit Opportunities XXI CLO, LLC, Series 2023-21A, Class ER, 10.92%, 1/21/2037 (3M US SOFR + 725 bps) ^(c)	14,000,000	13,983,630
Fortress Credit Opportunities XXV CLO, LLC, Series 2024-25A, Class E, 11.17%, 1/15/2037 (3M US SOFR + 750 bps) ^(c)	4,000,000	4,017,295

See Notes to Financial Statements.

June 30, 2026 (Unaudited)

	Principal Amount	Fair Value
COLLATERALIZED LOAN OBLIGATIONS DEBT^{(a)(b)} - 84.72%		
Fortress Credit Opportunities XXVII CLO B, LLC, Series 2026-27A, Class E, 11.69%, 7/15/2038 (3M US SOFR + 800 bps) ^(c)	\$ 2,000,000	\$ 2,000,000
Fortress Credit Opportunities XXXIII CLO, LLC, Series 2026-33I, Class E, 11.22%, 4/20/2038 (3M US SOFR + 750 bps) ^(c)	10,000,000	9,930,167
Great Lakes CLO IX Ltd., Series 9A, Class E, 10.47%, 1/15/2039 (3M US SOFR + 680 bps) ^(c)	9,000,000	8,872,846
Great Lakes CLO Ltd., Series 2015-1A, Class ER, 11.30%, 1/16/2030 (3M US SOFR + 736 bps) ^(c)	25,341,148	25,217,986
Great Lakes CLO Ltd., Series 2019-1A, Class ERR, 11.17%, 4/15/2037 (3M US SOFR + 750 bps) ^(c)	8,500,000	8,518,914
Great Lakes CLO V Ltd., Series 2021-5A, Class ER, 10.42%, 10/15/2037 (3M US SOFR + 675 bps) ^(c)	9,950,000	9,856,411
Great Lakes CLO VI, LLC, Series 2021-6A, Class ER, 11.49%, 7/15/2037 (3M US SOFR + 782 bps) ^(c)	10,047,500	10,071,498
Great Lakes KCAP F3C Senior, LLC, Series 2017-1A, Class E, 11.44%, 12/20/2029 (3M US SOFR + 750 bps) ^(c)	13,500,000	13,415,602
Guggenheim MM CLO Ltd., Series 2021-4A, Class ER, 10.92%, 10/15/2037 (3M US SOFR + 725 bps) ^(c)	11,880,000	11,784,485
HPS Private Credit CLO, LLC, Series 2023-1A, Class ER, 10.67%, 10/15/2037 (3M US SOFR + 700 bps) ^(c)	16,500,000	16,275,435
Jefferies Credit Partners Direct Lending CLO Ltd., Series 2024-1A, Class E, 11.92%, 7/25/2036 (3M US SOFR + 825 bps) ^(c)	4,200,000	4,209,035
Jefferies Credit Partners Direct Lending CLO Ltd., Series 2025-1A, Class E, 10.17%, 10/15/2037 (3M US SOFR + 650 bps) ^(c)	7,000,000	6,670,180
Jefferies Credit Partners Direct Lending CLO Ltd., Series 2025-2A, Class E, 10.52%, 1/20/2038 (3M US SOFR + 685 bps) ^(c)	9,000,000	8,757,504
Lake Shore MM CLO II Ltd., Series 2019-2A, Class ERR, 12.33%, 10/17/2031 (3M US SOFR + 865 bps) ^(c)	18,000,000	17,902,444
Lake Shore MM CLO IV Ltd., Series 2021-1A, Class ER, 12.23%, 1/15/2037 (3M US SOFR + 856 bps) ^(c)	5,488,000	5,486,238
Lake Shore MM CLO V, LLC, Series 2022-1A, Class CR, 11.98%, 1/15/2037 (3M US SOFR + 831 bps) ^(c)	18,800,000	18,750,558
Maranon Loan Funding Ltd., Series 2021-3A, Class ER, 11.49%, 10/15/2036 (3M US SOFR + 782 bps) ^(c)	19,700,000	19,771,338
Maranon Loan Funding Ltd., Series 2022-1A, Class ER, 10.42%, 4/15/2037 (3M US SOFR + 675 bps) ^(c)	19,800,000	19,505,608
Maranon Loan Funding Ltd., Series 2023-1A, Class ER, 11.42%, 7/15/2037 (3M US SOFR + 775 bps) ^(c)	18,000,000	17,811,288
Maranon Loan Funding Ltd., Series 2025-1A, Class E, 10.67%, 10/15/2037 (3M US SOFR + 700 bps) ^(c)	7,000,000	6,903,252

See Notes to Financial Statements.

June 30, 2026 (Unaudited)

	Principal Amount	Fair Value
COLLATERALIZED LOAN OBLIGATIONS DEBT^{(a)(b)} - 84.72%		
MCF CLO IV, LLC, Series 2014-1A, Class ER3, 10.43%, 10/16/2037 (3M US SOFR + 675 bps) ^(c)	\$ 4,000,000	\$ 3,942,018
MCF CLO IX Ltd., Series 2019-1A, Class ER2, 11.90%, 4/17/2039 (3M US SOFR + 825 bps) ^(c)	8,000,000	8,000,000
Monroe Capital MML CLO Ltd., Series 2019-1X, Class ER, 12.26%, 11/22/2033 (3M US SOFR + 862 bps) ^(c)	2,000,000	2,005,416
Monroe Capital MML CLO Ltd., Series 2024-1A, Class E, 11.46%, 7/23/2036 (3M US SOFR + 779 bps) ^(c)	19,000,000	19,004,750
Monroe Capital MML CLO VIII Ltd., Series 2019-1A, Class ER, 12.26%, 11/22/2033 (3M US SOFR + 862 bps) ^(c)	4,200,000	4,211,373
Monroe Capital MML CLO X Ltd., Series 2020-1A, Class ER2, 11.39%, 8/20/2037 (3M US SOFR + 775 bps) ^(c)	16,000,000	16,035,632
Monroe Capital MML CLO XV Ltd., Series 2023-1A, Class ER, 10.07%, 9/23/2035 (3M US SOFR + 640 bps) ^(c)	4,315,000	4,205,531
Monroe Capital MML CLO XVII Ltd., Series 2024-2A, Class E, 11.58%, 1/15/2037 (3M US SOFR + 790 bps) ^(c)	14,000,000	14,093,747
Mount Logan Funding LP, Series 2022-1A, Class ER, 12.39%, 1/22/2033 (3M US SOFR + 872 bps) ^(c)	2,000,000	2,013,415
PennantPark CLO V Ltd., Series 2022-5A, Class ER, 11.62%, 10/15/2033 (3M US SOFR + 795 bps) ^(c)	6,000,000	5,992,332
TCP Whitney CLO Ltd., Series 2017-1A, Class ER2, 11.39%, 11/20/2037 (3M US SOFR + 775 bps) ^(c)	17,050,000	16,540,150
VCP RRL ABS II Ltd., Series 2022-1A, Class CR, 10.93%, 7/20/2035 (3M US SOFR + 725 bps) ^(c)	7,336,471	7,219,059
VCP RRL ABS IV, LLC, Series 2025-1A, Class C, 11.08%, 4/20/2035 (3M US SOFR + 740 bps) ^(c)	6,430,445	6,337,945
Woodmont LP, Series 2025-13A, Class E, 10.27%, 1/15/2038 (3M US SOFR + 660 bps) ^(c)	12,500,000	12,317,533
Woodmont Trust, Series 2022-9A, Class ER, 11.44%, 10/25/2036 (3M US SOFR + 777 bps) ^(c)	3,000,000	<u>3,016,937</u>
TOTAL COLLATERALIZED LOAN OBLIGATIONS DEBT (Cost \$606,889,494)		<u><u>603,747,381</u></u>
COLLATERALIZED LOAN OBLIGATIONS EQUITY^{(a)(b)(d)} - 3.13%		
Blackrock Mt. Hood CLO X, LLC, Series 2023-1A, Class VDN, 11.50%, 10/20/2037	1,125,000	401,333
Fortress Credit Opportunities XXVII CLO B, LLC, Series 2026-27A, Subordinated Notes, 18.55%, 7/15/2038	21,878,200	<u>21,878,200</u>
TOTAL COLLATERALIZED LOAN OBLIGATIONS EQUITY (Cost \$22,237,055)		<u><u>22,279,533</u></u>

See Notes to Financial Statements.

June 30, 2026 (Unaudited)

	Principal Amount	Fair Value
FEEDER FUND INVESTMENTS - DEBT^{(a)(b)(c)(e)} - 9.15%		
Bain Capital Global Direct Lending Fund U II RN LP, Series 2025-1A, Class D, 12.29%, 6/18/2036 (3M US SOFR + 800 bps)	\$ 26,800,000	\$ 26,692,800
Guggenheim Invest Private Debt Fund IV Feeder, LLC, Series 2025-1A, Class C, 11.17%, 4/10/2038 (3M US SOFR + 750 bps)	12,111,729	12,111,729
Guggenheim Invest Private Debt Fund IV Feeder, LLC, Series 2025-1A, Class D, 12.31%, 4/10/2038 (3M US SOFR + 864 bps)	18,167,594	17,895,080
KSCF V Rated Note Feeder, LLC, Series 2026-1A, Class D, 12.40%, 12/31/2036 (3M US SOFR + 875 bps)	8,800,000	8,518,400
TOTAL FEEDER FUND INVESTMENTS - DEBT (Cost \$65,135,880)		<u>65,218,009</u>
FEEDER FUND INVESTMENTS - EQUITY^{(a)(b)(f)} - 2.00%		
Bain Capital Global Direct Lending Fund U II RN LP, Series 2025-1A, Subordinated Notes, 0.00%, 6/18/2036	6,100,000	5,490,000
KSCF V Rated Note Feeder, LLC, Series 2026-1A, Subordinated Notes, 12.00%, 12/31/2036	8,762,404	8,762,404
TOTAL FEEDER FUND INVESTMENTS - EQUITY (Cost \$14,404,904)		<u>14,252,404</u>
	Shares	Fair Value
CLOSED-END FUNDS - 0.94%		
Eagle Point Income Company, Inc., USD Class, 0.00%	667,687	\$ 6,723,608
TOTAL CLOSED-END FUNDS (Cost \$6,458,801)		<u>6,723,608</u>
SHORT-TERM INVESTMENTS - 0.00%		
MONEY MARKET FUNDS - 0.00%		
First American Government Obligations Fund, Class X, 3.57% ^(g)	176	176
TOTAL SHORT-TERM INVESTMENTS (Cost \$176)		<u>176</u>
TOTAL INVESTMENTS - 99.94% (Cost \$715,126,310)		<u>712,221,111</u>
Other Assets in Excess of Liabilities - 0.06%		<u>437,741</u>
NET ASSETS - 100.00%		<u>\$ 712,658,852</u>

(a) The level 3 assets were a result of unavailable quoted prices from an active market or the unavailability of other significant observable inputs.

(b) Securities are exempt from registration under the Securities Act of 1933 and are deemed to be "restricted" securities. As of June 30, 2026, the total fair value of these securities amounts to \$705,497,327, which represents 99.00% of net assets.

See Notes to Financial Statements.

June 30, 2026 (Unaudited)

- (c) *Variable rate security. Interest rate resets periodically. The rate shown is the effective interest rate as of June 30, 2026. For securities based on a published reference rate and spread, the reference rate and spread (in basis points) are indicated parenthetically. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions. These securities, therefore, do not indicate a reference rate and spread.*
- (d) *Collateralized loan obligations ("CLO") equity positions are entitled to recurring distributions, which are generally equal to the remaining cash flow of payments made by underlying securities less contractual payments to debt holders and CLO expenses. The effective yield is estimated based upon the current projection of the amount and timing of these recurring distributions in addition to the estimated amount of terminal principal payment. Effective yields for the CLO equity positions are updated generally once a quarter or in connection with a transaction such as an add-on purchase, refinancing or reset. The estimated yield and investment cost may ultimately not be realized. Total fair value of the securities is \$22,279,533, which represents 3.13% of net assets as of June 30, 2026.*
- (e) *Debt tranches in securitizations of limited partnership interests in a loan fund ("Feeder Fund Investments — Debt") are entitled to contractual interest payments derived from the cash flows generated by the underlying loan fund. As of June 30, 2026, the total fair value of Feeder Fund Investments — Debt was \$65,218,009, representing 9.15% of net assets.*
- (f) *Equity tranches in securitizations of limited partnership interests in a loan fund ("Feeder Fund Investments — Equity") are entitled to recurring distributions, which are generally equal to the remaining cash flow of payments made by the underlying loan fund less contractual payments to debt holders and fund expenses. The effective yield is estimated based upon the current projections of the amount and timing of these recurring distributions in addition to the estimated amount of the terminal principal payment. Effective yields are generally updated once a quarter or in connection with events such as an add-on purchase, refinancing or reset. The estimated yield and investment cost may ultimately not be realized. As of June 30, 2026, the total fair value of Feeder Fund Investments — Equity was \$14,252,404, representing 2.00% of net assets.*
- (g) *Rate disclosed is the seven-day effective yield as of June 30, 2026.*

Investment Abbreviations:

SOFR - Secured Overnight Financing Rate

Reference Rates:

3M US SOFR - 3 Month SOFR as of June 30, 2026 was 3.73%.

June 30, 2026 (Unaudited)

Assets

Investments in securities at fair value (cost \$715,126,310)	\$	712,221,111
Dividends and interest receivable		17,458,236
Receivable for fund shares sold		192,961
Prepaid expenses		46,526
Total Assets		729,918,834

Liabilities

Line of credit (see Note 9)	\$	13,075,000
Incentive fee		2,801,991
Management fee payable		800,767
Payable for excise tax		143,999
Payable for fund accounting and administration fees		94,974
Payable for audit and tax services		82,081
Accrued interest expense		74,960
Payable to trustees		37,193
Other accrued expenses		149,017
Total Liabilities		17,259,982

Net Assets	\$	712,658,852
-------------------	-----------	--------------------

Commitments and Contingencies (see Note 12)

Net Assets consist of:

Paid-in capital	712,425,914
Accumulated earnings	232,938

Net Assets	\$	712,658,852
-------------------	-----------	--------------------

Fund Shares:

Net Assets	\$	712,658,852
Shares of beneficial interest outstanding (Unlimited number of shares, at \$0.001 par value per share)		33,169,288
Net asset value and offering price per share	\$	21.49

See Notes to Financial Statements.

*For the six months ended June 30, 2026 (Unaudited)***Investment Income**

Interest income	\$	42,374,001
Dividend income		208,025
Total investment income		42,582,026

Expenses

Incentive fees		5,460,696
Management fees		4,854,466
Transfer agent fees and expenses		561,604
Accounting and administration fees		235,252
Line of credit interest expense		115,118
Excise tax expense		100,799
Audit and tax preparation services fees		82,081
Printing expenses		44,369
Legal expenses		39,724
Trustee expenses		37,193
Custodian expenses		35,396
Registration expenses		33,097
Pricing expenses		24,068
Compliance expenses		11,901
Miscellaneous expenses		102,724
Total expenses		11,738,488
Net investment income		30,843,538

Net Realized and Change in Unrealized Gain (Loss) on Investments

Net realized gain on:		
Investments		927,702
Change in unrealized depreciation on:		
Investments		(13,956,928)
Net realized and change in unrealized appreciation (depreciation) on investments		(13,029,226)
Net increase in net assets resulting from operations	\$	17,814,312

	For the Six Months Ended June 30, 2026 (Unaudited)	For the Year Ended December 31, 2025
Increase (Decrease) in Net Assets due to:		
Operations		
Net investment income	\$ 30,843,538	\$ 52,203,441
Net realized gain on investments	927,702	79,924
Net change in unrealized appreciation (depreciation) of investments	(13,956,928)	5,197,335
Net increase in net assets resulting from operations	17,814,312	57,480,700
Distributions to Shareholders from Earnings		
Total distributions	(30,759,827)	(52,622,767)
Capital Transactions		
Proceeds from shares sold	81,170,932	296,092,709
Reinvestment of distributions	4,999,935	9,514,763
Amount paid for shares redeemed	(55,305,649)	(42,160,183)
Net increase in net assets resulting from capital transactions	30,865,218	263,447,289
Total Increase in Net Assets	17,919,703	268,305,222
Net Assets		
Beginning of period	694,739,149	426,433,927
End of period	\$ 712,658,852	\$ 694,739,149
Share Transactions		
Shares sold	3,744,158	13,585,554
Shares issued in reinvestment of distributions	232,089	437,611
Shares redeemed	(2,556,991)	(1,935,821)
Total Shares Transactions	1,419,256	12,087,344

See Notes to Financial Statements.

*For the six months ended June 30, 2026 (Unaudited)***CASH FLOWS RESULTING FROM OPERATING ACTIVITIES:**

Net increase in net assets resulting from operations	\$ 17,814,312
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:	
Purchase of investment securities	(153,202,905)
Proceeds from sales of investment securities	114,377,060
Net purchases of short-term investments securities	199
Amortization of premium and accretion of discount on investments, net	(764,049)
Net realized (gain) on:	
Investments	(927,702)
Net change in unrealized (appreciation)/depreciation on:	
Investments	13,956,928
(Increase)/Decrease in assets:	
Dividends and interest receivable	(1,284,285)
Prepaid expenses	28,567
Increase/(Decrease) in liabilities:	
Management fee payable	3,332
Payable for excise tax	100,799
Payable for fund accounting and administration fees	49,689
Incentive fee payable	288,039
Payable for audit and tax services	(82,919)
Payable to trustees	37,193
Accrued interest expense	66,380
Other accrued expenses	(55,204)
Net cash used in operating activities	\$ (9,594,566)

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from shares sold	\$ 81,336,107
Cost of shares repurchased	(55,305,649)
Distributions paid (net of reinvestments)	(25,759,892)
Borrowings on line of credit	65,999,000
Payments on line of credit	(56,675,000)
Net cash provided by financing activities	9,594,566
Net increase/(decrease) in cash	—

Cash and due to custodian, beginning of period	\$ —
Cash and due to custodian, end of period	\$ —

Non-cash financing activities not included herein consist of:

Reinvestment of dividends and distributions:	\$ 4,999,935
Supplemental Disclosure of Cash Flow Information	
Cash paid for interest on line of credit:	\$ 48,738

See Notes to Financial Statements.

	For the Six Months Ended June 30, 2026 (Unaudited)	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024*	For the Period Ended December 31, 2023*(a)
Per Share Operating Performance				
Net asset value, beginning of period	\$ 21.88	\$ 21.69	\$ 21.40	\$ 20.00
Income/(loss) from investment operations:				
Net investment income ^(b)	0.94	2.01	2.41	2.55
Net realized and unrealized gains/(losses) from investments	(0.39)	0.21	0.40	0.25
Total income/(loss) from investment operations	0.55	2.22	2.81	2.80
Less distributions:				
Net investment income	(0.94)	(2.03)	(2.52)	(1.40)
Total distributions	(0.94)	(2.03)	(2.52)	(1.40)
Net asset value, end of period	\$ 21.49	\$ 21.88	\$ 21.69	\$ 21.40
Total return^(c)	2.56% ^(d)	10.70%	13.86%	14.35% ^(d)
Ratios/Supplemental Data:				
Net assets, end of period (in thousands)	\$ 712,659	\$ 694,739	\$ 426,434	\$ 176,888
Ratios To Average Net Assets (including interest on credit facility and dividends on redeemable preferred stock)				
Ratio of expenses to average net assets including fee waivers	3.33% ^(e)	3.55% ^(f)	4.25%	3.68% ^{(e)(g)}
Ratio of expenses to average net assets excluding fee waivers	3.33% ^(e)	3.55%	4.25%	3.79% ^(e)
Ratio of net investment income to average net assets including fee waivers	8.74% ^(e)	9.22%	11.13%	12.17% ^(e)
Ratio of net investment income to average net assets excluding fee waivers	8.74% ^(e)	9.22%	11.13%	12.06% ^(e)
Ratios To Average Net Assets (excluding interest on credit facility and dividends on redeemable preferred stock)				
Ratio of expenses to average net assets including fee waivers	3.30% ^(e)	3.40% ^(f)	3.93%	3.54% ^{(e)(g)}
Ratio of expenses to average net assets excluding fee waivers	3.30% ^(e)	3.40%	3.93%	3.65% ^(e)
Ratio of net investment income to average net assets including fee waivers	8.77% ^(e)	9.37%	11.45%	12.31% ^(e)
Ratio of net investment income to average net assets excluding fee waivers	8.77% ^(e)	9.37%	11.45%	12.20% ^(e)
Portfolio turnover rate	16% ^(d)	28%	27%	2% ^(d)

See Notes to Financial Statements.

	For the Six Months Ended June 30, 2026 (Unaudited)	For the Year Ended December 31, 2025	For the Year Ended December 31, 2024*	For the Period Ended December 31, 2023 ^(a)
Line of Credit:				
Aggregate principal amount, end of period (000s):	\$ 13,320	\$ 3,751	\$ 5,078	\$ —
Assets Coverage, end of period per \$1,000: ^(h)	54,509	186,217	84,977	—
Redeemable Preferred Stock:				
Liquidation value, end of period (000s):	\$ —	\$ —	\$ 10,000	\$ 10,000
Asset coverage, end of period per share: ⁽ⁱ⁾	—	—	43,647	18,705

* Includes adjustments in accordance with accounting principles generally accepted in the United States and, consequently, the net asset values for financial reporting purposes and the returns based upon those net asset values may differ from the net asset values and returns for shareholder transactions.

(a) For the period from January 3, 2023 (commencement of operations) to December 31, 2023.

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

(c) Total return in the above table represents the rate that the investor would have earned or lost on an investment in the Fund, assuming reinvestment of distributions.

(d) Not annualized.

(e) Annualized.

(f) The ratio of expenses to average net assets including fee waivers includes \$19,846 in voluntary advisory fee waivers, representing less than (0.005)%. For the period from January 1, 2025 to June 30, 2025, the Adviser voluntarily agreed to fully waive the management fee for the Fund. This voluntary waiver is not subject to recoupment.

(g) The ratio of expenses to average net assets including fee waivers includes \$101,463 in voluntary advisory waivers representing (0.11)%. For the period from January 3, 2023 to April 30, 2023, the Adviser fee voluntarily agreed to fully waive the management fee for the Fund. This voluntary waiver is not subject to recoupment.

(h) Calculated by subtracting the Fund's total liabilities (excluding the Line of Credit (as defined in Note 9) and accumulated unpaid interest on the Line of Credit) from the Fund's total assets and dividing by the outstanding Line of Credit balance.

(i) Asset coverage ratio is calculated by subtracting the Fund's total liabilities (excluding the liquidation value of the Mandatorily Redeemable Preferred Stock including distributions payable on Mandatorily Redeemable Preferred Stock) from the Fund's total assets and dividing by the liquidation value of the Mandatorily Redeemable Preferred Stock. The asset coverage per share figure is expressed in terms of dollar amounts per share of outstanding Preferred Stock.

1. ORGANIZATION

Flat Rock Enhanced Income Fund (the “Fund”) is registered under the Investment Company Act of 1940, as amended, (the “1940 Act”) as a non-diversified, closed-end management investment company. The shares of beneficial interest of the Fund (the “Shares”) are continuously offered under Rule 415 under the Securities Act of 1933, as amended (the “Securities Act”). The Fund operates as an interval fund pursuant to Rule 23c-3 under the 1940 Act and has adopted a fundamental policy to conduct quarterly repurchase offers at net asset value (“NAV”).

The Fund’s investment objective is to generate current income and, as a secondary objective, long-term capital appreciation.

The Fund was formed as a Delaware statutory trust on April 19, 2022, and operates pursuant to an Amended and Restated Agreement and Declaration of Trust governed by and interpreted in accordance with the laws of the State of Delaware. The Fund had no operations from that date to January 3, 2023, other than those related to organizational matters and the registration of its shares under applicable securities laws.

The Fund has adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update 2023-07, Segment Reporting (Topic 280) - Improvements to Reportable Segment Disclosures (“Topic 280”). Adoption of the standard impacted financial statement disclosures only and did not affect the Fund’s financial position or the results of its operations. An operating segment is defined in Topic 280 as a component of a public entity that engages in business activities from which it may recognize revenues and incur expenses, has operating results that are regularly reviewed by the public entity’s chief operating decision maker (“CODM”) to make decisions about resources to be allocated to the segment and assess its performance, and has discrete financial information available. The Fund’s CODM is the President and Chief Executive Officer of the Fund. The Fund operates as a single operating segment. The Fund’s income, expenses, assets, changes in net assets resulting from operations and performance are regularly monitored and assessed as a whole by the CODM responsible for oversight functions of the Fund, using the information presented in the financial statements and financial highlights.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Use of Estimates: The preparation of the financial statements 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 the reported amounts of increases and decreases in net assets from operations during the period. Actual results could differ from these estimates.

Preferred Shares: In accordance with ASC 480-10-25, the Fund's mandatorily redeemable preferred stock have been classified as debt on the Statement of Assets and Liabilities. Refer to "Note 10. Mandatorily Redeemable Preferred Stock" for further details.

Security Valuation: The Fund determines the NAV of its shares daily as of the close of regular trading (normally, 4:00 p.m., Eastern time) on each day that the New York Stock Exchange ("NYSE") is open for business.

The 1940 Act requires the Fund to determine the value of its portfolio securities using market quotations when "readily available," and when market quotations are not readily available, portfolio securities must be valued at fair value, as determined in good faith by the Fund's Board. As stated in Rule 2a-5 under the 1940 Act, determining fair value in good faith requires (i) assessment and management of risks, (ii) establishment of fair value methodologies, (iii) testing of fair value methodologies, and (iv) evaluation of pricing services. Under Rule 2a-5, a fund's board may designate the fund's adviser as "valuation designee" to perform fair value determinations. The Board, including a majority of the Trustees who are not "interested persons" of the Fund, as such term is defined in the 1940 Act, has designated Flat Rock Global, LLC (the "Adviser") to perform fair value determinations and act as "valuation designee" for the Fund's investments.

The Fund records its investments at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The valuation techniques used to determine fair value are further discussed below.

The fair value of securities may be difficult to determine and thus judgment plays a greater role in the valuation process. The fair valuation methodology may include or consider the following guidelines, as appropriate: (1) evaluation of all relevant factors, including but not limited to, pricing history, current market level and supply and demand of the respective security; (2) comparison to the values and current pricing of securities that have comparable characteristics; (3) knowledge of historical market information with respect to the security; and (4) other factors relevant to the security which would include, but not be limited to, duration, yield, fundamental analytical data, the U.S. Treasury yield curve and credit quality.

Equity securities for which market quotations are available are generally valued at the last sale price or official closing price on the primary market or exchange on which they trade.

Short-term debt securities having a remaining maturity of 60 days or less when purchased are valued at cost adjusted for amortization of premiums and accretion of discounts, which approximates fair value.

The Fund primarily invests in junior debt or equity tranches of CLOs. In valuing such investments, the Adviser considers a number of factors, including: 1) the indicative prices provided by a recognized, independent third-party industry pricing service, and the implied yield of such prices; 2) recent trading prices for specific investments; 3) recent purchases and sales known to the Adviser in similar securities; 4) the indicative prices for specific investments and similar securities provided by the broker who arranges transactions in such CLOs; and 5) the Adviser's own models, which will incorporate inputs that may include, but are not limited to: assumptions for future loan default rates, recovery rates, prepayment rates, and discount rates — all of which are determined by considering: a) observable and third-party market data; b) assumptions related to the underlying assets in the CLO Instrument that are provided by the Underlying Manager; and c) prevailing general market assumptions and conventions, as well as those of the Adviser. While the use of an independent third-party industry pricing service can be a source

for valuing its CLO investments, the Adviser will not use the price provided by a third-party service if it believes that the price does not accurately reflect fair value and will instead utilize another methodology outlined above to make its own assessment of fair value. At the same time, the Adviser may create a pricing challenge to the industry pricing service, in which it asks the pricing service to review their price to bring it in line with what the Adviser believes is the appropriate fair value.

Federal Income Taxes: The Fund has elected to be treated for U.S. federal income tax purposes as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended. Accordingly, the Fund will generally not pay corporate-level U.S. federal income taxes on any net ordinary income or capital gains that are timely distributed to shareholders. To qualify as a RIC, the Fund must, among other things, meet certain source-of-income and asset diversification requirements and timely distribute at least 90% of its investment company taxable income each year to its shareholders.

Management has analyzed the Fund's tax positions and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for the open tax years ended December 31, 2023 to December 31, 2024, or expected to be taken in the Fund's December 31, 2025, year-end tax returns. The Fund files U.S. federal, state, and local tax returns as required. The Fund's tax returns are subject to examination by the relevant tax authorities until expiration of the applicable statute of limitations, which is generally three years after the filing of the tax return for federal purposes and four years for most state returns.

The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expenses on the Statement of Operations. During the six months ended June 30, 2026, the Fund did not incur any interest or penalties.

Securities Transactions and Investment Income: Investment security transactions are accounted for on a trade date basis. Dividend income is recorded on the ex-dividend date. Discounts and premiums on securities purchased are amortized or accreted using the effective interest method. Realized gains and losses from securities transactions and unrealized appreciation and depreciation of securities are determined using the identified cost basis method for financial reporting purposes.

Distributions to Shareholders: The Fund normally pays dividends, if any, monthly, and distributes capital gains, if any, on an annual basis. Income dividend distributions are derived from dividends and interest income the Fund receives from its investments, including short term capital gains. Long term capital gain distributions are derived from gains realized when the Fund sells a security it has owned for more than one year.

Cash and Cash Equivalents: Cash and cash equivalents (e.g., U.S. Treasury bills) may include demand deposits and highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried at cost, which approximates fair value. The Fund deposits its cash and cash equivalents with highly-rated banking corporations and, at times, may exceed the insured limits under applicable law.

3. FAIR VALUE MEASUREMENTS

The Fund utilizes various inputs to measure the fair value of its investments. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability that are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability that are developed based on the best information available. These inputs are categorized in the following hierarchy under applicable financial accounting standards:

- Level 1** - 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** - Significant observable inputs (including quoted prices for the identical instrument on an inactive market, quoted prices for similar instruments, interest rates, prepayment spreads, credit risk, yield curves, default rates and similar data).
- Level 3** - Significant unobservable inputs (including the Fund's own assumptions in determining the fair value of the investments) to the extent relevant observable inputs are not available, for the asset or liability at the measurement date.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following table summarizes the inputs used to value the Fund's investments under the fair value hierarchy levels as of June 30, 2026:

	Level 1	Level 2	Level 3	Total
Collateralized Loan Obligations Debt	\$ —	\$ —	\$ 603,747,381	\$ 603,747,381
Collateralized Loan Obligations Equity	—	—	22,279,533	22,279,533
Feeder Fund Investments – Debt	—	—	65,218,009	65,218,009
Feeder Fund Investments – Equity	—	—	14,252,404	14,252,404
Closed-End Funds	6,723,608	—	—	6,723,608
Short-Term Investments	176	—	—	176
Total	\$ 6,723,784	\$ —	\$ 705,497,327	\$ 712,221,111

June 30, 2026 (Unaudited)

The following is a reconciliation of the fair value of investments for which the Fund has used Level 3 unobservable inputs in determining fair value as of June 30, 2026:

	Balance as of December 31, 2025	Realized gain (loss)	Amortization/ Accretion	Change in unrealized appreciation (depreciation)	Purchases	Sales/ Paydown	Balance as of June 30, 2026
Collateralized Loan Obligations Debt	\$ 643,579,426	\$ 927,702	\$ 688,252	\$ (13,863,106)	\$ 86,792,167	\$ (114,377,060)	\$ 603,747,381
Collateralized Loan Obligations Equity	498,166	—	31,030	(127,863)	21,878,200	—	22,279,533
Feeder Fund Investments – Debt	49,436,809	—	44,767	(78,267)	15,814,700	—	65,218,009
Feeder Fund Investments – Equity	4,240,535	—	—	(152,499)	10,164,368	—	14,252,404
Total	\$ 697,754,936	\$ 927,702	\$ 764,049	\$ (14,221,735)	\$ 134,649,435	\$ (114,377,060)	\$ 705,497,327

The net change in unrealized appreciation included in the Statement of Operations attributable to Level 3 investments still held at June 30, 2026, was as follows:

	Net Change in Unrealized Appreciation (Depreciation) included in Statement of Operations attributable to Level 3 investments held at June 30, 2026
Collateralized Loan Obligations Debt	\$ (13,863,106)
Collateralized Loan Obligations Equity	(127,863)
Feeder Fund Investments – Debt	(78,267)
Feeder Fund Investments – Equity	(152,499)
Total	\$ (14,221,735)

June 30, 2026 (Unaudited)

The following table summarizes the valuation techniques and significant unobservable inputs used for the Fund's investments that are categorized in Level 3 of the fair value hierarchy as of June 30, 2026:

Assets	Fair Value at June 30, 2026	Valuation Techniques/ Methodologies	Unobservable Input	Range/Weighted Average ⁽²⁾	Impact to Valuation from an Increase in Input ⁽³⁾
Collateralized Loan Obligations Debt	\$ 554,102,776	Market Quotes	NBIB ⁽¹⁾	95.29 – 100.79/ 99.33	Increase
	26,000,000	Recent Transaction	Transaction Price	100.00 – 100.00/ 100.00	Increase
	23,644,605	Yield Analysis	Discount Margin	9.00% – 10.00%/ 9.16%	Decrease
Collateralized Loan Obligations Equity	21,878,200	Recent Transaction	Transaction Price	100.00 – 100.00/ 100.00	Increase
	401,333	Market Quotes	NBIB ⁽¹⁾	36.40 – 36.40/ 36.40	Increase
Feeder Fund Investments – Debt	56,699,609	Market Quotes	NBIB ⁽¹⁾	98.50 – 100.00/ 99.34	Increase
	8,518,400	Recent Transaction	Transaction Price	96.80 – 96.80/ 96.80	Increase
Feeder Fund Investments – Equity	8,762,404	Recent Transaction	Transaction Price	100.00 – 100.00/ 100.00	Increase
	5,490,000	Market Quotes	NBIB ⁽¹⁾	90.00 – 90.00/ 90.00	Increase

⁽¹⁾ The Fund generally uses non-binding indicative bid prices (“NBIB”) provided by an independent pricing service or broker on the valuation date as the primary basis for the fair value determinations for CLO Debt, CLO Equity, Feeder Fund Investments — Debt, and Feeder Fund Investments — Equity investments. These prices are non-binding and may not be determinative of fair value. Each price is evaluated by the Valuation Committee in conjunction with additional information compiled by the Adviser, including performance and covenant compliance information as provided by the respective CLO's independent trustee.

⁽²⁾ Weighted averages are calculated based on fair value of investments.

⁽³⁾ The impact on fair value measurement of an increase in each unobservable input is in isolation.

4. INVESTMENT ADVISORY SERVICES AND OTHER AGREEMENTS

Flat Rock Global, LLC serves as the investment adviser to the Fund pursuant to the terms of an investment advisory agreement (the “Advisory Agreement”). Under the terms of the Advisory Agreement, the Adviser provides the Fund such investment advice as it deems advisable and furnishes a continuous investment program for the Fund consistent with the Fund's investment objective and strategies. As compensation for its management services, the Fund pays the Adviser a management fee of 1.375% (as a percentage of the average daily value of net assets), paid monthly in arrears, calculated based on the average daily

June 30, 2026 (Unaudited)

value of net assets during such period. Prior to February 28, 2025, the management fee was calculated and payable monthly in arrears at the annual rate of 1.375% of the Fund's average daily assets during such period.

In addition to the management fee, the Adviser is entitled to an incentive fee. The incentive fee is calculated and payable quarterly in arrears in an amount equal to 15.0% of the Fund's "pre-incentive fee net investment income" for the immediately preceding quarter, and is subject to a hurdle rate, expressed as a rate of return on the Fund's "adjusted capital," equal to 1.75% per quarter (or an annualized hurdle rate of 7.00%), subject to a "catch-up" feature, which allows the Adviser to recover foregone incentive fees that were previously limited by the hurdle rate. For this purpose, "pre-incentive fee net investment income" means interest income, dividend income and any other income (including any other fees such as commitment, origination, structuring, diligence and consulting fees or other fees that the Fund received from portfolio companies) accrued during the calendar quarter, minus the Fund's operating expenses for the quarter (including the base management fee, expenses reimbursed to the Adviser and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee). Pre-incentive fee net investment income includes, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with payment-in-kind interest and zero-coupon securities), accrued income that the Fund has not yet received in cash. Pre-incentive fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation. "Adjusted capital" means the cumulative gross proceeds received by the Fund from the sale of shares (including pursuant to the Fund's distribution reinvestment program), reduced by amounts paid in connection with purchases of the Fund's shares pursuant to the Fund's repurchase program. Effective July 1, 2026, the Board approved an amendment to the Advisory Agreement to change the basis of the "pre-incentive fee net investment income" calculation from "adjusted capital" to net asset value.

The calculation of the incentive fee on pre-incentive fee net investment income for each quarter is as follows:

- No incentive fee is payable in any calendar quarter in which the Fund's pre-incentive fee net investment income does not exceed the hurdle rate of 1.75% per quarter (or an annualized rate of 7.00%);
- 100% of the Fund's pre-incentive fee net investment income, if any, that exceeds the hurdle rate but is less than or equal to 2.0588%. This portion of the Fund's pre-incentive fee net investment income (which exceeds the hurdle rate but is less than or equal to 2.0588%) is referred to as the "catch-up." The "catch-up" provision is intended to provide the Adviser with an incentive fee of 15.0% on all of the Fund's pre-incentive fee net investment income when its pre-incentive fee net investment income reaches 2.0588% in any calendar quarter; and
- 15.0% of the amount of the Fund's pre-incentive fee net investment income, if any, that exceeds 2.0588% in any calendar quarter is payable to the Adviser once the hurdle rate is reached and the catch-up is achieved (15.0% of all pre-incentive fee net investment income thereafter will be allocated to the Adviser).

For the six months ended June 30, 2026, the Adviser earned \$4,854,466 in management fees and \$5,460,696 in incentive fees.

June 30, 2026 (Unaudited)

Ultimus Fund Solutions, LLC (“Ultimus” or “Administrator”) provides the Fund with administration, fund accounting and transfer agent services, including all regulatory reporting. Under the terms of a Master Services Agreement, Ultimus receives fees from the Fund for these services.

U.S. Bank National Association (“U.S. Bank”) serves as the Fund’s custodian.

The Fund has entered into a Distribution Agreement with Ultimus Fund Distributors, LLC (the “Distributor”), a wholly-owned subsidiary of Ultimus, to provide distribution services to the Fund. The Distributor serves as principal underwriter/distributor of shares of the Fund. Under the terms of a Distribution Agreement, the Distributor receives fees from the Fund for these services.

Ultimus, U.S. Bank and the Distributor are not considered affiliates, as defined under the 1940 Act, of the Fund.

5. REPURCHASE OFFERS

The Fund conducts quarterly repurchase offers, at NAV, of no less than 5% of the Fund’s outstanding shares. Repurchase offers in excess of 5% are made solely at the discretion of the Board and investors should not rely on any expectation of repurchase offers in excess of 5%. In the event that a repurchase offer is oversubscribed, shareholders may only be able to have a portion of their shares repurchased.

Quarterly repurchases occur in the months of February, May, August and November. A repurchase offer notice will be sent to shareholders at least 21 calendar days before the repurchase request deadline. The repurchase price will be the Fund’s NAV determined on the repurchase pricing date, which is ordinarily expected to be the repurchase request deadline. Payment for all shares repurchased pursuant to these offers will be made not later than seven calendar days after the repurchase pricing date.

During the six months ended June 30, 2026, the Fund completed two quarterly repurchase offers. In these offers, the Fund offered to repurchase 5% of the number of its outstanding shares as of the repurchase pricing dates. The result of the repurchase offers were as follows:

	Repurchase Offer #1	Repurchase Offer #2
Commencement Date	January 9, 2026	April 10, 2026
Repurchase Request Deadline	February 13, 2026	May 15, 2026
Repurchase Pricing Date	February 13, 2026	May 15, 2026
Amount Repurchased	\$18,637,048	\$36,668,601
Shares Repurchased	849,887	1,707,104

June 30, 2026 (Unaudited)

6. PORTFOLIO INFORMATION

Purchases and sales of securities for the six months ended June 30, 2026, excluding short-term securities, were as follows:

	Purchases of Securities	Proceeds from Sales of Securities
	\$141,108,236	\$114,377,060

7. TAXES**Classifications of Distributions**

Distributions are determined in accordance with U.S. federal income tax regulations, which differ from U.S. GAAP, and therefore, may differ significantly in amount or character from net investment income and realized gains for financial statement purposes. Financial reporting records are adjusted for permanent book/tax differences to reflect tax character but are not adjusted for temporary differences.

The tax character of distributions paid by the Fund for the year ended December 31, 2025, was as follows:

	2025
Distributions paid from:	
Ordinary Income	\$ 52,512,314
Long-Term Capital Gain	110,453
Total	\$ 52,622,767

Components of Distributable Earnings on a Tax Basis

As of December 31, 2025, the components of accumulated earnings/(deficit) on a tax basis were as follows:

Undistributed Ordinary Income	\$ 2,126,724
Undistributed Long-Term Capital Gains	—
Unrealized Appreciation	11,051,729
Total	\$ 13,178,453

June 30, 2026 (Unaudited)

Tax Basis of Investments

Net unrealized appreciation/(depreciation) of investments based on federal tax cost as of June 30, 2026, was as follows:

Gross Unrealized Appreciation	\$	2,866,752
Gross Unrealized Depreciation		(5,771,951)
Net Unrealized Depreciation on Investments	\$	(2,905,199)
Tax Cost	\$	715,371,310

In this reporting period, the Fund adopted FASB Accounting Standards Update 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which is intended to enhance transparency and decision usefulness of income tax disclosures including additional detail related to rate reconciliation and income taxes paid during the reporting period. For the six months ended June 30, 2026, there were no material federal, state or local income taxes or any income taxes in foreign jurisdictions paid by the Fund and therefore the adoption was not impactful.

8. RISK FACTORS

In the normal course of business, the Fund invests in financial instruments and enters into financial transactions where risk of potential loss exists due to such things as changes in the market (global market risk) or failure or inability of the other party to a transaction to perform (credit risk). See below for a detailed description of select principal risks. The following list is not intended to be a comprehensive description of all of the potential risks associated with the Fund. The Fund's prospectus provides a detailed discussion of the Fund's risks.

CLO Risk: CLOs are securities backed by an underlying portfolio of loan obligations. CLOs issue classes or "tranches" that vary in risk and yield and may experience substantial losses due to actual defaults, decrease of market value due to collateral defaults and removal of subordinate tranches, market anticipation of defaults and investor aversion to CLO securities as a class. Investments in CLO securities may be riskier and less transparent than direct investments in the underlying loans and debt obligations. The risks of investing in CLOs depend largely on the tranche invested in and the type of the underlying loans in the tranche of the CLO in which the Fund invests. The tranches in a CLO vary substantially in their risk profile, and debt tranches are more senior than equity tranches. The senior tranches are relatively safer because they have first priority on the collateral in the event of default. As a result, the senior tranches of a CLO generally have a higher credit rating and offer lower coupon rates than the junior tranches, which offer higher coupon rates to compensate for their higher default risk. The Fund expects that it will primarily invest in the junior debt, and to a lesser extent, the equity tranches of CLOs. The CLOs in which the Fund may invest may incur, or may have already incurred, debt that is senior to the Fund's investment. CLOs also carry risks including, but not limited to, interest rate risk and credit risk. Investments in CLOs may be subject to certain tax provisions that could result in the Fund incurring tax or recognizing income prior to receiving cash distributions related to such income. CLOs that fail to comply with certain U.S. tax disclosure requirements may be subject to withholding requirements that could adversely affect cash flows and investment results. Any unrealized losses the Fund experiences with respect to its CLO investments may be an indication of future realized losses. Equity tranches are unrated and equity investors receive no principal payments, if any, until all debt obligations are paid.

June 30, 2026 (Unaudited)

Liquidity Risk: The securities issued by CLOs generally offer less liquidity than below investment grade or high-yield corporate debt and are subject to certain transfer restrictions imposed on certain financial and other eligibility requirements on prospective transferees. Other investments the Fund may purchase through privately negotiated transactions may also be illiquid or subject to legal restrictions on their transfer. As a result of this illiquidity, the Fund's ability to sell certain investments quickly, or at all, in response to changes in economic and other conditions and to receive a fair price when selling such investments may be limited, which could prevent the Fund from making sales to mitigate losses on such investments. In addition, CLOs are subject to the possibility of liquidation upon an event of default, which could result in full loss of value to the CLO equity and junior debt investors.

Global Markets Risk: The increasing interconnectivity between global economies and financial markets increases the likelihood that events or conditions in one region or financial market may adversely impact issuers in a different country, region or financial market. Securities in the Fund's portfolio may underperform due to inflation (or expectations for inflation), interest rates, global demand for particular products or resources, natural disasters, pandemics, epidemics, terrorism, regulatory events, imposition of tariffs and governmental or quasi-governmental actions. The occurrence of global events similar to those in recent years may result in market volatility and may have long term effects on both the U.S. and global financial markets. For example, Russia's ongoing military interventions in Ukraine have led to, and may lead to additional sanctions being levied by the United States, the European Union and other countries against Russia. Russia's military incursion and the resulting sanctions could adversely affect global energy and financial markets and thus could affect the value of the Fund's investments, even beyond any direct exposure the Fund may have to Russian issuers or the adjoining geographic regions. The extent and duration of the military action, sanctions and resulting market disruptions are impossible to predict, but could be substantial. Any such disruptions caused by Russian military action or resulting sanctions may magnify the impact of other risks. In addition, the ongoing Israel-Hamas conflict and ongoing conflict in Iran as well as the potential risk for a wider conflict could negatively affect financial markets. Geopolitical tensions introduce uncertainty into global markets. This conflict could disrupt regional trade and supply chains, potentially affecting U.S. businesses with exposure to the region. Additionally, the Middle East plays a pivotal role in the global energy sector, and prolonged instability could impact oil prices, leading to increased costs for businesses and consumers. Furthermore, the U.S.'s diplomatic ties and commitments in the region mean that it might become more directly involved, either diplomatically or militarily, diverting attention and resources. These and any related events could significantly impact the Fund's performance and the value of an investment in the Fund, even if the Fund does not have direct exposure. It is not known how long such impacts, or any future impacts of other significant events described above, will or would last, but there could be a prolonged period of global economic slowdown, which may impact your Fund investment.

Credit Risk: The Fund is subject to the risk that the issuer or guarantor of an obligation, or the counterparty to a transaction, may fail, or become less able, to make timely payment of interest or principal or otherwise honor its obligations or default completely. The strategies utilized by the Adviser require accurate and detailed credit analysis of issuers, and there can be no assurance that its analysis will be accurate or complete. The Fund may be subject to substantial losses in the event of credit deterioration or bankruptcy of one or more issuers in its portfolio. Financial strength and solvency of an issuer are the primary factors influencing credit risk. The Fund could lose money if the issuer or guarantor of a debt security is unable or unwilling, or is perceived (whether by market participants, rating agencies, pricing services or otherwise) as unable or unwilling to make timely principal and/or interest payments or to otherwise honor its obligations.

June 30, 2026 (Unaudited)

Senior secured loans of issuers that underlie the CLOs 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 an economic downturn. As a result, companies that the Adviser may have expected to be stable 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 be experiencing financial distress. In addition, inadequacy of collateral or credit enhancement for a debt obligation may affect its credit risk.

Although the Fund may invest in investments that the Adviser believes are secured by specific collateral, the value of which may exceed the principal amount of the investments at the time of initial investment, 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. In addition, in the event of bankruptcy of a borrower, the Fund could experience delays or limitations with respect to its ability to realize the benefits of the collateral securing an investment. Under certain circumstances, collateral securing an investment may be released without the consent of the Fund.

Credit risk is typically greater for securities with ratings that are below investment grade (commonly referred to as "junk bonds"). Since the Fund can invest significantly in high-yield investments considered speculative in nature and unsecured investments, this risk may be substantial. The Fund's right to payment and its security interest, if any, may be subordinated to the payment rights and security interests of more senior creditors. This risk may also be greater to the extent the Fund uses leverage in connection with the management of the Fund. Changes in the actual or perceived creditworthiness of an issuer, or a downgrade or default affecting any of the Fund's securities, could affect the Fund's performance.

Valuation Risk: Most of the Fund's investments are not traded on national securities exchanges, and the Fund does not have the benefit of market quotations or other pricing data from such an exchange. Certain of the Fund's investments will have the benefit of third-party bid-ask quotations. With respect to investments for which pricing data is not readily available or when such pricing data is deemed not to represent fair value, the Adviser determines fair value using the valuation procedures approved by the Board. There is no single standard for determining fair value in good faith. As a result, determining fair value requires that judgment be applied to the specific facts and circumstances of each portfolio investment while employing a consistently applied valuation process for the types of investments the Fund makes.

Interest Rate Risk: Interest rate sensitivity refers to the change in earnings that may result from changes in the level of interest rates. The Fund intends to fund portions of its investments with borrowings, and at such time, its net investment income will be affected by the difference between the rate at which it invests and the rate at which it borrows. Accordingly, the Fund cannot assure that a significant change in market interest risks will not have a material adverse effect on its net investment income.

9. LINE OF CREDIT

On September 6, 2024, the Fund entered into a Loan Agreement with U.S. Bank National Association ("U.S. Bank"), pursuant to which the U.S. Bank agreed to provide the Fund with a Line of Credit with an uncommitted amount of \$20,000,000. On May 13, 2025, U.S. Bank agreed to increase the line of credit to \$27,000,000. This Loan Agreement, as amended, will expire on September 4, 2026.

Outstanding principal amounts under the Agreement bear interest at a rate per annum equal to the Prime Rate. The principal amounts under the Agreement are collateralized by a perfected, first priority security interest in the assets of the Fund. The Fund agrees to pay fees to U.S. Bank for administering the obligations of the Fund under the Agreement as well as reasonable out-of-pocket expenses related to the Agreement, including reasonable attorneys’ fees, documentation fees, and other legal expenses. The maximum amount outstanding during the six months ended June 30, 2026, was \$19,148,000. The average balance and weighted average interest rate, based on the number of days outstanding, for the six months ended June 30, 2026, was \$9,814,075 and 6.75%, respectively. The interest rate and balance outstanding as of June 30, 2026, was 6.75% and \$13,075,000, respectively.

10. MANDATORILY REDEEMABLE PREFERRED STOCK

The Fund issued 1,000 Series A Term Preferred Shares on November 7, 2023. The Series A Term Preferred Shares are entitled to a dividend at a rate of 3 month SOFR + 3.75% per year based on the \$10,000 liquidation preference before the common stock is entitled to receive any dividends. The Series A Term Preferred Shares are redeemable at \$10,000 per share plus accrued and unpaid dividends (whether or not declared) exclusively at the Fund’s option commencing on November 9, 2023. The Fund repaid the Preferred Shares in full on November 7, 2025.

11. DISTRIBUTION REINVESTMENT PLAN

The Board approved the establishment of a distribution reinvestment plan (the “DRIP”). The DRIP was first applied to the reinvestment of cash distributions paid on or after May 9, 2023.

Under the DRIP, cash distributions paid to participating stockholders are reinvested in shares at a price equal to the net asset value per share of the shares as of such date.

12. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Fund enters into contracts that may contain a variety of representations that provide general indemnifications. The Fund’s maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. However, the Fund expects the risk of loss to be remote.

The following table represents the Fund’s unfunded commitments on Feeder Fund Investments held by the Fund as of June 30, 2026:

	Redemption Frequency/Expiration Date	As of June 30, 2026
Guggenheim Invest Private Dbt Fd IV Feeder LLC – C Note	4/10/2038	\$ 7,888,271
Guggenheim Invest Private Dbt Fd IV Feeder LLC – D Note	4/10/2038	11,832,406
KSCF V Rated Note Feeder, LLC – D Note	12/31/2036	13,200,000
KSCF V Rated Note Feeder, LLC – Subordinated Note	12/31/2036	11,237,596
		<u>\$ 44,158,273</u>

13. SUBSEQUENT EVENTS

The Fund has evaluated events and transactions through the date the financial statements were issued and has identified the following events for disclosure in the financial statements:

Subsequent to June 30, 2026, the Fund paid the following distributions:

Ex-Date	Record Date	Payable Date	Rate (per share)
July 29, 2026	July 28, 2026	July 30, 2026	\$0.160
August 28, 2026	August 27, 2026	August 29, 2026	\$0.160

On July 10, 2026, the Fund commenced a quarterly repurchase offer. In this offer, the Fund offered to repurchase up to 5% of the number of its outstanding shares as of the Repurchase Pricing Date. The result of the repurchase offer was as follows:

	Repurchase Offer
Commencement Date	July 10, 2026
Repurchase Request Deadline	August 14, 2026
Repurchase Pricing Date	August 14, 2026
Amount Repurchased	\$36,621,240
Shares Repurchased	1,702,522

In June 2026, the Board approved an amendment to the Fund’s investment advisory agreement to modify the calculation of the incentive fee so that the applicable quarterly hurdle rate and related incentive fee calculations are based on the Fund’s NAV rather than adjusted capital. This amendment was effective July 1, 2026.

PROXY VOTING

A description of the Fund’s proxy voting policies and procedures is available without charge, upon request by calling 1-307-500-5200, or on the U.S. Securities and Exchange Commission’s (“SEC”) website at <http://www.sec.gov>. Information regarding how the Fund voted proxies relating to portfolio securities during the twelve-month period ended June 30th is available on the SEC’s website at <http://www.sec.gov>.

PORTFOLIO HOLDINGS

The Fund files a monthly portfolio investments report with the SEC on Form N-PORT within 60 days after the end of the Fund’s first and third quarters. Copies of the Fund’s Form N-PORT are available without charge, upon request, by contacting the Fund at 1-307-500-5200, or on the SEC’s website at <http://www.sec.gov>.

PRIVACY NOTICE

Rev. Oct. 2022

FACTS	WHAT DOES FLAT ROCK ENHANCED INCOME 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 Assets Retirement Assets Transaction History Checking Account Information Purchase History Account Balances Account Transactions Wire Transfer Instructions When you are <i>no longer</i> 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 Flat Rock Enhanced Income Fund chooses to share; and whether you can limit this sharing.	

June 30, 2026 (Unaudited)

REASONS WE CAN SHARE YOUR PERSONAL INFORMATION	Does Flat Rock Enhanced Income 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	No	We don't share
For our affiliates' everyday business purposes — information about your creditworthiness	No	We don't share
For nonaffiliates to market to you	No	We don't share
QUESTIONS?	Call (307) 500-5200	

WHO WE ARE	
Who is providing this notice?	Flat Rock Enhanced Income Fund
WHAT WE DO	
How does Flat Rock Enhanced Income 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. Our service providers are held accountable for adhering to strict policies and procedures to prevent any misuse of your nonpublic personal information.
How does Flat Rock Enhanced Income Fund collect my personal information?	We collect your personal information, for example, when you • Open an account • Provide account information • Give us your contact information • Make deposits or withdrawals from your account • Make a wire transfer • Tell us where to send the money • Tells us who receives the money • Show your government-issued ID • Show your driver’s license We also collect your personal information from other companies.
Why can’t I limit all sharing?	Federal law gives you the right to limit only • 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 State laws and individual companies may give you additional rights to limit sharing.

DEFINITIONS	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. Flat Rock Enhanced Income Fund does not share with our affiliates for marketing purposes.
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. Flat Rock Enhanced Income Fund does not share with nonaffiliates so they can market to you.
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. Flat Rock Enhanced Income Fund doesn't jointly market.

At a meeting of the Board of Trustees (the “Board”) of Flat Rock Enhanced Income Fund (the “Fund”) held on February 26, 2026, the Board, including a majority of the Trustees who are not “interested persons” (as that term is defined in the Investment Company Act of 1940, as amended) of the Fund or Flat Rock Global, LLC (the “Adviser”) (the “Independent Trustees”), considered and renewed the Investment Advisory Agreement (the “Advisory Agreement”) between the Fund and the Adviser.

The Board relied upon the advice of legal counsel and its own business judgment in determining the material factors to be considered in evaluating the Advisory Agreement and the weight to be given to each factor considered. The Board’s conclusions were based on a comprehensive evaluation of all of the information provided and were not the result of any one factor. Moreover, each Trustee might have afforded different weight to the various factors in reaching his or her conclusions with respect to the approval of the Advisory Agreement.

Nature, Extent, and Quality of Services. The Board noted that the Adviser was formed in 2016 and managed over \$1.6 billion in assets across three interval funds as of December 31, 2025. The Board considered the experience and qualifications of the key personnel servicing the Fund. The Board observed the long tenure of the Adviser’s investment personnel and discussed the quality of the Adviser’s recent new hires on the finance and accounting team, capital markets team, and investment team. The Board discussed the Adviser’s robust investment and due diligence process, and the Adviser’s expertise related to investing in the junior debt tranches of collateralized loan obligations. The Board reviewed the Adviser’s compliance program, including its business continuity and disaster recovery policy and cybersecurity policy. The Board discussed the Adviser’s financial condition, noting that the Adviser’s assets under management have continued to increase since it commenced operations. After discussion, the Board concluded that the Adviser had sufficient quality and depth of personnel, resources, and compliance policies and procedures essential to perform its duties under the Advisory Agreement.

Performance. The Board reviewed the performance of the Fund, noting that for the one-year and since-inception periods, the Fund returned 10.75% and 13.00%, respectively. The Board noted that the Fund outperformed its peer group for the one-year and since-inception periods. The Board discussed the Fund’s performance relative to peers and considered the differences between the peer group and the Fund that contributed to the Fund’s outperformance. The Board considered that the Fund outperformed the S&P BDC Total Return Index and the Bloomberg U.S. Corporate High Yield Index benchmark indices for the one-year and since-inception periods. The Board considered the overall positive performance of the Fund and the Adviser’s capacity constrained approach to investing. The Board concluded that the performance of the Fund was satisfactory.

Fees and Expenses. The Board reviewed the fees and expenses of the Fund, noting that the Adviser’s base management fee was higher than the peer group average, and the Fund’s expense ratio lower than the peer group average. The Board considered the expertise and specialized knowledge required to manage the Fund, and the fact that the Adviser performed all diligence on potential investments in-house. The Board considered the incentive fees charged by the Adviser to the Fund. The Board discussed that the incentive fee was only payable if the Fund’s return exceeded an annualized hurdle rate of 7.0%. Based on the foregoing, the Board agreed that the fees and expenses of the Fund were not unreasonable given the size of the Fund and the expertise required to manage the Fund.

Profitability. The Board noted that the Adviser profited from its relationship with the Fund during 2025. The Board considered the overall performance and fee structure of the Fund in relation to the Fund's profitability. The Board also considered the skill and expertise required to manage the Fund. After deliberations, the Board concluded that the Adviser's profits were not unreasonable in light of the services provided by the Adviser.

Economies of Scale. The Board discussed that the Fund was not yet experiencing economies of scale. The Board concluded that it would continue to discuss economies of scale as the Fund grew in size.

Conclusion. Having requested and received such information from the Adviser as the Board believed to be reasonably necessary to evaluate the terms of the Advisory Agreement, and as assisted by the advice of legal counsel, the Board determined that continuation of the Advisory Agreement was in the best interest of the Fund and its shareholders.

Separately, at a meeting held on April 6, 2026, the Board, including a majority of the Independent Trustees, considered and approved an amendment to the Advisory Agreement to change the basis of the "pre-incentive fee net investment income" calculation from "adjusted capital" to net asset value. The Board considered that the impact of the amendment was expected to be economically neutral, and would align the Fund's incentive fee calculation methodology more closely with industry peers.



Must be accompanied or preceded by a Prospectus.
Ultimus Fund Distributors, LLC is the Distributor for the Flat Rock Enhanced Income Fund.