

**VERTICAL CAPITAL INCOME FUND
AUDIT COMMITTEE CHARTER**

As amended

Effective Upon Acceptance for Listing of Fund Shares on the New York Stock
Exchange, LLC ("NYSE")

Audit Committee Membership.

The audit committee ("Audit Committee") of the Board of Trustees ("Board" or "Trustees") of the Fund shall be composed of at least three Trustees, each of whom shall be an independent Trustee. An independent Trustee is one:

- (1) who is not an "interested person" (as such term is defined in Section 2 (a)(19) of the Investment Company Act of 1940, as amended); and
- (2) does not, other than in his or her capacity as a member of the Audit Committee, the Board, or any other Board committee, accept directly or indirectly any consulting, advisory, or other compensatory fee from the Fund or any subsidiary thereof, provided that, unless the rules of the NYSE or national securities association provide otherwise, compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the listed issuer (provided that such compensation is not contingent in any way on continued service).

Additionally, each member of the Audit Committee shall have no relationship with the Fund, its investment adviser (the "Adviser"), its principal underwriter (distributor) or Gemini Fund Services, LLC (or the successor to).

Each member of the Audit Committee must be "financially literate" (or shall become so within a reasonable time after appointment to the Audit Committee), and one member must have "accounting or related financial management expertise," as determined by the Board in its business judgment.

The Board also must determine whether any member of the Audit Committee is an "audit committee financial expert" ("ACFE"), within the meaning of the rules adopted and implemented under Section 407 of Sarbanes-Oxley. The designation of a person as an ACFE is not intended to impose any greater responsibility or liability on that person than the responsibility and liability imposed on such person as a member of the Audit Committee, nor does it decrease the duties and obligations of the other Audit Committee members or the Board. If the Board has determined that a member of the Audit Committee is an ACFE, it may presume that such member has accounting or related financial management expertise.

If an Audit Committee member simultaneously serves on the audit committees of more than three public companies, the Board must determine that such simultaneous service

would not impair the ability of such member to effectively serve on the Fund's Audit Committee.

Membership of the Audit Committee shall be determined by the full Board of Trustees (the "Board") from time to time at its sole discretion.

Meetings.

The Audit Committee shall meet as circumstances require.

Purposes.

The purposes of the Audit Committee are to:

- a) Assist the Board in its oversight of the Fund's accounting and financial reporting policies and practices, its internal controls and, as appropriate, the internal controls of certain service providers.
- b) Assist the Board in its oversight of the integrity, quality and objectivity of the Fund's financial statements and the independent audit thereof.
- c) Select, oversee and set compensation of the Fund's independent auditor (the "Auditor") and to act as a liaison between the Auditor and the full Board of Trustees.
- d) Assist the Board in its oversight of the Fund's compliance with its legal and regulatory requirements.
- e) To prepare an Audit Committee report as required by Item 407(d)(3)(i) of Regulation S-K as more fully described in Appendix B.
- f) Review and discuss the Fund's annual audited financial statements, semi-annual financial statements, any "Management's Discussion of Fund Performance" included in Form N-CSR; and the Auditor's internal control letter.
- g) Discuss the Fund's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.
- h) Discuss Fund's risk assessment and risk management policies and assist the Board in its oversight of the Fund's risk assessment and risk management policies.

The function of the Audit Committee is oversight; it is the Fund management's responsibility to maintain appropriate systems for accounting and internal control, and the Auditor's responsibility to plan and carry out the audit in accordance with auditing standards generally accepted in the United States. The Auditor is ultimately responsible to the Board of Trustees and the Audit Committee, as representatives of the shareholders.

Duties and Powers.

To carry out its purposes, the Audit Committee shall have the following duties and powers and shall apply the following principles:

(a) *Selection of Auditor.*

- (i) The Audit Committee shall pre-approve the selection of the Auditor and shall recommend the selection, retention or termination of Auditor to the Board and, in connection therewith, to evaluate the independence of the Auditor, including whether the Auditor provides any consulting, auditing or non-audit services to the Adviser or their affiliates. The Audit Committee shall review the Auditor's specific representations as to its independence;
- (ii) The Audit Committee shall review and approve the fees charged by the Auditor for audit and non-audit services in accordance with the pre-approval requirements set forth in (d) below. The Fund shall provide for appropriate funding, as determined by the Audit Committee, to compensate the Auditor for any authorized service provided to the Fund;
- (iii) The Audit Committee shall review the performance of the Auditor, including the lead audit partner, and present its review to the Board.

(b) *Meetings with the Auditors.*

The Audit Committee shall meet with the Auditor, including private meetings, as necessary to: review the arrangements for and scope of the annual audit and any special audits; provide the Auditor the opportunity to report to the Audit Committee on a timely basis all critical accounting policies and practices to be used; discuss any matters of concern relating to the Fund's financial statements, including: any audit problems or difficulties and management's response; any adjustments to such statements recommended by the Auditors, or other results of said audit(s); and all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Auditor; provide the Auditor the opportunity to report to the Audit Committee, on a timely basis, any material written communication between the Auditor and management such as any management letter or schedule of unadjusted differences; provide the Auditor the opportunity to report all non-audit services provided to any entity in the "investment company complex"¹ that were not pre-approved by the Audit Committee; consider the Auditor's comments with respect to the Fund's financial

¹ "Investment Company Complex" means the Fund, the Adviser and any entity controlled by, controlling or under common control with the Adviser if such entity is an investment adviser or is engaged in the business of providing administrative, custodian, underwriting or transfer agent services to the Fund or Adviser.

policies, procedures and internal accounting controls and responses thereto by the Fund's officers in accordance with Statement of Auditing Standards No. 61 (or other name as the auditing standards shall become known), as amended; review the form of written opinion the Auditor proposes to render to the Board of Trustees and shareholders; provide the Auditor the opportunity to report on any other matter that the Auditor deems necessary or appropriate to discuss with the Audit Committee; and at least annually, obtain and review a report by the Auditor describing: the Auditor's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the Auditor, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the Auditor, and any steps taken to deal with any such issues.

(c) Change in Accounting Principles.

The Audit Committee shall consider the effect upon the Fund of any changes in accounting principles or practices proposed by the Auditor or the Fund's officers.

(d) Pre-Approval Requirements.

(i) *Pre-Approval Requirements.* Before the Auditor is engaged by the Fund to render audit or non-audit services, either:

(A) The Audit Committee shall pre-approve all auditing services and permissible non-audit services (e.g., tax services) provided to the Fund. The Audit Committee may delegate to one or more of its members the authority to grant pre-approvals. The decisions of any member to whom authority is delegated under this section shall be presented to the full Audit Committee at each of its scheduled meetings; or

(B) The engagement to render the auditing service or permissible non-audit service is entered into pursuant to pre-approval policies and procedures established by the Audit Committee. Any such policies and procedures must (1) be detailed as to the particular service and (2) not involve any delegation of the Audit Committee's responsibilities to the Adviser. The Audit Committee must be informed of each service entered into pursuant to the policies and procedures. A copy of any such policies and procedures shall be attached as an exhibit to the Audit Committee Charter;

(ii) *De Minimis Exceptions to Pre-Approval Requirements.* Pre-Approval for a service provided to the Fund other than audit, review or attest services is not required if: (1) the aggregate amount of all such non-audit services provided to the Fund constitutes not more than 5 percent of the total amount of revenues paid by the Fund to the Auditor during the fiscal year

in which the non-audit services are provided; (2) such services were not recognized by the Fund at the time of the engagement to be non-audit services; and (3) such services are promptly brought to the attention of the Audit Committee and are approved by the Audit Committee or by one or more members of the Audit Committee to whom authority to grant such approvals has been delegated by the Audit Committee prior to the completion of the audit;

- (iii) *Pre-Approval of Non-Audit Services Provided to the Adviser and Certain Control Persons.* The Audit Committee shall pre-approve any non-audit services proposed to be provided by the Auditor to (a) the Adviser and (b) any entity controlling, controlled by, or under common control with the Adviser that provides ongoing services to the Fund, if the Auditor's engagement with the Adviser or any such control persons relates directly to the operations and financial reporting of the Fund.

Application of De Minimis Exception. The De Minimis exception set forth above under Section 5(d)(ii) applies to pre-approvals under this Section (iii) as well, except that the "total amount of revenues" calculation is based on the total amount of revenues paid to the Auditor by the Fund and any other entity that has its services approved under this Section (i.e., the Adviser or any control person).

- (e) *Prohibited Activities of the Auditor.* An auditor who is performing the audit for the Fund may not perform contemporaneously (during the audit and professional engagement period) the following non-audit services for the Fund:
- (i) bookkeeping or other services related to the accounting records or financial statements of the Fund;
 - (ii) financial information systems design and implementation;
 - (iii) appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
 - (iv) actuarial services;
 - (v) internal audit outsourcing services;
 - (vi) management functions or human resources;
 - (vii) broker or dealer, investment adviser, or investment banking services;
 - (viii) legal services and expert services unrelated to the audit; and
 - (ix) any other service that the Public Company Accounting Oversight Board determines, by regulation, is impermissible.

The Auditor will be responsible for informing the Audit Committee of whether it believes that a particular non-audit service is permissible or prohibited pursuant to applicable regulations and standards.

- (f) Improprieties. Investigate improprieties or suspected improprieties in Fund operations.
- (g) Board Reports. Report its activities to the full Board on a regular basis and to make such recommendations with respect to the above and other matters, as the Audit Committee may deem necessary or appropriate.
- (h) Hiring of Auditor Employees or Former Employees. The Fund will not employ an Auditor employee during any audit or professional engagement period, but may employ a former Auditor employee that was not part of the audit engagement team, and may employ a former Auditor employee that was part of the audit engagement team after one year following the conclusion of audit procedures.

Meetings with Treasurer/Advisory Personnel.

The Audit Committee, in its discretion, may meet with the Treasurer of the Fund and with personnel of the Adviser.

Authority to Retain Advisers, Counsel and Funding.

The Audit Committee shall have the resources and authority appropriate to discharge its responsibilities, including the authority to retain special counsel and other experts or consultants at the expense of the Fund. The Audit Committee is authorized to provide for appropriate funding of: (i) compensation to any independent registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services; (ii) compensation to any counsel or advisers employed by the Audit Committee; and (iii) ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

Annual Charter Review and Self-Evaluation.

The Audit Committee shall review this Charter at least annually and recommend any changes to the full Board of Trustees. The Audit Committee shall conduct at least annually an evaluation of its performance.

Complaints.

The Audit Committee shall receipt, retain, and treat complaints received by the Fund regarding accounting, internal accounting controls, or auditing matters; and the Audit Committee shall receipt, retain, and treat complaints on a confidential and anonymous basis if received by employees or employees of service providers of the Fund regarding questionable accounting or auditing matters as fully set forth in Appendix A.

APPENDIX A

Complaint Procedures for Accounting and Auditing Matters

Complaints – Generally.

Complaints about accounting, internal accounting controls, auditing matters, or any questionable accounting or auditing matters received by Fund Trustees, officers, or employees, employees of Fund service providers (e.g. investment adviser, administrator, custodian, transfer agent, fund accountant, principal underwriter or any other provider of accounting related services for the Fund) will be forwarded to the Fund's Chief Compliance Officer ("CCO"). Complaints about accounting, internal accounting controls or auditing matters made by Fund Trustees, officers, employees of Fund service providers may be sent directly to the CCO.

Complaints – Confidential and Anonymous.

Confidential and anonymous complaints about accounting, internal accounting controls, auditing matters, or any questionable accounting or auditing matters may be made by Fund Trustees, officers, or employees, employees of Fund service providers (e.g. investment adviser, administrator, custodian, transfer agent, fund accountant, principal underwriter or any other provider of accounting related services for the Fund) by sending them to Fund counsel. If Fund counsel believes an investigation can be conducted by the CCO on a confidential and anonymous basis, the execution of investigation will be conducted by the CCO. If not, Fund counsel and the Chairman of Audit Committee will jointly conduct the investigation.

Fund Legal Counsel

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The scope of questionable accounting and audit related matters include, without limitation:

- i. fraud, misrepresentation or deliberate error in the recording and maintaining of the Fund's financial records or in the preparation, assessment, review or audit of any Fund financial statement;

- ii. deficiencies in, noncompliance with, or false certification in respect of the internal control over financial reporting for the Fund or the disclosure controls and procedures for the Fund relating to accounting matters;
- iii. misrepresentation or false statement to, or by, an officer or accountant, or to an employee of the Fund's independent registered public accounting firm ("Auditor") regarding a matter contained in the Fund's financial records, financial statements or audit reports; and
- iv. attempts to inappropriately influence the Fund's Auditor.

Investigation, Treatment, Resolution and Documentation of Complaints.

Upon receipt of a complaint, the CCO or Fund counsel and the Chairman of Audit Committee (hereinafter "Investigating Officer") will, when possible, acknowledge receipt of the complaint to the person submitting the complaint. If the Investigating Officer determines that the complaint relates to accounting matters and deems it appropriate, the Investigating Officer shall cause an investigation into the complaint, retaining outside auditors, counsel or other experts if he or she deems appropriate. The Investigating Officer will seek to maintain confidentiality to the extent possible, consistent with the completion of a thorough review, and will endeavor to take prompt corrective action when, in his or her judgment, he or she considers such action appropriate. The Investigating Officer shall document receipt of a complaint, any investigation (or, if none, the reasons therefor) and the nature of any corrective actions taken.

The Investigating Officer will provide a report to the Audit Committee concerning the nature of all alleged legal or ethical violations investigated at least quarterly, or more frequently if such matter requires the immediate attention of the Audit Committee. A periodic summary of Complaint Officers' documentation referred to above shall be prepared for the Audit Committee, provided that any material matters shall be reported promptly to the Audit Committee and then to the Fund's independent auditors if appropriate. The Audit Committee may take such further action as it may deem appropriate.

Non-Retaliation Policy.

Neither the Board of Trustees nor the Audit Committee will retaliate or tolerate any evidence of retaliation (including, but not limited to, discharge, demotion, suspension, threats, harassment or discrimination) by Fund officers or employees or any other person or group, directly or indirectly, against persons who lawfully provide information in good faith in accordance with these procedures. The Investigating Officer is authorized to address any acts of retaliation, retribution or adverse action, including if such acts are by a service provider or its officers, employees, or agents, recommending that the Board of Trustees evaluate the relationship with the service provider and take any necessary action, recommending to the employer of the person engaging in such conduct that disciplinary action be taken against such person or recommending any other action as the Investigating Officer considers appropriate.

Notice to Affected Persons.

The CCO will provide these procedures to each Fund Trustee, officer, or employee, Fund service providers (e.g. investment adviser, administrator, custodian, transfer agent, fund accountant, principal underwriter or any other provider of accounting related services for the Fund). The CCO will instruct each service provider to provide the procedures to each employee and officer that participates to a material extent in Fund accounting or audit related matters.

Record Retention of Complaints and Investigations.

The Fund shall maintain and preserve for a period of not less than six years from the end of the fiscal year during which any entry was made (the first two years in an easily accessible place), copies of any written complaints and any report or documentation made by the Investigation Officer or the Audit Committee pursuant to these procedures.

APPENDIX B

Audit Committee Report (as per 17 CFR 229.407(d)(3)(i) (Reg S-K))

The Audit Committee of the Board of the Fund operates pursuant to a Charter, which sets forth the role of the Audit Committee in the Fund's financial reporting process. Pursuant to the Charter, the role of the Audit Committee is to oversee the Fund's accounting and financial reporting processes and the quality and integrity of the Fund's financial statements and the independent audit of those financial statements. The Audit Committee is responsible for, among other things, recommending the initial and ongoing engagement of the independent registered public accounting firm (the "independent auditor") and reviewing the scope and results of its Fund's annual audit with the Fund's independent auditors. Fund management is responsible for the preparation, presentation and integrity of the Fund's financial statements and for the procedures designed to assure compliance with accounting standards and applicable laws and regulations. The independent auditors for the Fund are responsible for planning and carrying out proper audits and reviews.

The Audit Committee met on _____, 20__ to review the Fund's audited financial statements for the fiscal year ended September 30, 20__. In performing this oversight function, the Audit Committee has reviewed and discussed the audited financial statements with the Fund's management and the independent auditor (Grant Thornton LLP). The Audit Committee has discussed with Grant Thornton LLP the matters required to be discussed by Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1. AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T), which was superseded by Auditing Standard No. 16 (Communications with Audit Committees), which was superseded by Auditing Standard No. 1301; and have received the written disclosures and the letter from Grant Thornton LLP required by the applicable requirements of the Public Company Accounting Oversight Board regarding independent accountant communications with audit committees concerning independence (Public Company Accounting Oversight Board's Ethics & Independence Rule 3526). The Audit Committee also has discussed with Grant Thornton LLP its independence.

The members of the Audit Committee are not employed by the Fund as experts in the fields of auditing or accounting and are not employed by the Fund for accounting, financial management or internal control purposes. Members of the Audit Committee rely without independent verification on the information provided and the representations made to them by management and Grant Thornton LLP.

Based upon this review and related discussions, and subject to the limitation on the role and responsibilities of the Audit Committee set forth above and in the Charter, the Audit Committee of the Fund recommended to the Board of Trustees that the audited financial statements be included in the Fund's Annual Report to Shareholders for the fiscal year ended September 30, 20__.

The members of the Audit Committee are listed below. Each has been determined to meet the independence requirements of the NYSE.

T. Neil Bathon (Chairman)
Robert J. Boulware
Mark J. Schlafly

Date: ____ __, 20__