Risk Factors Comparison 2025-02-19 to 2024-02-21 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

Risks Relating to our Business and Structure • We may not replicate the historical performance achieved by Crescent. • The Adviser, the investment committee of the Adviser, Crescent and their affiliates, officers, directors and employees may face certain conflicts of interest. • Conflicts may arise related to other arrangements with Crescent and the Adviser and other affiliates. • Our ability to enter into transactions with our affiliates is restricted. • We operate in an increasingly competitive market for investment opportunities, which could make it difficult for us to identify and make investments that are consistent with our investment objectives. • Our ability to grow depends on our ability to raise capital. • Our failure to make follow- on investments in our portfolio companies could impair the value of our portfolio. • Certain investors are limited in their ability to make significant investments in us. • Our investments in OID and PIK interest income may expose us to risks associated with such income being required to be included in accounting income and taxable income prior to receipt of cash. • Our strategy involves a high degree of leverage. We intend to continue to finance our investments with borrowed money, which will magnify the potential for gain or loss on amounts invested and increases the risk of investing in us. The risks of investment in a highly leveraged fund include volatility and possible distribution restrictions. • Changes in interest rates may adversely affect the value of our portfolio investments which could have an adverse effect on our business, financial condition and results of operations. • There is a risk that investors in our common stock may not receive dividends or that our dividends may not grow over time and that investors in our debt securities may not receive all of the interest income to which they are entitled. • The majority of our portfolio investments are recorded at fair value as determined in good faith by Adviser as Valuation Designee with approval from our Board and, as a result, there may be uncertainty as to the value of our portfolio investments. • There is a risk that investors in our Common Shares may not receive distributions or that our distributions may not grow over time and that investors in our debt securities may not receive all of the interest income to which they are entitled. • We are an " emerging growth company " under the JOBS Act, and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our Common Shares less attractive to investors. Risks Relating to Our Investments • Price declines and illiquidity in the corporate debt markets may adversely affect the fair value of our portfolio investments, reducing NAV through increased net unrealized depreciation. • We will be subject to the risk that the debt investments we make in our portfolio companies may be repaid prior to maturity. • Inflation has adversely affected and may continue to adversely affect the business, results of operations and financial condition of our portfolio companies. • We typically invest in middle- market companies, which involves higher risk than investments in large companies. • Our investments may be risky, and we could lose all or part of our investment. • We may invest in high yield debt, or junk bonds, which has greater credit and liquidity risk than more highly rated debt obligations. • Investments in equity securities, many of which are illiquid with no readily available market, involve a substantial degree of risk. • The disposition of our investments may result in contingent liabilities. • Our subordinated investments may be subject to greater risk than investments that are not similarly subordinated. • When we are a debt or minority equity investor in a portfolio company, we are often not in a position to exert influence on the entity, and other equity holders and management of the company may make decisions that could decrease the value of our investment in such portfolio company. • Our portfolio companies may be highly leveraged. • We may be subject to risks under hedging transactions and may become subject to risk if it invests in non- U. S. securities. • Changes in healthcare laws and other regulations applicable to some of our portfolio companies businesses may constrain their ability to offer their products and services. • Our investments in the consumer products and services sector are subject to various risks including cyclical risks associated with the overall economy. • Our investments in the financial services sector are subject to various risks including volatility and extensive government regulation. • Our investments in technology companies are subject to many risks, including volatility, intense competition, shortened product life cycles, litigation risk and periodic downturn. Risks Relating to Our Common Stock • Investing in our common shares may involve an above average degree of risk. • Certain investors will be subject to Exchange Act filing requirements. • Our shares of common stock have traded at a discount from net asset value and may do so again, which could limit our ability to raise additional equity capital. • The market price of our common stock may fluctuate significantly. • Common stockholders who participate in the distribution reinvestment play may increase their risk of overconcentration. • Our stockholders will experience dilution in their ownership percentage if they opt out of our dividend reinvestment plan. • Our future credit ratings may not reflect all risks of an investment in our debt securities. • Provisions of the Maryland General Corporation Law and of the Charter and the Bylaws could deter takeover attempts and have an adverse effect on the price of our common stock. • We incur significant costs as a result of being a publicly traded company. General Risk Factors • Economic recessions or downturns could impair our portfolio companies and harm our operating results. • We may experience fluctuations in our quarterly operating results. • Cybersecurity risks and cyber incidents may adversely affect our business by causing a disruption to our operations, a compromise or corruption of its confidential information and / or damage to its business relationships. PART I In this Annual Report, except where the context suggests otherwise, the terms " CCAP, " " we, " " us, " " our, " and " the Company " refer to Crescent Capital BDC, Inc. The term " Adviser " refers to Crescent Cap Advisors, LLC, a Delaware limited liability company. The term " Administrator " refers to CCAP Administration, LLC, a Delaware limited liability company. The term " Crescent " refers to Crescent Capital Group LP and its affiliates. Item 1. Business We are a specialty finance company focused on lending to middle- market companies. We are incorporated under the laws of the State of Maryland. We were listed and began trading on the NASDAQ stock exchange on February 3, 2020. We have elected to be treated as a business development company (" BDC ") under the Investment Company Act of 1940 (" 1940 Act "). In addition,

we have elected to be treated for U. S. federal income tax purposes as a regulated investment company (a " RIC ") under Subchapter M of the Internal Revenue Code of 1986 (the " Code "). As such, we are required to comply with various regulatory requirements, such as the requirement to invest at least 70 % of our assets in " qualifying assets, " source of income limitations, asset diversification requirements, and the requirement to distribute annually at least 90 % of our taxable income and tax-exempt interest. Our investment objective is to maximize the total return to our stockholders in the form of current income and capital appreciation through debt and related equity investments. We invest primarily in secured debt (including first lien, unitranche first lien, and second- lien debt) and unsecured debt (including mezzanine and subordinated debt), as well as related equity securities of private U. S. middle- market companies. We may purchase interests in loans or make debt investments, either (i) directly from our target companies as primary market or private credit investments (i. e., private credit transactions), or (ii) primary or secondary market bank loan or high yield transactions in the broadly syndicated " over- the- counter " market (i. e., broadly syndicated loans and bonds). Although our focus is to invest in less liquid private credit transactions, we may from time to time invest in more liquid broadly syndicated loans to complement our private credit transactions. Our investment objective is accomplished through: • accessing the origination channels that have been developed and established by Crescent; • originating investments in what we believe to be middle- market companies with strong business fundamentals, generally controlled by private equity investors that require capital for growth, acquisitions, recapitalizations, refinancings and leveraged buyouts; • applying Crescent' s underwriting standards; and • leveraging Crescent' s experience and resources to monitor our investments. Our investment philosophy emphasizes capital preservation through credit selection and risk mitigation. We expect our targeted portfolio to provide downside protection through conservative cash flow and asset coverage requirements, priority in the capital structure and information requirements. As a BDC under the Act and a RIC under the Code, our portfolio is subject to diversification and other requirements. See " — Certain U. S. Federal Income Tax Consequences. " We are managed by Crescent Cap Advisors, LLC (the " Adviser "), an investment adviser that is registered with the Securities and Exchange Commission (the " SEC ") under the Investment Advisers Act of 1940 (" Advisers Act "). CCAP Administration LLC (the " Administrator ") provides the administrative services necessary for us to operate. Our management consists of investment and administrative professionals from the Adviser and Administrator, along with the Company' s Board of Directors (the " Board "). The Adviser directs and executes our investment operations and capital raising activities subject to oversight from the Board, which sets our broad policies. The Board has delegated investment management of our investment assets to the Adviser. The Board consists of six directors, five of whom are independent. From time to time we may form wholly owned subsidiaries to facilitate the normal course of business if the Adviser determines that for legal, tax, regulatory, accounting or other similar reasons it is in our best interest to do so. We have formed or acquired wholly owned subsidiaries that are structured as tax blockers, to hold equity or equity- like investments in portfolio companies organized as limited liability companies or other forms of pass- through entities. These corporate subsidiaries are not consolidated for income tax purposes and may incur income tax expense as a result of its ownership of portfolio companies. We may borrow money from time to time within the levels permitted by the 1940 Act (up to 150 % of asset coverage requirement). In determining whether to borrow money, we analyze the maturity, covenant package and rate structure of the proposed borrowings as well as the risks of such borrowings compared to our investment outlook. The use of borrowed funds or the proceeds of preferred stock offerings to make investments would have its own specific set of benefits and risks, and all of the costs of borrowing funds or issuing preferred stock would be borne by holders of our common stock. See " Item 1A. Risk Factors — Risks Relating to Our Business and Structure — Our strategy involves a high degree of leverage. We intend to continue to finance our investments with borrowed money, which will magnify the potential for gain or loss on amounts invested and increases the risk of investing in us. The risks of investment in a highly leveraged fund include volatility and possible distribution restrictions. " FCRD Acquisition On March 9, 2023, we completed the previously announced acquisition of First Eagle Alternative Capital BDC, Inc. (" FCRD"), a Delaware corporation, pursuant to the Agreement and Plan of Merger (the " Merger Agreement "), dated as of October 3, 2022 (the" FCRD Acquisition"). The board of directors of both companies each unanimously approved the FCRD Acquisition and on March 7, 2023, FCRD' s stockholders approved the merger. In accordance with the terms of the Merger Agreement, holders of shares of FCRD' s common stock had their shares of FCRD common stock converted to the right to receive, in the aggregate, approximately (1) $ 8. 6 million in cash payable by the Company, (2) 6, 174, 187 validly issued, fully paid and non- assessable shares of our common stock, and (3) $ 35. 0 million in cash payable by the Adviser. This transaction resulted in our then- existing stockholders owning approximately 83 % and FCRD' s then- existing stockholders owning approximately 17 % of our common stock. The Investment Adviser The Adviser, a Delaware limited liability company and an affiliate of Crescent, acts as our investment adviser. The Adviser is a registered investment adviser under the Advisers Act. Our investment activities are managed by the Adviser, which is responsible for originating prospective investments, conducting research and due diligence investigations on potential investments, analyzing investment opportunities, negotiating and structuring our investments and monitoring our investments and portfolio companies on an ongoing basis. The Adviser has entered into a Resource Sharing Agreement (the " Resource Sharing Agreement ") with Crescent, pursuant to which Crescent provides the Adviser with experienced investment professionals (including the members of the Adviser' s investment committee) and access to Crescent' s resources so as to enable the Adviser to fulfill its obligations under the Investment Advisory Agreement. Through the Resource Sharing Agreement, the Adviser capitalizes on the deal origination, credit underwriting, due diligence, investment structuring, execution, portfolio management and monitoring experience of Crescent' s investment professionals. About Crescent Crescent Capital Corporation, a predecessor to the business of Crescent, was formed in 1991 by Mark Attanasio and Jean- Marc Chapus as an asset management firm specializing in below- investment grade debt securities. In 1995, Crescent Capital Corporation was acquired by The TCW Group, Inc. (" TCW ") and rebranded as TCW' s Leveraged Finance Group. On January 1, 2011, Messrs. Attanasio and Chapus, along with the entire investment team, spun out of TCW and formed Crescent, an employee- owned, registered investment adviser. Crescent is a global credit investment manager with over $ ~~40~~ **45** billion of assets under

management. With its headquarters in Los Angeles, Crescent has over ~~200~~ **230** employees based in ~~four~~ **five** offices in the U. S. and Europe. Messrs. Attanasio and Chapus head Crescent' s management committee, which oversees all of Crescent' s operations. On January 5, 2021, Sun Life Financial Inc. (together with its subsidiaries and joint ventures, " Sun Life ") acquired a majority interest in Crescent (the " Sun Life Transaction "). As a result of the Sun Life Transaction, Crescent became a part of SLC Management, the institutional alternatives and traditional asset management business of Sun Life. There were no changes to our investment objective, strategies and process or to the Crescent team responsible for the investment operations as a result of the Sun Life Transaction. The Board of Directors Our business and affairs are managed under the direction of our Board. Our Board consists of six members, five of whom are not " interested persons " of CCAP, the Adviser, the Administrator or their respective affiliates as defined in Section 2 (a) (19) of the 1940 Act. We refer to these individuals as our " Independent Directors. " The Independent Directors compose a majority of our Board. Our Board elects our officers, who serve at the discretion of our Board. The responsibilities of our Board include oversight of our quarterly determinations of the fair value of our assets, corporate governance activities, oversight of our financing arrangements and oversight of our investment activities. Investment Strategy We follow Crescent' s approach to investing, which is based upon fundamental credit research and risk analysis. This approach reflects Crescent' s view that the cornerstone of successful investing is fundamental credit analysis. Specifically, we pursue an investment strategy targeting companies primarily in the middle- market. We believe that the middle- market is attractive as a result of the lack of available lending sources to smaller companies. We believe many financing providers have chosen to focus on large corporate clients and managing capital markets transactions rather than lending to middle- market businesses. Further, many financial institutions and traditional lenders are faced with constrained balance sheets. We also believe hedge funds and collateralized debt obligation / collateralized loan obligation managers are less likely to pursue investment opportunities in our target market as a result of reduced liquidity for new investments. Specifically, Crescent' s sourcing platform should enable it, on our behalf and through our Adviser, to identify and invest in creditworthy borrowers. In addition, to take advantage of investment opportunities in middle- market companies that are identified for us by Crescent, we may invest alongside other pools of capital, including bank debt, high- yield and mezzanine funds managed by Crescent. See " Item 13. Certain Relationships and Related Transactions, and Director Independence " for a discussion of certain conflicts of interest of Crescent and certain limitations on our ability to co- invest with other accounts advised by Crescent. We target investments in companies that exhibit one or more of the following characteristics: • businesses with strong franchises and sustainable competitive advantages; • businesses operating in industries with barriers to entry; • businesses in industries with positive long- term dynamics; • businesses with cash flows that are dependable and predictable; • businesses with management teams with demonstrated track records and economic incentives; or • businesses controlled by private equity investors that require capital for growth, acquisitions, and leveraged buyouts. We seek to create a diversified portfolio of investments across various industries as a method to manage risk and capitalize on specific sector trends, although our investments may be concentrated in a small number of industries. Investment Focus Generally, we focus on investing in secured debt (including first lien, unitranche first lien and second- lien debt) and unsecured debt (including senior unsecured, mezzanine and subordinated debt), as well as related equity securities of private U. S. middle- market companies. By " middle- market companies, " we mean companies that have annual EBITDA, which we believe is a useful proxy for cash flow, of $ 10 million to $ 250 million. We may on occasion invest in larger or smaller companies. " First lien " investments are senior loans on a lien basis to other liabilities in the issuer' s capital structure that have the benefit of a first- priority security interest in assets of the issuer. The security interest ranks above the security interest of any second- lien lenders in those assets. " Unitranche first lien " investments are loans that may extend deeper in a company' s capital structure than traditional first lien debt and may provide for a waterfall of cash flow priority among different lenders in the unitranche loan. In certain instances, we may find another lender to provide the " first out " portion of such loan and retain the " last out " portion of such loan, in which case, the " first out " portion of the loan would generally receive priority with respect to payment of principal, interest and any other amounts due thereunder over the " last out " portion that we would continue to hold. In exchange for the greater risk of loss, the " last out " portion earns a higher interest rate. " Second lien " investments are loans with a second priority lien on all existing and future assets of the portfolio company. The security interest ranks below the security interests of any first lien and unitranche first lien lenders in those assets. " Unsecured debt " investments are loans that generally rank senior to a borrower' s equity securities and junior in right of payment to such borrower' s other senior indebtedness. We generally invest in securities that are rated below investment grade (e. g., junk bonds) by rating agencies or that would be rated below investment grade if they were rated. See " Item 1A. Risk Factors — Risks Relating to Our Investments — We may invest in high yield debt, or junk bonds, which has greater credit and liquidity risk than more highly rated debt obligations. " Our investments may include non- cash income features, including PIK interest and OID. See " Item 1A. Risk Factors — Risks Relating to Our Investments — Our investments in OID and PIK interest income may expose us to risks associated with such income being required to be included in accounting income and taxable income prior to receipt of cash. " Our business model is focused on the direct origination of loans to middle- market companies. The companies in which we invest use our capital to support organic growth, acquisitions, market or product expansion and recapitalizations. We expect to generate revenues primarily in the form of interest income from debt investments, dividend income from direct equity investments, capital gains on the sales of debt and equity securities and various loan origination and other fees. We may purchase interests in loans or make debt investments, either (i) directly from our target companies as primary market or private credit investments (i. e., private credit transactions), or (ii) primary or secondary market bank loan or high yield transactions in the broadly syndicated " over- the- counter " market (i. e., broadly syndicated loans and bonds). Although our focus is to invest in less liquid private credit transactions, we may from time to time invest in more liquid broadly syndicated loans and bonds to complement our private credit transactions. In addition, and because we often receive more attractive financing terms on broadly syndicated loans and bonds than we do on our less liquid assets, we are able to leverage the broadly syndicated portfolio in such a way that can maximize the levered return potential of our portfolio.

Investment Decision Process Through its affiliation with Crescent, the Adviser has access to origination capabilities and research resources, experienced investment professionals, internal information systems and a credit analysis framework and investment process. Over the years, Crescent has designed its investment process to seek investments which it believes have the most attractive risk / reward characteristics. The process involves multiple levels of review and is coordinated in an effort to identify risks in potential investments. Our Adviser applies Crescent' s expertise to screen our investment opportunities as described below. Depending on the type of investment and the borrower, the Adviser may apply all or some of these levels of review, in its discretion. Based upon a favorable outcome of the diligence process described below, our Adviser' s investment committee will make a final decision on such investment and such investment will only be funded after approval by the Adviser' s investment committee. Private Credit Originations: New private credit investment opportunities are initially reviewed by a Crescent senior investment professional to determine whether additional consideration is warranted. Factors influencing this decision include fundamental business considerations, including borrower industry, borrower financial leverage and cash flows and quality of management as well as private equity sponsor involvement (if any). In the event of an initial positive review, potential investments are further reviewed with senior and junior investment professionals. If the team agrees on the fundamental attractiveness of the investment, the review phase proceeds with preliminary due diligence and financial analyses. At this point, Crescent utilizes its credit analysis methodology to outline credit and operating statistics and identify key business characteristics and risks through available diligence materials in addition to dialogue with company management and the proposed private equity sponsor (if any). Following this analysis, Crescent considers an initial structure and pricing proposal for the investment and preliminarily informs the broader investment team of such proposal. After satisfactory preliminary analysis and review, further due diligence continues, including completion of credit analysis, on- site due diligence (if deemed necessary), visits and meetings with management, and could include consultation with third- party experts. The credit analysis is a detailed, bottom- up analysis on the proposed portfolio company that generally includes an assessment of its industry, market, competition, products, services, management and the equity sponsor or owner. Detailed financial analysis is also performed at this stage with a focus on historical financial results. Projected financial information developed by the proposed portfolio company is analyzed and sensitized based upon the portfolio company' s historical results and assessment of the portfolio company' s future prospects. The sensitivity analysis highlights the variability of revenues and earnings, " worst case " debt service coverage and available sources of liquidity. As part of the overall evaluation, comparisons are made to similar companies to help assess a portfolio company' s asset and enterprise value coverage of debt, interest servicing capacity and competitive strength within its industry and market. Additionally during this stage, Crescent typically works with the management of the proposed portfolio company and its other capital providers to develop the structure of an investment, including negotiating among these parties on how the investment is expected to perform relative to the other forms of capital in its capital structure. Syndicated Investments: For syndicated investments, Crescent seeks to pursue an investment process based upon evaluation of the credit fundamentals of issuers. The foundation of this process is the " bottom- up " credit research process that Crescent employs across multiple strategies. In selecting investments, Crescent' s investment professionals perform comprehensive analysis of credit worthiness, including an assessment of the business, an evaluation of management, an analysis of business strategy and industry trends, an examination of financial results and projections and a review of the security' s proposed terms. Credit research is a critical component of the investment process. In selecting investments, Crescent' s respective portfolio management teams analyze opportunities with an emphasis on principal preservation (i. e., an issuer' s ability to service its debt and maintain cash flow). Investment Funding Upon completion of the investment decision process described above, the investment team working on an investment delivers a memorandum to the Adviser' s investment committee. Once an investment has been approved by the investment committee, the Adviser moves through a series of steps with the respective investment team towards negotiation of final documentation. Investment Monitoring The Adviser monitors our portfolio companies on an ongoing basis. The Adviser monitors the financial trends of each portfolio company to determine if it is meeting its business plans and to assess the appropriate course of action for each company. The Adviser has a number of methods of evaluating and monitoring the performance and fair value of our investments, which may include the following: • assessment of success of the portfolio company in adhering to its business plan and compliance with covenants; • review of monthly and quarterly financial statements and financial projections for portfolio companies. • contact with portfolio company management and, if appropriate, the financial or strategic sponsor, to discuss financial position, requirements and accomplishments; • comparisons to other companies in the industry; and • attendance and participation in board meetings. As part of the monitoring process, the Adviser regularly assesses the risk profile of each of our investments and, on a quarterly basis, grades each investment on a risk scale of 1 to 5. Risk assessment is not standardized in our industry and our risk assessment may not be comparable to ones used by our competitors. Our assessment is based on the following categories: 1. Involves the least amount of risk relative to cost or amortized cost. Investment performance is above expectations since origination or acquisition. Trends and risk factors are generally favorable, which may include financial performance or a potential exit. 2. Involves a level of risk that is similar to the risk at the time of origination or acquisition. The investment is generally performing as expected, and the risks around our ability to ultimately recoup the cost of the investment are neutral to favorable relative to the time of origination or acquisition. New investments are generally assigned a rating of 2 at origination or acquisition. 3. Indicates an investment performing below expectations where the risks around our ability to ultimately recoup the cost of the investment have increased since origination or acquisition. For debt investments, borrowers are more likely than not in compliance with debt covenants and loan payments are generally not past due. An investment rating of 3 requires closer monitoring. 4. Indicates an investment performing materially below expectations where the risks around our ability to ultimately recoup the cost of the investment have increased materially since origination or acquisition. For debt investments, borrowers may be out of compliance with debt covenants and loan payments may be past due (but generally not more than 180 days past due). Non- accrual status is strongly considered for debt investments rated 4. 5. Indicates an investment performing substantially

below expectations where the risks around our ability to ultimately recoup the cost of the investment have substantially increased since origination or acquisition. We do not expect to recover our initial cost basis from investments rated 5. Debt investments with an investment rating of 5 are generally in payment and / or covenant default and are on non- accrual status. On June 2, 2015, we entered into an investment advisory agreement with the Adviser which was most recently amended and restated (the " Investment Advisory Agreement ") on January 5, 2021. Under the terms of the Investment Advisory Agreement, the Adviser provides investment advisory services to us and our portfolio investments. The Adviser' s services under the Investment Advisory Agreement are not exclusive, and the Adviser is free to furnish similar or other services to others so long as its services to us are not impaired. Under the terms of the Investment Advisory Agreement, the Adviser is entitled to receive a base management fee and may also receive incentive fees, as discussed below. Base Management Fee The base management fee is calculated and payable quarterly in arrears at an annual rate of 1. 25 % of our gross assets, including assets acquired through the incurrence of debt but excluding any cash, cash equivalents and restricted cash. The base management fee is calculated based on the average value of gross assets at the end of the two most recently completed calendar quarters, and appropriately adjusted for any share issuances or repurchases during the current calendar quarter. For purposes of the Investment Advisory Agreement, cash equivalents means U. S. government securities and commercial paper maturing within one year of purchase. The Adviser has voluntarily waived its right to receive management fees on the Company' s investments in GACP II LP, WhiteHawk III Onshore Fund LP and Freeport Financial SBIC Fund LP for any period in which these investments remain in the investment portfolio. Incentive Fee Under the Investment Advisory Agreement, the incentive fee consists of two parts: The first part, the income incentive fee, is calculated and payable quarterly in arrears and (a) equals 100 % of the excess of the pre- incentive fee net investment income for the immediately preceding calendar quarter, over a preferred return of 1. 75 % per quarter (7. 0 % annualized) (the " Hurdle "), and a catch- up feature until the Adviser has received 17. 5 % of the pre- incentive fee net investment income for the current quarter up to 2. 1212 % (the " Catch- up "), and (b) 17. 5 % of all remaining pre- incentive fee net investment income above the " Catch- up. " The second part, the capital gains incentive fee, is determined and payable in arrears as of the end of each fiscal year at a rate of 17. 5 % of the realized capital gains, if any, on a cumulative basis from the inception through the end of the fiscal year, computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid capital gain incentive fees. In the event that the Investment Advisory Agreement shall terminate as of a date that is not a fiscal year end, the termination date shall be treated as though it were a fiscal year end for purposes of calculating and paying a capital gains incentive fee. On February 22, 2021, the Adviser notified the Board of Directors of its intent to voluntarily waive income incentive fees to the extent net investment income, excluding the effect of the GAAP incentive fee, falls short of the regular declared dividend on a full dollar basis. The waiver became effective on July 31, 2021 and, pursuant to an extension of the waiver announced on October 4, 2022, continued through December 31, 2023. The Adviser has also voluntarily waived its right to receive the income incentive fees attributable to the investment income accrued as a result of its investments in GACP II LP, WhiteHawk III Onshore Fund LP and Freeport Financial SBIC Fund LP. Pre- incentive fee net investment income means interest income, dividend income and any other income (including any other fees (other than fees for providing managerial assistance), such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies) accrued during each calendar quarter, minus operating expenses for such quarter (including the base management fee, expenses payable under the Administration Agreement and any interest expense and distributions paid on any issued and outstanding debt or 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 market discount, original issue discount, debt instruments with PIK interest, preferred stock with PIK dividends and zero coupon securities), accrued income that has not yet been 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. Pre- incentive fee net investment income will be compared to a " Hurdle Amount " equal to the product of (i) the Hurdle rate of 1. 75 % per quarter, or 7. 0 % annualized, and (ii) our net assets (defined as total assets less indebtedness, before taking into account any incentive fees payable during the period), at the end of the immediately preceding calendar quarter, subject to a " catch- up " provision incurred at the end of each calendar quarter. See " Item 1A. Risk Factors — Risks Relating to Our Business and Structure — Our management and incentive fee structure may create incentives for the Adviser that are not fully aligned **with** our stockholders' ~~interest~~ **interests** and may induce the Adviser to make speculative investments. " GAAP Incentive Fee on Cumulative Unrealized Capital Appreciation We accrue, but do not pay, a portion of the incentive fee based on capital gains with respect to net unrealized appreciation. Under GAAP, we are required to accrue an incentive fee based on capital gains that includes net realized capital gains and losses and net unrealized capital appreciation and depreciation on investments held at the end of each period. In calculating the accrual for the incentive fee based on capital gains, we consider the cumulative aggregate unrealized capital appreciation in the calculation, since an incentive fee based on capital gains would be payable if such unrealized capital appreciation were realized, even though such unrealized capital appreciation is not permitted to be considered in calculating the fee payable under the Investment Advisory Agreement. This accrual is calculated using the aggregate cumulative realized capital gains and losses and aggregate cumulative unrealized capital appreciation or depreciation. If such amount is positive at the end of a period, then we record a capital gains incentive fee equal to 17. 5 % of such amount, minus the aggregate amount of actual incentive fees based on capital gains paid in all prior periods. If such amount is negative, then there is no accrual for such period. There can be no assurance that such unrealized capital appreciation will be realized in the future. Our Board monitors the mix and performance of our investments over time and will seek to satisfy itself that the Adviser is acting in our interests and that our fee structure appropriately incentivizes the Adviser to do so. Term The Investment Advisory Agreement has been unanimously approved by the Board. Unless terminated earlier as described below, the Investment Advisory Agreement will remain in effect until January 5, ~~2025~~ **2026** and will remain in effect from year to year thereafter if approved annually by (i) the vote of the Board, or by the vote of a majority of our outstanding voting

securities, and (ii) the vote of a majority of our independent directors. The Investment Advisory Agreement will automatically terminate in the event of its assignment (as defined in the 1940 Act). The Investment Advisory Agreement may be terminated by either party without penalty upon not less than 60 days' written notice to the other. See " Item 1A. Risk Factors — Risks Relating to our Business and Structure — We are dependent upon key personnel of Crescent and the Adviser. " Indemnification Under the Investment Advisory Agreement, the Adviser has not assumed any responsibility to us other than to render the services called for under that agreement. The Adviser will not be responsible for any action of the Board in following or declining to follow the Adviser' s advice or recommendations. Under the Investment Advisory Agreement, the Adviser, its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with the Adviser, including, without limitation, the Administrator, and any person controlling or controlled by the Adviser will not be liable to us, any of our subsidiaries, our directors, our stockholders or any subsidiary' s stockholders or partners for acts or omissions performed in accordance with and pursuant to the Investment Advisory Agreement, except those resulting from acts constituting gross negligence, willful misfeasance, bad faith or reckless disregard of the duties that the Adviser owes to us under the Investment Advisory Agreement. In addition, as part of the Investment Advisory Agreement, we have agreed to indemnify the Adviser and each of its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with the Adviser, from and against any claims or liabilities, including reasonable legal fees and other expenses reasonably incurred, arising out of or in connection with our business and operations or any action taken or omitted on our behalf pursuant to authority granted by the Investment Advisory Agreement, except where attributable to gross negligence, willful misfeasance, bad faith or reckless disregard of such person' s duties under the Investment Advisory Agreement. These protections may lead the Adviser to act in a riskier manner when acting on our behalf than it would when acting for its own account. The Investment Advisory Agreement may be terminated by either party without penalty on 60 days' written notice to the other party. United States federal and state securities laws may impose liability under certain circumstances on persons who act in good faith. Nothing in the Investment Advisory Agreement constitutes a waiver or limitation of any rights that we may have under any applicable federal or state securities laws. On June 2, 2015, we entered into the Administration Agreement with the Administrator, as amended and restated on February 1, 2020. Under the terms of the Administration Agreement, the Administrator provides administrative services. These services include providing office space, equipment and office services, maintaining financial records, preparing reports to stockholders and reports filed with the SEC, and managing the payment of expenses and the performance of administrative and professional services rendered by others. Certain of these services are reimbursable to the Administrator under the terms of the Administration Agreement. In addition, the Administrator is permitted to delegate its duties under the Administration Agreement to affiliates or third parties. To the extent the Administrator outsources any of its functions, we will pay the fees associated with such functions on a direct basis, without incremental profit to the Administrator. The Administration Agreement may be terminated by either party without penalty on 60 days' written notice to the other party. No person who is an officer, director or employee of the Administrator or its affiliates and who serves as a director receives any compensation for his or her services as a director. However, we reimburse the Administrator (or its affiliates) for an allocable portion of the compensation paid by the Administrator or its affiliates to our compliance professionals, legal counsel, and other professionals who spend time on such related activities (based on the percentage of time those individuals devote, on an estimated basis, to our business and affairs). The allocable portion of the compensation for these officers and other professionals are included in the administration expenses paid to the Administrator. Directors who are not affiliated with the Administrator or its affiliates receive compensation for their services and reimbursement of expenses incurred to attend meetings. The Administration Agreement has been approved by our Board. Unless earlier terminated as described below, the Administration Agreement will remain in effect for a period of two years from their effective date and will remain in effect from year to year thereafter if approved annually by (i) the vote of our Board, or by the vote of a majority of our outstanding voting securities, and (ii) the vote of a majority of our independent directors. The Administration Agreement will automatically terminate in the event of assignment. The Administration Agreement may be terminated by either party without penalty upon not less than 60 days' written notice to the other. See " Item 1A. Risk Factors — Risks Relating to our Business and Structure — We are dependent upon key personnel of Crescent and the Adviser. " License Agreement We have entered into a license agreement with Crescent under which Crescent granted us a non- exclusive, royalty- free license to use the name " Crescent Capital ". Competition Our primary competitors in providing financing to middle- market companies include public and private funds, other business development companies, commercial and investment banks, commercial financing companies and, to the extent they provide an alternative form of financing, private equity and hedge funds. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. For example, we believe some competitors may have access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a BDC or to the distribution and other requirements we must satisfy to maintain our qualification as a RIC. We expect to use the expertise of Crescent' s investment professionals to which we will have access to assess investment risks and determine appropriate pricing for our investments in portfolio companies. In addition, we expect that the relationships of Crescent' s senior members will enable us to learn about, and compete effectively for, financing opportunities with attractive middle- market companies in the industries in which we seek to invest. For additional information concerning the competitive risks we face, see " Item 1A. Risk Factors — Risks Relating to our Business and Structure — We operate in an increasingly competitive market for investment opportunities, which could make it difficult for us to identify and make investments that are consistent with our investment objectives. " Expenses Our primary operating expenses include the payment of management fees and incentive fees to the Adviser under the Investment Advisory Agreement, as amended, our allocable portion of overhead expenses under the Administration Agreement, operating costs associated with our third party sub-

administrator and other operating costs described below. The management and incentive fees compensate the Adviser for its work in identifying, evaluating, negotiating, closing and monitoring our investments. We bear all other out- of- pocket costs and expenses of our operations and transactions, including: • the cost of calculating our net asset value, including the cost of any third- party valuation services; • fidelity bond, directors' and officers' liability insurance and other insurance premiums; • fees and expenses associated with independent audits and outside legal costs; • independent directors' fees and expenses; • administration fees and expenses, if any, payable under the Administration Agreement (including payments based upon our allocable portion of the Administrator' s overhead in performing its obligations under the Administration Agreement, rent and the allocable portion of the cost of certain professional services provided to us, including but not limited to, our compliance professionals, our legal counsel and other professionals); • U. S. federal, state and local taxes; • the cost of effecting sales and repurchases of shares of our common stock and other securities; • fees payable to third parties relating to making investments, including out- of- pocket fees and expenses associated with performing due diligence and reviews of prospective investments; • out- of- pocket fees and expenses associated with marketing efforts; • federal and state registration fees and any stock exchange listing fees; • brokerage commissions; • costs associated with our reporting and compliance obligations under the 1940 Act and other applicable U. S. federal and state securities laws; • debt service and other costs of borrowings or other financing arrangements; and • all other expenses reasonably incurred by us in connection with making investments and administering our business. Capital Resources and Borrowings We anticipate cash to be generated from future offerings of securities, future borrowings, and cash flows from operations, including investment sales and repayments as well as income earned on investments. Additionally, we are permitted, under specified conditions, to issue multiple classes of indebtedness and one class of stock senior to our common stock if our asset coverage, as defined in the 1940 Act, is at least equal to 150 % immediately after each such issuance. In connection with borrowings, our lenders may require us to pledge assets and to comply with positive or negative covenants that could have an effect on our operations. For more information on our debt, see " ITEM 7. MANAGEMENT' S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — Financial Condition, Liquidity and Capital Resources. " Dividend Reinvestment Plan We adopted a dividend reinvestment plan that provides for reinvestment of our dividends and other distributions on behalf of our stockholders, unless a stockholder elects to receive cash. As a result, if our Board authorizes, and we declare, a cash dividend or other distribution then stockholders who are participating in the dividend reinvestment plan will have their cash dividends and distributions automatically reinvested in additional shares of common stock, rather than receiving cash dividends and distributions. We do not currently have any employees. We depend on the diligence, skill and network of business contacts of the investment professionals of the Adviser to achieve our investment objective. The Adviser is an affiliate of Crescent and depends upon access to the investment professionals and other resources of Crescent and its affiliates to fulfill its obligations to us under the Investment Advisory Agreement. The Adviser also depends upon Crescent to obtain access to deal flow generated by Crescent' s investment professionals and its affiliates. Each of our officers will also be an employee of the Adviser, Crescent or its affiliates. Pursuant to its Resource Sharing Agreement with Crescent, the Adviser will have access to the individuals who comprise our Adviser' s investment committee, and a team of additional experienced investment professionals who, collectively, comprise the Adviser' s investment team. The Adviser may hire additional investment professionals to provide services to us, based upon its needs. Regulation as a Business Development Company We are regulated as a BDC under the 1940 Act. A BDC must be organized in the United States for the purpose of investing in or lending primarily to private companies and making significant managerial assistance available to them. A BDC may use capital provided by public stockholders and from other sources to make long- term, private investments in businesses. A publicly- traded BDC provides stockholders the ability to retain the liquidity of a publicly- traded stock while sharing in the possible benefits, if any, of investing in primarily privately owned companies. Prior to February 3, 2020, which is the date of our listing on NASDAQ, our stock was privately held. We may not change the nature of our business so as to cease to be, or withdraw our election as, a BDC unless authorized by vote of a majority of our outstanding voting securities, as required by the 1940 Act. A majority of our outstanding voting securities is defined under the 1940 Act as the lesser of: (a) 67 % or more of such company' s voting securities present at a meeting if more than 50 % of the outstanding voting securities of such company are present or represented by proxy, or (b) more than 50 % of the outstanding voting securities of such company. We do not anticipate any substantial change in the nature of our business. As with other companies regulated by the 1940 Act, a BDC must adhere to certain substantive regulatory requirements. A majority of our directors must be persons who are not interested persons, as that term is defined in the 1940 Act. Additionally, we are required to provide and maintain a bond issued by a reputable fidelity insurance company to protect the BDC. Furthermore, as a BDC, we will be prohibited from protecting any director or officer against any liability to us or our stockholders arising from willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person' s office. We may also be prohibited under the 1940 Act from knowingly participating in certain transactions with our affiliates without the prior approval of our directors who are not interested persons and, in some cases, prior approval by the SEC through an exemptive relief order (other than in certain limited situations pursuant to current regulatory guidance). Also, while we may borrow funds to make investments, our ability to use debt is limited in certain significant aspects. In accordance with applicable SEC staff guidance and interpretations, we, as a BDC, are permitted to borrow amounts such that our asset coverage ratio is at least 150 % after such borrowing (if certain requirements are met). Short- term credits necessary for the settlement of securities transactions and arrangements with respect to securities lending will not be considered borrowings for these purposes. The amount of leverage that we employ depends on our Adviser' s and our Board' s assessment of market conditions and other factors at the time of any proposed borrowing. We do not intend to acquire securities issued by any investment company that exceed the limits imposed by the 1940 Act. Under these limits, except for registered money market funds, we generally cannot acquire more than 3 % of the voting stock of any investment company, invest more than 5 % of the value of our total assets in the securities of one investment company or invest more than 10 % of the value of our total assets in the securities of investment

companies in the aggregate, unless certain conditions are met. The portion of our portfolio invested in securities issued by investment companies ordinarily will subject our stockholders to additional expenses. Such investments will also generally be considered " non- qualifying assets " under the 1940 Act as discussed below. Our investment portfolio is also subject to diversification requirements by virtue of our intention to be a RIC for U. S. tax purposes. We are subject to periodic examinations by the SEC for compliance with the 1940 Act. As a BDC, we are subject to certain risks and uncertainties. See " Item 1A. Risk Factors. " Qualifying Assets We may invest up to 30 % of our portfolio opportunistically in " non- qualifying assets ". However, under the 1940 Act, a BDC may not acquire any asset other than assets of the type listed in Section 55 (a) of the 1940 Act, which are referred to as " qualifying assets, " unless, at the time the acquisition is made, qualifying assets represent at least 70 % of the BDC' s total assets. The principal categories of qualifying assets relevant to our business are the following: 1. Securities purchased in transactions not involving any public offering from the issuer of such securities, which issuer (subject to certain limited exceptions) is an eligible portfolio company, or from any person who is, or has been during the preceding 13 months, an affiliated person of an eligible portfolio company, or from any other person, subject to such rules as may be prescribed by the SEC. The principal categories of qualifying assets relevant to our business are the following: a. Issuer is organized under the laws of, and has its principal place of business in, the United States; b. Issuer is not an investment company (other than a small business investment company wholly owned by the BDC) or a company that would be an investment company but for certain exclusions under the 1940 Act; and c. Issuer satisfies any of the following: i. does not have any class of securities that is traded on a national securities exchange; ii. has a class of securities listed on a national securities exchange, but has an aggregate market value of outstanding voting and non- voting common equity of less than $ 250 million; iii. is controlled by a BDC or a group of companies including a BDC and the BDC has an affiliated person who is a director of the eligible portfolio company; or iv. is a small and solvent company having total assets of not more than $ 4. 0 million and capital and surplus of not less than $ 2. 0 million. 2. Securities of any eligible portfolio company which we control. 3. Securities purchased in a private transaction from a U. S. issuer that is not an investment company or from an affiliated person of the issuer, or in transactions incident thereto, if the issuer is in bankruptcy and subject to reorganization or if the issuer, immediately prior to the purchase of its securities, was unable to meet its obligations as they came due without material assistance other than conventional lending or financing arrangements. 4. Securities of an eligible portfolio company purchased from any person in a private transaction if there is no ready market for such securities and we already own 60 % of the outstanding equity of the eligible portfolio company. 5. Securities received in exchange for or distributed on or with respect to securities described in (1) through (4) above, or pursuant to the exercise of warrants or rights relating to such securities. 6. Cash, cash equivalents, U. S. government securities or high- quality debt securities maturing in one year or less from the time of investment. Managerial Assistance to Portfolio Companies A BDC must be operated for the purpose of making investments in the types of securities described under " Qualifying Assets " above. However, in order to count portfolio securities as qualifying assets for the purpose of the 70 % test, the BDC must either control the issuer of the securities or must offer to make available to the issuer of the securities (other than small and solvent companies described above) significant managerial assistance; except that, where the BDC purchases such securities in conjunction with one or more other persons acting together, one of the other persons in the group may make available such managerial assistance. Making available managerial assistance means, among other things, any arrangement whereby the BDC, through its directors or officers, offers to provide, and, if accepted, does so provide, significant guidance and counsel concerning the management, operations or business objectives and policies of a portfolio company. Monitoring Investments In most cases, we will not have board influence over portfolio companies. In some instances, the Adviser' s investment professionals may obtain board representation or observation rights in conjunction with our investments. In conjunction with our Adviser' s investment committee and our Board, the Adviser will take an active approach in monitoring all investments, which includes reviews of financial performance on at least a quarterly basis and may include discussions with management and / or the equity sponsor. The monitoring process will begin with structuring terms and conditions which require the timely delivery and access to critical financial and business information regarding portfolio companies. Senior Securities We are permitted, under specified conditions, to issue multiple classes of indebtedness and one class of stock senior to our common stock if our asset coverage, as defined in the 1940 Act, is at least equal to 150 % immediately after each such issuance. In addition, while any senior securities remain outstanding, we must make provisions to prohibit any distribution to our stockholders or the repurchase of such securities or shares unless we meet the applicable asset coverage ratios at the time of the distribution or repurchase. We may also borrow amounts up to 5 % of the value of our total assets for temporary or emergency purposes without regard to asset coverage. The 1940 Act imposes limitations on a BDC' s issuance of preferred shares, which are considered " senior securities " and thus are subject to the 150 % asset coverage requirement described above. In addition, (i) preferred shares must have the same voting rights as the common stockholders (one share, one vote); and (ii) preferred stockholders must have the right, as a class, to appoint directors to the board of directors. Code of Ethics As required by Rule 17j- 1 under the 1940 Act and Rule 204A- 1 under the Advisers Act, respectively, we and the Adviser have adopted codes of ethics which apply to, among others, our and our Adviser' s executive officers, including our Chief Executive Officer and Chief Financial Officer, as well as our Adviser' s officers, directors and employees. Our codes of ethics generally will not permit investments by our and the Adviser' s personnel in securities that may be purchased or sold by us. We hereby undertake to provide a copy of the codes to any person, without charge, upon request. Requests for a copy of the codes may be made in writing addressed to our Secretary, George Hawley, Crescent Capital BDC, Inc., 11100 Santa Monica Boulevard, Suite 2000, Los Angeles, California, 90025, Attention: CCAP Investor Relations, or by emailing us at investor. relations @ crescentcap. com. Our code of ethics is available without charge on our website, at http: / / www. crescentbdc. com. Compliance Policies and Procedures We and our Adviser have adopted and implemented written policies and procedures reasonably designed to detect and prevent violation of the federal securities laws and we are required to review these compliance policies and procedures annually for their adequacy and the effectiveness of their implementation and designate a Chief Compliance Officer to be

responsible for administering the policies and procedures. Sarbanes- Oxley Act of 2002 The Sarbanes- Oxley Act imposes a wide variety of regulatory requirements on publicly- held companies and their insiders. Many of these requirements affect us. For example: • pursuant to Rule 13a- 14 of the Exchange Act, our principal executive officer and principal financial officer must certify the accuracy of the financial statements contained in our periodic reports; • pursuant to Item 307 of Regulation S- K, our periodic reports must disclose our conclusions about the effectiveness of our disclosure controls and procedures; • pursuant to Rule 13a- 15 of the Exchange Act, our management must prepare an annual report regarding its assessment of our internal control over financial reporting and (once we cease to be an emerging growth company under the JOBS Act or, if later, for the year following our first annual report required to be filed with the SEC) must obtain an audit of the effectiveness of internal control over financial reporting performed by our independent registered public accounting firm; and • pursuant to Item 308 of Regulation S- K and Rule 13a- 15 of the Exchange Act, our periodic reports must disclose whether there were significant changes in our internal controls over financial reporting or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses. The Sarbanes- Oxley Act requires us to review our current policies and procedures to determine whether we comply with the Sarbanes- Oxley Act and the regulations promulgated thereunder. We will continue to monitor our compliance with all regulations that are adopted under the Sarbanes- Oxley Act and will take actions necessary to ensure that we are in compliance therewith. Stock Exchange Corporate Governance Regulations The Nasdaq Stock Market LLC has adopted various corporate governance requirements as part of its listing standards. We monitor our compliance with such listing standards to the extent applicable and will take actions necessary to ensure that we remain in compliance therewith. Proxy Voting Policies and Procedures We delegate our proxy voting responsibility to our Adviser. The Proxy Voting Policies and Procedures of the Adviser are set forth below. The guidelines are reviewed periodically by the Adviser and our non- interested directors, and, accordingly, are subject to change. An investment adviser registered under the Advisers Act has a fiduciary duty to act solely in the best interests of its clients. As part of this duty, the Adviser recognizes that it must vote portfolio securities in a timely manner free of conflicts of interest and in the best interests of its clients. These policies and procedures for voting proxies are intended to comply with Section 206 of, and Rule 206 (4)- 6 under, the Advisers Act. The Adviser votes all proxies based upon the guiding principle of seeking to maximize the ultimate long- term economic value of our stockholders' holdings, and ultimately all votes are cast on a case- by- case basis, taking into consideration the contractual obligations under the relevant advisory agreements or comparable documents, and all other relevant facts and circumstances at the time of the vote. The Adviser reviews on a case- by- case basis each proposal submitted to a stockholder vote to determine its impact on the portfolio securities held by us. Although the Adviser generally votes against proposals that may have a negative impact on our portfolio securities, the Adviser may vote for such a proposal if there exists compelling long- term reasons to do so. The Adviser' s proxy voting decisions are made by our Adviser' s investment committee. To ensure that the vote is not the product of a conflict of interest, the Adviser will require that: (1) anyone involved in the decision making process disclose to our Adviser' s investment committee, and disinterested directors, any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote; and (2) employees involved in the decision making process or vote administration are prohibited from revealing how the Adviser intends to vote on a proposal in order to reduce any attempted influence from interested parties. Reporting Obligations We furnish our stockholders with annual reports containing audited financial statements, quarterly reports, and such other periodic reports as we determine to be appropriate or as may be required by law. We are required to comply with all periodic reporting, proxy solicitation and other applicable requirements under the Exchange Act. Stockholders and the public may also read and copy any materials we file with the SEC at the SEC' s Public Reference Room at 100 F Street, NE, Washington, DC 20549. The public may also obtain information on the operation of the Public Reference Room by calling the SEC at (202) 551- 8090. The SEC also maintains a website (www. sec. gov) that contains such information. Election to be Taxed as a Regulated Investment Company We have elected to be treated, and intend to operate in a manner so as to continuously qualify annually, as a RIC for U. S. federal income tax purposes under Subchapter M of the Code. As a RIC, we generally will not be required to pay corporate- level U. S. federal income taxes on any ordinary income or capital gains that we timely distribute (or are deemed to distribute) to our stockholders as dividends. Instead, dividends we distribute (or are deemed to distributed) generally will be taxable to stockholders, and any net operating losses, foreign tax credits and most other tax attributes generally will not passthrough to stockholders. To continue to qualify as a RIC, we must, among other things, meet certain source- of- income and asset diversification requirements (as described below). In addition, to qualify for RIC tax treatment we must distribute to our stockholders, for each taxable year, at least 90 % of the Company' s " investment company taxable income " for that year, which is generally its ordinary income plus the excess of its realized net short- term capital gains over its realized net long- term capital losses, or the Annual Distribution Requirement. If we: • qualify as a RIC; and • satisfy the Annual Distribution Requirement; then we will not be subject to U. S. federal income tax on the portion of our investment company taxable income and net capital gain (i. e., realized net long- term capital gains in excess of realized net short- term capital losses) we distribute to stockholders. We are subject to U. S. federal income tax at the regular corporate rates on any income or capital gain not distributed (or deemed distributed) to our stockholders. We will be subject to a 4 % nondeductible federal excise tax on certain undistributed income unless we distribute in a timely manner an amount at least equal to the sum of (1) 98 % of our ordinary income for each calendar year, (2) 98. 2 % of our capital gain net income for the one- year period ending October 31 in that calendar year and (3) any income realized, but not distributed, and on which we paid no U. S. federal income tax, in preceding years. In order to maintain our qualification as a RIC for U. S. federal income tax purposes, we must, among other things: • at all times during each taxable year, have in effect an election to be treated as a Business Development Company under the 1940 Act; • derive in each taxable year at least 90 % of our gross income from (a) dividends, interest, payments with respect to certain securities (including loans), gains from the sale of stock or other securities or currencies, or other income derived with respect to our business of investing in such stock, securities or currencies and (b) net

income derived from an interest in a " qualified publicly traded partnership " (the " 90 % Gross Income Test "); and • diversify our holdings so that at the end of each quarter of the taxable year: ◦ (i) at least 50 % of the value of our assets consists of cash, cash equivalents, U. S. government securities, securities of other RICs, and other securities if such other securities of any one issuer do not represent more than 5 % of the value of its assets or more than 10 % of the outstanding voting securities of the issuer; and ◦ (ii) no more than 25 % of the value of our assets is invested in (a) the securities, other than U. S. government securities or securities of other RICs, of one issuer, (b) the securities of two or more issuers that are controlled, as determined under applicable tax rules, by us and that are engaged in the same or similar or related trades or businesses or (c) the securities of one or more " qualified publicly traded partnerships " ((i) and (ii) collectively, the " Diversification Tests "). We may be required to recognize taxable income in circumstances in which we do not receive cash. For example, if we hold debt obligations that are treated under applicable tax rules as having OID (such as debt instruments with increasing interest rates or debt instruments issued with warrants), we must include in income each year a portion of the OID that accrues over the life of the obligation, regardless of whether cash representing such income is received by us in the same taxable year. Because any OID accrued will be included in our investment company taxable income for the year of accrual, we may be required to make a distribution to our stockholders in order to satisfy the Annual Distribution Requirement, even though we will not have received any corresponding cash amount. Because we use debt financing, we are subject to certain asset coverage ratio requirements under the 1940 Act described above and financial covenants under loan and credit agreements that could, under certain circumstances, restrict us from making distributions necessary to satisfy the Annual Distribution Requirement. If we are unable to obtain cash from other sources or are otherwise limited in our ability to make distributions, we could fail to qualify for RIC tax treatment and thus become subject to corporate- level income tax. Certain of our investment practices may be subject to special and complex U. S. federal income tax provisions that may, among other things: (a) disallow, suspend or otherwise limit the allowance of certain losses or deductions; (b) convert lower taxed long- term capital gain into higher taxed short- term capital gain or ordinary income; (c) convert an ordinary loss or a deduction into a capital loss (the deductibility of which is more limited); (d) cause us to recognize income or gain without a corresponding receipt of cash; (e) adversely affect the time as to when a purchase or sale of securities is deemed to occur; (f) adversely alter the characterization of certain complex financial transactions; or (g) produce income that will not be qualifying income for purposes of the 90 % Gross Income Test described above. We will monitor our transactions and may make certain tax elections in order to mitigate the potential adverse effect of these provisions. If, in any particular taxable year, we do not qualify as a RIC, all of our taxable income (including our net capital gains) will be subject to tax at regular corporate rates without any deduction for distributions to stockholders, and distributions will be taxable to the stockholders as ordinary dividends to the extent of our current and accumulated earnings and profits. AVAILABLE INFORMATION We file with or submit to the SEC annual, quarterly and current periodic reports, proxy statements and other information meeting the informational requirements of the Exchange Act. This information is available free of charge on our website at http: / / www. crescentbdc. com. Information contained on our website is not incorporated into this Annual Report and you should not consider such information to be part of this Annual Report. Such information is also available from the EDGAR database on the SEC' s web site at http: / / www. sec. gov. **Item 1A. Risk Factors** Investing in our common stock involves a number of significant risks. Before an investor invests in our common stock, the investor should be aware of various risks, including those described below. The investor should carefully consider these risk factors, together with all of the other information included in this Annual Report, before the investor decides whether to make an investment in our securities. The risks set out below are not the only risks we face. Additional risks and uncertainties not presently known to us or not presently deemed material by us may also impair business, financial condition, and / or operating results. If any of the following events occur, our business, financial condition, and results of operations could be materially and adversely affected. In such case, the net asset value of our common stock and the trading price, if any, of our securities could decline, and an investor may lose all or part of his or her investment. **Risks Relating to Our Business and Structure** Our Board may change our investment objectives, operating policies and strategies without prior notice or stockholder approval. Our Board has the authority, except as otherwise provided in the 1940 Act or state law, as described below, to modify or waive certain of our investment objectives, operating policies and strategies without prior notice and without stockholder approval. Pursuant to Rule 35d- 1 under the 1940 Act, we may not change our investment strategy with respect to 80 % of our total assets without 60 days' prior notice to stockholders. If we operate as a diversified management investment company for a period of three or more years, we will not resume operation as a non- diversified management investment company without prior stockholder approval. Additionally, absent stockholder approval, we may not change the nature of our business so as to cease to be, or withdraw our election as, a BDC. Under Maryland law, we also cannot be dissolved without prior stockholder approval. We cannot predict the effect any changes to our operating policies and strategies would have on our business, operating results and the market price of our ~~Common~~ **common** ~~Shares~~ **shares** . Nevertheless, any such changes could adversely affect our business and impair our ability to make distributions to our common stockholders. A failure on our part to maintain our status as a BDC may significantly reduce our operating flexibility. If we fail to maintain our status as a BDC, we might be regulated as a closed- end investment company that is required to register under the 1940 Act, which would subject us to additional regulatory restrictions and significantly decrease our operating flexibility. In addition, any such failure could cause an event of default under our outstanding indebtedness, which could have a material adverse effect on our business, financial condition or results of operations. We and the Adviser are subject to regulations and SEC oversight. If we or the Adviser fail to comply with applicable requirements, it may adversely impact our results relative to companies that are not subject to such regulations. As a BDC, we are subject to a portion of the 1940 Act. In addition, we have elected to be treated, and intend to operate in a manner so as to continuously qualify, as a RIC in accordance with the requirements of Subchapter M of the Code. The 1940 Act and the Code impose various restrictions on the management of a BDC, including related to portfolio construction, asset selection, and tax. These restrictions may reduce the chances that we will achieve the same results as other vehicles managed by Crescent and / or

the Adviser. However, if we do not maintain our status as a BDC, we would be subject to regulation as a registered closed- end investment company under the 1940 Act. As a registered closed- end investment company, we would be subject to substantially more regulatory restrictions under the 1940 Act which would significantly decrease our operating flexibility. In addition to these and other requirements applicable to us, our investment adviser is subject to regulatory oversight by the SEC. To the extent the SEC raises concerns or has negative findings concerning the manner in which we or our investment adviser operates, it could adversely affect our business **. We are dependent upon key personnel of Crescent and the Adviser** . We do not have any internal management capacity or employees. Our ability to achieve our investment objectives will depend on our ability to manage our business and to grow our investments and earnings. This will depend, in turn, on the diligence, skill and network of business contacts of Crescent' s senior professionals. We expect that these senior professionals will evaluate, negotiate, structure, close and monitor our investments in accordance with the terms of our Investment Advisory Agreement. We can offer no assurance, however, that Crescent' s senior professionals will continue to provide investment advice to us. If these individuals do not maintain their employment or other relationships with Crescent and do not develop new relationships with other sources of investment opportunities available to us, we may not be able to grow our investment portfolio. In addition, individuals with whom Crescent' s investment professionals have relationships are not obligated to provide us with investment opportunities. Therefore, we can offer no assurance that such relationships will generate investment opportunities for us. The departure or misconduct of any of these individuals, or of a significant number of the investment professionals of Crescent, could have a material adverse effect on our business, financial condition or results of operations. The Adviser is an affiliate of Crescent and depends upon access to the investment professionals and Crescent' s other resources to fulfill its obligations to us under the Investment Advisory Agreement. The Adviser will also depend upon such investment professionals to obtain access to deal flow generated by Crescent. In addition, we cannot assure you that an affiliate of Crescent will remain our investment adviser or that we will continue to have access to Crescent' s investment professionals or its information and deal flow. Crescent' s and the Adviser' s investment professionals, which are currently composed of the same personnel, have substantial responsibilities in connection with the management of other Crescent clients. Crescent' s personnel may be called upon to provide managerial assistance to our portfolio companies. These demands on their time, which may increase as the number of investments grow, may distract them or slow our rate of investment. The Adviser' s investment committee, which provides oversight over our investment activities, is provided to us by our investment adviser under the Investment Advisory Agreement. The loss of any member of the Adviser' s investment committee or of Crescent' s other senior professionals would limit our ability to achieve our investment objectives and operate as we anticipate. This could have a material adverse effect on our financial condition, results of operations and cash flows. We will not provide key person life insurance for any of our key personnel. Further, we depend upon Crescent to maintain its relationships with private equity sponsors, placement agents, investment banks, management groups and other financial institutions, and we expect to rely to a significant extent upon these relationships to provide us with potential investment opportunities. If Crescent fails to maintain such relationships, or to develop new relationships with other sources of investment opportunities, we will not be able to grow our investment portfolio. In addition, individuals with whom Crescent' s senior professionals have relationships are not obligated to provide us with investment opportunities, and we can offer no assurance that these relationships will generate investment opportunities in the future. There can be no assurance that Crescent will replicate its historical ability to generate investment opportunities, and we caution you that our investment returns could be substantially lower than the returns achieved by other Crescent- managed funds. **We may not replicate the historical performance achieved by Crescent.** Our primary focus in making investments may differ from those of existing investment funds, accounts or other investment vehicles that are or have been managed by members of our investment adviser' s investment committee or by Crescent. Past performance should not be relied upon as an indication of future results. There can be no guarantee that we will replicate the historical performance of Crescent or the historical performance of investment funds, accounts or other investment vehicles that are or have been managed by members of the Adviser' s investment committee or by Crescent or its employees, and we caution investors that our investment returns could be substantially lower than the returns achieved by them in prior periods. We cannot assure you that we will be profitable in the future or that the Adviser will be able to continue to implement **our investment strategies or achieve** our investment objectives with the same degree of success that it has had in the past. Additionally, all or a portion of the prior results may have been achieved in particular market conditions which may never be repeated. Moreover, current or future market volatility and regulatory uncertainty may have an adverse impact on our future performance. We depend on Crescent to manage our business effectively. Our ability to achieve our investment objectives will depend on our ability to manage our business and to grow our investments and earnings. This will depend, in turn, on Crescent' s ability to identify, invest in and monitor portfolio companies that meet our investment criteria. The achievement of our investment objectives on a cost- effective basis will depend upon Crescent' s execution of our investment process, its ability to provide competent, attentive and efficient services to us and, to a lesser extent, our access to financing on acceptable terms. Crescent' s investment professionals will have substantial responsibilities in connection with the management of other investment funds, accounts and investment vehicles. Crescent' s personnel may be called upon to provide managerial assistance to our portfolio companies. These activities may distract them from servicing new investment opportunities for us or slow our rate of investment. Any failure to manage our business and our future growth effectively could have a material adverse effect on our business, financial condition, results of operations and cash flows **. The Adviser, the investment committee of the Adviser, Crescent and their affiliates, officers, directors and employees may face certain conflicts of interest** . As a result of our arrangements with Crescent, the Adviser and the Adviser' s investment committee, there may be times when the Adviser or such persons have interests that differ from those of our stockholders, giving rise to a conflict of interest. The members of the Adviser' s investment committee serve, or may serve, as officers, directors, members, or principals of entities that operate in the same or a related line of business as we do, or of investment funds, accounts, or investment vehicles managed by Crescent and / or its affiliates. Similarly, Crescent and its

affiliates may have other clients with similar, different or competing investment objectives. In serving in these multiple capacities, they may have obligations to other clients or investors in those entities, the fulfillment of which may not be in the best interests of, or which may be adverse to the interests of, us or our stockholders. For example, Crescent has, and will continue to have management responsibilities for other investment funds, accounts and investment vehicles. There is a potential that we will compete with these funds, and other entities managed by Crescent and its affiliates, for capital and investment opportunities. As a result, members of the Adviser' s investment committee who are affiliated with Crescent will face conflicts in the allocation of investment opportunities among us, and other investment funds, accounts and investment vehicles managed by Crescent and its affiliates and may make certain investments that are appropriate for us but for which we receive a relatively small allocation or no allocation at all. Crescent intends to allocate investment opportunities among eligible investment funds, accounts and investment vehicles in a manner that is fair and equitable over time and consistent with its allocation policy. However, we can offer no assurance that such opportunities will be allocated to us fairly or equitably in the short- term or over time and we may not be given the opportunity to participate in investments made by investment funds managed by Crescent or its affiliates and there can be no assurance that we will be able to participate in all investment opportunities that are suitable to us. Further, to the extent permitted by applicable law, we and our affiliates may own investments at different levels of a portfolio company' s capital structure or otherwise own different classes of a portfolio company' s securities, which may give rise to conflicts of interest or perceived conflicts of interest. Conflicts may also arise because decisions regarding our portfolio may benefit our affiliates. Our affiliates may pursue or enforce rights with respect to one of its portfolio companies, and those activities may have an adverse effect on us. **Conflicts may arise related to other arrangements with Crescent and the Adviser and other affiliates.** We have entered into a license agreement with Crescent under which Crescent has agreed to grant us a non- exclusive, royalty- free license to use the name " Crescent Capital. " In addition, the Administration Agreement with the Administrator, an affiliate of Crescent, requires we pay to the Administrator our allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations under the Administration Agreement, such as rent and our allocable portion of the cost of our chief financial officer and chief compliance officer and their respective staffs. In addition, the Adviser has entered into a Resource Sharing Agreement with Crescent pursuant to which Crescent provides the Adviser with the resources necessary to fulfill its obligations under the Investment Advisory Agreement. These agreements create conflicts of interest that the independent members of our Board will monitor. For example, under the terms of the license agreement, we will be unable to preclude Crescent from licensing or transferring the ownership of the " Crescent Capital " name to third parties, some of whom may compete against us. Consequently, it will be unable to prevent any damage to goodwill that may occur as a result of the activities of Crescent or others. Furthermore, in the event the license agreement is terminated, we will be required to change our name and cease using " Crescent Capital " as part of our name. Any of these events could disrupt our recognition in the market place, damage any goodwill it may have generated and otherwise harm its business. The Investment Advisory Agreement, and the Administration Agreement were negotiated between related parties. Consequently, their terms, including fees payable to the Adviser, may not be as favorable to us as if they had been negotiated exclusively with an unaffiliated third party. In addition, we may desire not to enforce, or to enforce less vigorously, ~~its~~ **our** rights and remedies under these agreements because of our desire to maintain our ongoing relationship with the Adviser, the Administrator and their respective affiliates. Any such decision, however, could breach our fiduciary obligations to ~~its~~ **our** stockholders. Crescent' s principals and employees, the Adviser or their affiliates may, from time to time, possess material non- public information, limiting our investment discretion. Crescent' s executive officers and directors, principals and other employees, including members of the Adviser' s investment committee, may serve as directors of, or in a similar capacity with, portfolio companies in which we invest, the securities of which are purchased or sold on our behalf and may come into possession of material non- public information with respect to issuers in which we may be considering making an investment. In the event that material non- public information is obtained with respect to such companies, or we become subject to trading restrictions under the internal trading policies of those companies, Crescent' s policies or as a result of applicable law or regulations, we could be prohibited for a period of time or indefinitely from purchasing or selling the securities of such companies, or we may be precluded from providing such information or other ideas to other funds affiliated with Crescent that might benefit from such information, and this prohibition may have an adverse effect on us. Our management and incentive fee structure may create incentives for the Adviser that are not fully aligned with our stockholders' interests and may induce the Adviser to make speculative investments. In the course of our investing activities, we will pay management and incentive fees to the Adviser. We have entered into the Investment Advisory Agreement with the Adviser that provides that these fees are based on the value of our gross assets (which includes assets purchased with borrowed amounts or other forms of leverage but excludes cash and cash equivalents), instead of net assets (defined as total assets less indebtedness and before taking into account any incentive fees payable). As a result, investors in our common stock will invest on a " gross " basis and receive distributions on a " net " basis after expenses, including the costs of leverage, resulting in a lower rate of return than one might achieve if distributions were made on a gross basis. Because our management fees are based on the value of our gross assets, incurrence of debt or the use of leverage will increase the management fees due to the Adviser. As such, the Adviser may have an incentive to use leverage to make additional investments. In addition, as additional leverage would magnify positive returns, if any, on our portfolio, the incentive fee would become payable to the Adviser (i. e., exceed the Hurdle Amount (as defined herein under the heading " Incentive Fee ")) at a lower average return on our portfolio. Thus, if we incur additional leverage, the Adviser may receive additional incentive fees without any corresponding increase (and potentially with a decrease) in the performance of our portfolio. Additionally, under the incentive fee structure, the Adviser may benefit when capital gains are recognized and, because the Adviser will determine when to sell a holding, the Adviser will control the timing of the recognition of such capital gains. As a result of these arrangements, there may be times when the management team of the Adviser has interests that differ from those of our stockholders, giving rise to a conflict. Furthermore, there is a risk the Adviser will make more speculative investments in

an effort to receive this payment. PIK interest and OID would increase our pre- incentive fee net investment income by increasing the size of the loan balance of underlying loans and increasing our assets under management and would make it easier for the Adviser to surpass the Hurdle Amount and increase the amount of incentive fees payable to the Adviser. The part of the incentive fee payable to the Adviser relating to our net investment income is computed and paid on income that may include interest income that has been accrued but not yet received in cash. This fee structure may give rise to a conflict of interest for the Adviser to the extent that it encourages the Adviser to favor debt financings that provide for deferred interest, rather than current cash payments of interest. The Adviser may have an incentive to invest in deferred interest securities in circumstances where it would not have done so but for the opportunity to continue to earn the incentive fee even when the issuers of the deferred interest securities would not be able to make actual cash payments to us on such securities. This risk could be increased because, under the Investment Advisory Agreement, the Adviser is not obligated to reimburse us for incentive fees it receives even if we subsequently incur losses or never ~~receives~~ **receive** in cash the deferred income that was previously accrued. Our Board is charged with protecting our interests by monitoring how the Adviser addresses these and other conflicts of interest associated with its services and compensation. While our Board is not expected to review or approve each investment decision or incurrence of leverage, our independent directors will periodically review the Adviser' s services and fees as well as its portfolio management decisions and portfolio performance. In connection with these reviews, our independent directors will consider whether the Adviser' s fees and expenses (including those related to leverage) remain appropriate. We may invest, to the extent permitted by law, in the securities and instruments of other investment companies, including private funds, and, to the extent ~~it~~ **we** so ~~invests~~ **invest**, bear ~~its~~ **our** ratable share of any such investment company' s expenses, including management and performance fees. We also remain obligated to pay management and incentive fees to the Adviser with respect to the assets invested in the securities and instruments of other investment companies. With respect to each of these investments, each of our stockholders bears his or her share of the management and incentive fees of the Adviser as well as indirectly bearing the management and performance fees and other expenses of any investment companies in which we invest. The Adviser has limited liability and is entitled to indemnification under the Investment Advisory Agreement. Under the Investment Advisory Agreement, the Adviser has not assumed any responsibility to us other than to render the services called for under that agreement. The Adviser will not be responsible for any action of our Board in following or declining to follow the Adviser' s advice or recommendations. Under the Investment Advisory Agreement the Adviser, its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with the Adviser, including, without limitation, its general partner and the Administrator, and any person controlling or controlled by the Adviser will not be liable to us, any of our subsidiaries, our directors, our stockholders or any subsidiary' s stockholders or partners for acts or omissions performed in accordance with and pursuant to the Investment Advisory Agreement, except those resulting from acts constituting gross negligence, willful misfeasance, bad faith or reckless disregard of the duties that the Adviser owes to us under the Investment Advisory Agreement. In addition, as part of the Investment Advisory Agreement, we have agreed to indemnify the Adviser and each of its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with the Adviser, including, without limitation, its general partner and the Administrator, and hold them harmless from and against all damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) incurred by such party in or by reason of any pending, threatened or completed action, suit, investigation or other proceeding (including an action or suit by or in the right of us or our security holders) arising out of or otherwise based upon the performance of any of the Adviser' s duties or obligations under the Investment Advisory Agreement or otherwise as an investment adviser of us, except in respect of any liability to us or our security holders to which such party would otherwise be subject by reason of willful misfeasance, bad faith or gross negligence in the performance of the Adviser' s duties or by reason of the reckless disregard of the Adviser' s duties and obligations under the Investment Advisory Agreement. These protections may lead the Adviser to act in a riskier manner when acting on our behalf than the Adviser would when acting for its own account **. Our ability to enter into transactions with our affiliates is restricted**. We are prohibited under the 1940 Act from participating in certain transactions with our affiliates without the prior approval of our independent directors and, in some cases, the SEC. We consider the Adviser and its affiliates, including Crescent, to be our affiliates for such purposes. In addition, any person that is an affiliate of ours for purposes of the 1940 Act generally is prohibited from participating in certain transactions such as co- investing with, or buying or selling any security from or to us, absent the prior approval of our independent directors and, in some cases, of the SEC. We consider the Adviser and its affiliates, including Crescent, to be our affiliates for such purposes. The 1940 Act also prohibits certain " joint " transactions with certain of our affiliates, which could include investments in the same portfolio company, without prior approval of our independent directors and, in some cases, of the SEC. We are prohibited from buying or selling any security from or to any person who owns more than 25 % of our voting securities or certain of that person' s affiliates, or entering into prohibited joint transactions with such persons, absent the prior approval of the SEC. If we are prohibited by applicable law from investing alongside Crescent' s investment funds, accounts and investment vehicles with respect to an investment opportunity, we may not be able to participate in such investment opportunity. We may, however, invest alongside Crescent' s investment funds, accounts and investment vehicles in certain circumstances where doing so is consistent with our investment strategy as well as applicable law and SEC staff interpretations or exemptive orders. For example, we may invest alongside such investment funds, accounts and investment vehicles consistent with guidance promulgated by the SEC staff to purchase interests in a single class of privately placed securities so long as certain conditions are met, including that Crescent, acting on our behalf and on behalf of such investment funds, accounts and investment vehicles, negotiates no term other than price. In situations where co- investment with investment funds, accounts and investment vehicles managed by Crescent is not permitted or appropriate, such as when there is an opportunity to invest in different securities of the same issuer or where the different investments could be expected to result in a conflict between our interests and those of Crescent' s clients, subject to the limitations described in the preceding paragraph,

Crescent will need to decide which client will proceed with the investment. Similar restrictions limit our ability to transact business with our officers or directors or their affiliates. These restrictions will limit the scope of investment opportunities that would otherwise be available to us. Crescent has been granted exemptive relief from the SEC, upon which we and the Adviser may rely, which permits greater flexibility to negotiate the terms of co- investments if our Board determines that it would be advantageous for us to co- invest with investment funds, accounts and investment vehicles managed by Crescent in a manner consistent with our investment objectives, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors. We believe that co- investment by us and investment funds, accounts and investment vehicles managed by Crescent may afford us additional investment opportunities and an ability to achieve a more varied portfolio. Accordingly, our exemptive order permits us to invest with investment funds, accounts and investment vehicles managed by Crescent in the same portfolio companies under circumstances in which such investments would otherwise not be permitted by the 1940 Act. The exemptive relief permitting co- investment transactions generally applies only if our independent directors and directors who have no financial interest in such transaction review and approve in advance each co- investment transaction. The exemptive relief provides that, if the size of a co- investment opportunity is insufficient to meet our and the other Crescent funds' desired level of participation in full, allocations will generally be made pro rata based on capital available for investment, as determined, in our case, by our Board as well as the terms of our governing documents and those of such investment funds, accounts and investment vehicles. It is our policy to base our determinations on such factors as: the amount of cash on- hand, existing commitments and reserves, if any, our targeted leverage level, our targeted asset mix and diversification requirements and other investment policies and restrictions set by our Board or imposed by applicable laws, rules, regulations or interpretations. We expect that these determinations will be made similarly for investment funds, accounts and investment vehicles managed by Crescent. However, we can offer no assurance that investment opportunities will be allocated to us fairly or equitably in the short- term or over time. Our ability to sell or otherwise exit investments also invested in by other Crescent investment vehicles is restricted. We may be considered affiliates with respect to certain of our portfolio companies because our affiliates, which may include certain investment funds, accounts or investment vehicles managed by Crescent, also hold interests in these portfolio companies and as such these interests may be considered a joint enterprise under the 1940 Act. To the extent that our interests in these portfolio companies may need to be restructured in the future or to the extent that we choose to exit certain of these transactions, our ability to do so will be limited. Crescent has obtained exemptive relief from the SEC in relation to certain joint transactions upon which we and the Adviser may rely; however, there is no assurance that we will obtain relief that would permit us to negotiate future restructurings or other transactions that may be considered a joint enterprise. Conflicts of interest may be created by the valuation process for certain portfolio holdings. We make many of our portfolio investments in the form of loans and securities that are not publicly traded and for which no market- based price quotation is available. As a result, our investment adviser, as the Board of Directors' valuation designee, will determine the fair value of these loans and securities as described above in " — Risks Relating to our Business and Structure — Most of our portfolio investments will not be publicly traded and, as a result, the fair value of these investments may not be readily determinable. " Each of the interested members of our Board has an indirect pecuniary interest in our investment adviser. The participation of our investment adviser' s investment professionals in our valuation process, and the pecuniary interest in our investment adviser by certain members of our Board, could result in a conflict of interest as our investment adviser' s management fee is based, in part, on the value of our net assets, and our incentive fees will be based, in part, on realized gains and realized and unrealized losses. **We operate in an increasingly competitive market for investment opportunities, which could make it difficult for us to identify and make investments that are consistent with our investment objectives.** A number of entities compete with us to make the types of investments that we make and plan to make. We compete with other BDCs, public and private funds, commercial and investment banks, commercial financing companies and, to the extent they provide an alternative form of financing, private equity and hedge funds. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. For example, we believe some of our competitors may have access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a BDC or the source- of- income, asset diversification and distribution requirements we must satisfy to maintain our RIC qualification. The competitive pressures we face may have a material adverse effect on our business, financial condition, results of operations and cash flows. As a result of this competition, we may not be able to take advantage of attractive investment opportunities from time to time, and we may not be able to identify and make investments that are consistent with our investment objectives. With respect to the investments we make, we will not seek to compete based primarily on the interest rates we will offer, and we believe that some of our competitors may make loans with interest rates that will be lower than the rates we offer. In the secondary market for acquiring existing loans, we expect to compete generally on the basis of pricing terms. With respect to all investments, we may lose some investment opportunities if we do not match our competitors' pricing, terms and structure. However, if we match our competitors' pricing, terms and structure, we may experience decreased net interest income, lower yields and increased risk of credit loss. We may also compete for investment opportunities with investment funds, accounts and investment vehicles managed by Crescent. Although Crescent will allocate opportunities in accordance with its policies and procedures, allocations to such investment funds, accounts and investment vehicles will reduce the amount and frequency of opportunities available to us and may not be in the best interests of us and our stockholders. Moreover, the performance of investments will not be known at the time of allocation. See — " The Adviser, the investment committee of the Adviser, Crescent and their affiliates, officers, directors and employees may face certain conflicts of interest. " **Our ability to grow depends on our ability to raise capital.** We will need to periodically access the capital markets to raise cash to fund new investments in excess of our repayments, and we may also need to access the capital markets to refinance any future debt obligations to the extent such maturing obligations

are not repaid with availability under our revolving credit facilities or cash flows from operations. We intend to be treated as a RIC and operate in a manner so as to qualify for the U. S. federal income tax treatment applicable to RICs. Among other things, in order to maintain our RIC status, we must distribute to our common stockholders on a timely basis generally an amount equal to at least 90 % of our investment company taxable income, and, as a result, such distributions will not be available to fund investment originations or repay maturing debt. We must borrow from financial institutions and issue additional securities to fund our growth. Unfavorable economic or capital market conditions may increase our funding costs, limit our access to the capital markets or could result in a decision by lenders not to extend credit to us. An inability to successfully access the capital markets may limit our ability to refinance our debt obligations as they come due and / or to fully execute our business strategy and could limit our ability to grow or cause us to have to shrink the size of our business, which could decrease our earnings, if any. In addition, we may borrow amounts or issue debt securities or preferred stock, which we refer to collectively as " senior securities, " such that our asset coverage, as calculated pursuant to the **1940** ~~Investment Company~~ Act, equals at least 150 % immediately after such borrowing (i. e., we are able to borrow up to two dollars for every dollar we have in assets less all liabilities and indebtedness not represented by senior securities issued by us). Such requirement, in certain circumstances, may restrict our ability to borrow or issue debt securities or preferred stock. The amount of leverage that we employ will depend on our investment adviser' s and our Board' s assessments of market and other factors at the time of any proposed borrowing or issuance of senior securities. We cannot assure you that we will be able to obtain lines of credit or issue senior securities at all or on terms acceptable to us. Further, we may pursue growth through acquisitions or strategic investments in new businesses. Completion and timing of any such acquisitions or strategic investments may be subject to a number of contingencies and risks. There can be no assurance that the integration of an acquired business will be successful or that an acquired business will prove to be profitable or sustainable. Regulations governing our operation as a BDC affect our ability to, and the way in which we may, raise additional capital. We may issue debt securities or preferred stock and / or borrow money from banks or other financial institutions, which we refer to collectively as " senior securities, " up to the maximum amount permitted by the 1940 Act. Under the provisions of the 1940 Act, we will be permitted as a BDC to issue senior securities in amounts such that our asset coverage ratio, as defined in the 1940 Act, as amended, equals at least 150 % of our gross assets less all liabilities and indebtedness not represented by senior securities, after each issuance of senior securities. If the value of our assets declines, we may be unable to satisfy this test. If that happens, we may be required to sell a portion of our investments at a time when such sales may be disadvantageous to us in order to repay a portion of its indebtedness. If we issue senior securities, we will be exposed to typical risks associated with leverage, including an increased risk of loss. Furthermore, equity capital may be difficult to raise because, subject to some limited exceptions we are not generally able to issue and sell our common stock at a price below NAV per share. We may, however, sell our common stock, or warrants, options or rights to acquire shares of our common stock, at a price below the then- current NAV per share of our common stock if our Board determines that such sale is in our best interests, and if our stockholders, including a majority of those stockholders that are not affiliated with us, approve such sale. In any such case, the price at which our securities are to be issued and sold may not be less than a price that, in the determination of our Board, closely approximates the market value of such securities (less any distributing commission or discount). We do not currently have authorization from our stockholders to issue our common stock at a price below the then- current NAV per share. If we do not invest a sufficient portion of our assets in qualifying assets, we could fail to qualify as a BDC or be precluded from investing according to our current business strategy. To maintain our status as a BDC, we are not permitted to acquire any assets other than " qualifying assets " specified in the 1940 Act unless, at the time the acquisition is made, at least 70 % of our total assets are qualifying assets (with certain limited exceptions). Subject to certain exceptions for follow- on investments and distressed companies, an investment in an issuer that has outstanding securities listed on a national securities exchange may be treated as a qualifying asset only if such issuer has a common equity market capitalization that is less than $ 250 million at the time of such investment. We may be precluded from investing in what we believe are attractive investments if such investments are not qualifying assets for purposes of the 1940 Act. If we do not invest a sufficient portion of our assets in qualifying assets, we could violate the 1940 Act provisions applicable to BDCs. As a result of such violation, specific rules under the 1940 Act could prevent us, for example, from making follow- on investments in existing portfolio companies (which could result in the dilution of our position) or could require us to dispose of investments at inappropriate times in order to come into compliance with the 1940 Act. If we need to dispose of such investments quickly, it could be difficult to dispose of such investments on favorable terms. We may not be able to find a buyer for such investments and, even if we do find a buyer, we may have to sell the investments at a substantial loss. Any such outcomes would have a material adverse effect on our business, financial condition, results of operations and cash flows. **Our failure to make follow- on investments in our portfolio companies could impair the value of our portfolio.** Following an initial investment in a portfolio company, we may make additional investments in that portfolio company as " follow- on " investments, in seeking to: • increase or maintain in whole or in part our position as a creditor or equity ownership percentage in a portfolio company; • exercise warrants, options or convertible securities that were acquired in the original or subsequent financing; or • preserve or enhance the value of our investment. We have discretion to make follow- on investments, subject to the availability of capital resources. Failure on our part to make follow- on investments may, in some circumstances, jeopardize the continued viability of a portfolio company and our initial investment, or may result in a missed opportunity for us to increase our participation in a successful operation. Even if we have sufficient capital to make a desired follow- on investment, we may elect not to make a follow- on investment because we may not want to increase ~~its~~ **our investment' s** level of risk, because we prefer other opportunities or because we are inhibited by compliance with BDC requirements of the 1940 Act or the desire to maintain our qualification as a RIC. Additionally, certain loans that we may make to portfolio companies may be secured on a second priority basis by the same collateral securing senior secured debt of such companies. The first priority liens on the collateral will secure the portfolio company' s obligations under any outstanding senior debt and may secure certain other future debt that may be permitted to be

incurred by the portfolio company under the agreements governing the loans. The holders of obligations secured by first priority liens on the collateral will generally control the liquidation of, and be entitled to receive proceeds from, any realization of the collateral to repay their obligations in full before us. In addition, the value of the collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from sales of all of the collateral would be sufficient to satisfy the loan obligations secured by the second priority liens after payment in full of all obligations secured by the first priority liens on the collateral. If such proceeds were not sufficient to repay amounts outstanding under the loan obligations secured by the second priority liens, then we, to the extent not repaid from the proceeds of the sale of the collateral, will only have an unsecured claim against the portfolio company' s remaining assets, if any. We may also make unsecured loans to portfolio companies, meaning that such loans will not benefit from any interest in collateral of such companies. Liens on such portfolio companies' collateral, if any, will secure the portfolio company' s obligations under its outstanding secured debt and may secure certain future debt that is permitted to be incurred by the portfolio company under its secured loan agreements. The holders of obligations secured by such liens will generally control the liquidation of, and be entitled to receive proceeds from, any realization of such collateral to repay their obligations in full before us. In addition, the value of such collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from sales of such collateral would be sufficient to satisfy our unsecured loan obligations after payment in full of all secured loan obligations. If such proceeds were not sufficient to repay the outstanding secured loan obligations, then our unsecured claims would rank equally with the unpaid portion of such secured creditors' claims against the portfolio company' s remaining assets, if any. Additionally, we invest in unitranche loans (loans that combine both senior and subordinated debt, generally in a first lien position), which may provide for a waterfall of cash flow priority between different lenders in the unitranche loan. In certain instances, we may find another lender to provide the " first out " portion of such loan and retain the " last out " portion of such loan, in which case the " first out " portion of the loan would generally receive priority with respect to repayment of principal, interest and any other amounts due thereunder over the " last out " portion of the loan that we would continue to hold. The rights we may have with respect to the collateral securing the loans we make to our portfolio companies with senior debt outstanding may also be limited pursuant to the terms of one or more intercreditor agreements that we enter into with the holders of such senior debt. Under a typical intercreditor agreement, at any time that obligations that have the benefit of the first priority liens are outstanding, any of the following actions that may be taken in respect of the collateral will be at the direction of the holders of the obligations secured by the first priority liens: • the ability to cause the commencement of enforcement proceedings against the collateral; • the ability to control the conduct of such proceedings; • the approval of amendments to collateral documents; • releases of liens on the collateral; and • waivers of past defaults under collateral documents. • We may not have the ability to control or direct such actions, even if its rights are adversely affected. We will be subject to corporate level income tax if we are unable to qualify as a RIC. We have elected to be treated as a RIC under the Code and intend to operate in a manner so as to qualify for the U. S. federal income tax treatment applicable to RICs. As a RIC, we generally will not pay U. S. federal corporate- level income taxes on our income and net capital gains that we distribute (or are deemed to distribute) to our common stockholders as dividends on a timely basis. We will be subject to U. S. federal corporate- level income tax on any undistributed income and / or gains. To maintain our status as a RIC, we must meet certain source of income, asset diversification and annual distribution requirements. We may also be subject to certain U. S. federal excise taxes, as well as state, local and foreign taxes. To qualify as a RIC under the Code, we must meet certain source- of- income, asset diversification and distribution requirements. The distribution requirement for a RIC is satisfied if we timely distribute an amount equal to at least 90 % of our investment company taxable income (as defined by the Code, which generally includes net ordinary income and net short- term capital gains in excess of net long- term capital losses, if any) to our common stockholders on an annual basis (the " Annual Distribution Requirement "). We have the ability to pay a large portion of our distributions in shares of our stock, and as long as a portion of such distribution is paid in cash and other requirements are met, such distributions will be taxable as a dividend for U. S. federal income tax purposes. This may result in our U. S. stockholders having to pay tax on such dividends, even if no cash is received, and may result in our non- U. S. stockholders being subject to withholding tax in respect of amounts distributed in our stock. We will be subject, to the extent we use debt financing, to certain asset coverage ratio requirements under the **1940** ~~Investment Company~~ Act and financial covenants under loan and credit agreements that could, under certain circumstances, restrict us from making distributions necessary to qualify as a RIC. If we are unable to obtain cash from other sources, we may fail to qualify as a RIC and, thus, may be subject to corporate- level income tax. The Annual Distribution Requirement will be satisfied if we distribute dividends to our common stockholders in respect of each taxable year of an amount generally at least equal to 90 % of its investment company taxable income, determined without regard to any deduction for distributions paid. In this regard, a RIC may, in certain cases, satisfy the Annual Distribution Requirement by distributing dividends relating to a taxable year after the close of such taxable year under the " spillback dividend " provisions of Subchapter M of the Code. We will be subject to tax, at regular corporate rates, on any retained income and / or gains, including any short- term capital gains or long- term capital gains. We will be subject to a 4 % nondeductible U. S. federal excise tax on certain undistributed income unless we distribute in a timely manner an amount at least equal to the sum of (1) 98 % of our ordinary income for each calendar year, (2) 98. 2 % of our capital gain net income for each calendar year and (3) any income realized, but not distributed, in preceding years (to the extent that U. S. federal income tax was not imposed on such amounts) less certain over- distributions in the prior year (collectively, the " Excise Tax "). Because we use debt financing, we are subject to (i) an asset coverage ratio requirement under the **1940** ~~Investment Company~~ Act and are subject to (ii) certain financial covenants under loan and credit agreements that could, under certain circumstances, restrict us from making distributions necessary to satisfy the distribution requirements. If we are unable to obtain cash from other sources, or choose or are required to retain a portion of our taxable income or gains, we could (i) be required to pay the Excise Tax and (ii) fail to qualify for RIC tax treatment, and thus become subject to corporate- level income

tax on our taxable income (including gains). To qualify as a RIC, in addition to the Annual Distribution Requirement, we must also meet certain annual source of income requirements at the end of each taxable year (the " 90 % Income Test ") and asset diversification requirements at the end of each calendar quarter (the " Diversification Tests "). Failure to meet these tests may result in our having to (a) dispose of certain investments quickly or (b) raise additional capital in order to prevent the loss of our qualifications as a RIC. Because most of our investments will be in private or thinly traded public companies and are generally illiquid, any such dispositions could be made at disadvantageous prices and may result in substantial losses. If we fail to qualify as a RIC for any reason and become subject to corporate income tax, the resulting corporate taxes could substantially reduce our net assets, the amount of income available for distributions to our common stockholders and the amount of funds available for new investments. Such a failure would have a material adverse effect on us and our common stockholders. The 90 % Income Test will be satisfied if we earn at least 90 % of our gross income each taxable year from distributions, interest, gains from the sale of stock or securities, or other income derived from the business of investing in stock or securities. The Diversification Tests will be satisfied if we meet certain asset diversification requirements at the end of each quarter of our taxable year. To satisfy the Diversification Tests, at least 50 % of the value of our assets at the close of each quarter of each taxable year must consist of cash, cash equivalents (including receivables), U. S. government securities, securities of other RICs, and other acceptable securities, and no more than 25 % of the value of our assets can be invested in the securities, other than U. S. government securities or securities of other RICs, of one issuer, of two or more issuers that are controlled, as determined under applicable Code rules, by us and that are engaged in the same or similar or related trades or businesses or of certain " qualified publicly traded partnerships. " Failure to meet these requirements may result in us having to dispose of certain investments quickly in order to prevent the loss of RIC status. Because most of our investments will be in private companies, and therefore will be relatively illiquid, any such dispositions could be made at disadvantageous prices and could result in substantial losses. We may invest in certain debt and equity investments through taxable subsidiaries and the net taxable income of these taxable subsidiaries will be subject to federal and state corporate income taxes. We also may invest in certain foreign debt and equity investments that could be subject to foreign taxes (such as income tax, withholding, and value added taxes). If we fail to maintain RIC tax treatment for any reason and are subject to corporate income tax, the resulting corporate taxes could substantially reduce our net assets, the amount of income available for distribution, and the amount of our distributions. **Certain investors are limited in their ability to make significant investments in us.** Private funds that are excluded from the definition of " investment company " either pursuant to Section 3 (c) (1) or 3 (c) (7) of the 1940 Act are restricted from acquiring directly or through a controlled entity more than 3 % of our total outstanding voting stock (measured at the time of the acquisition). Investment companies registered under the 1940 Act and BDCs, such as us, are also currently subject to this restriction as well as other limitations under the 1940 Act that would restrict the amount that they are able to invest in our securities. As a result, certain investors will be limited in their ability to make significant investments in us at a time that they might desire to do so. The SEC has adopted Rule 12d1- 4 under the 1940 Act. Subject to certain conditions, Rule 12d1- 4 provides an exemption to permit registered investment companies and BDCs to invest in the securities of other registered investment companies and BDCs in excess of the limits currently prescribed by the 1940 Act. We may be subject to withholding of U. S. ~~Federal~~ **federal** income tax on distributions for non- U. S. stockholders. Distributions by a RIC generally are treated as dividends for U. S. tax purposes, and will be subject to U. S. income or withholding tax unless the stockholder receiving the dividend qualifies for an exemption from U. S. tax, or the distribution is subject to one of the special look- through rules described below. Distributions paid out of net capital gains can qualify for a reduced rate of taxation in the hands of an individual U. S. stockholder, and an exemption from U. S. tax in the hands of a non- U. S. stockholder. Properly reported dividend distributions by RICs paid out of certain interest income (such distributions, " interest- related dividends ") are generally exempt from U. S. withholding tax for non- U. S. stockholders. Under such exemption, a non- U. S. stockholder generally may receive interest- related dividends free of U. S. withholding tax if the stockholder would not have been subject to U. S. withholding tax if it had received the underlying interest income directly. No assurance can be given as to whether any of our distributions will be eligible for this exemption from U. S. withholding tax or, if eligible, will be designated as such by us. In particular, the exemption does apply to distributions paid in respect of a RIC' s non- U. S. source interest income, its dividend income or its foreign currency gains. In the case shares of our common stock held through an intermediary, the intermediary may withhold U. S. federal income tax even if we designate the payment as a dividend eligible for the exemption. Also, because our common stock will be subject to significant transfer restrictions, and an investment in our common stock will generally be illiquid, non- U. S. stockholders whose distributions on our common stock are subject to U. S. withholding tax may not be able to transfer their shares of our common stock easily or quickly or at all. We may retain income and capital gains in excess of what is permissible for excise tax purposes and such amounts will be subject to 4 % U. S. federal excise tax, reducing the amount available for distribution to stockholders. We may retain some income and capital gains in the future, including for purposes of providing additional liquidity, which amounts would be subject to a 4 % U. S. federal excise tax to the extent we do not distribute during the calendar year the amount of distributions required to avoid the excise tax. ~~—~~In that event, we will be liable for the tax on the amount by which it does not meet the foregoing distribution requirement. See Item 1 (c). Description of Business — Regulation as a Business Development Company — Taxation as a RIC. " We may have difficulty paying our required distributions if we recognize income before, or without, receiving cash representing such income. For U. S. federal income tax purposes, we generally are required to include in income certain amounts that we have not yet received in cash, such as the accretion of OID. This may arise if we receive warrants in connection with the making of a loan and in other circumstances, or through contracted PIK interest, which represents contractual interest added to the loan principal balance and due at the end of the loan term. Such OID, which could be significant relative to our overall investment activities, or increases in loan balances as a result of contracted PIK arrangements, will be included in income before we receive any corresponding cash payments. We also may be required to include in income certain other amounts that we will not receive in cash, including, for

example, amounts attributable to hedging and foreign currency transactions. Since in certain cases we may recognize income before or without receiving cash in respect of such income, we may have difficulty meeting the requirement to distribute at least 90 % of our net ordinary income and net short- term capital gains in excess of net long- term capital losses, if any, to maintain our qualification as a RIC. In such a case, we may have to sell some of our investments at times we would not consider advantageous, raise additional debt or equity capital or reduce new investment originations to meet these distribution requirements. If we are not able to obtain such cash from other sources, we may fail to qualify as a RIC and thus be subject to corporate- level income tax. Such a failure could have a material adverse effect on us and on any investment in us. Our investments **in** ~~may include OID and PIK instruments. To the extent~~ OID and PIK interest income **may** ~~constitute a portion of our income, we will be exposed~~ **expose us** to risks associated with such income being required to be included in **accounting income and taxable income prior to receipt of cash. Our investments may include OID and PIK instruments. To the extent OID and PIK interest income constitute a portion of our income, we will be exposed to risks associated with such income being required to be included in** an accounting income and taxable income prior to receipt of cash, including the following: • OID instruments and PIK securities may have unreliable valuations because the accretion of OID as interest income and the continuing accruals of PIK securities require judgments about their collectability and the collectability of deferred payments and the value of any associated collateral; • OID income may also create uncertainty about the source of our cash dividends; • OID instruments may create heightened credit risks because the inducement to the borrower to accept higher interest rates in exchange for the deferral of cash payments typically represents, to some extent, speculation on the part of the borrower; • for accounting purposes, cash distributions to stockholders that include a component of accreted OID income do not come from paid- in capital, although they may be paid from the offering proceeds. Thus, although a distribution of accreted OID income may come from the cash invested by the stockholders, the 1940 Act does not require that stockholders be given notice of this fact; • generally, we must recognize income for income tax purposes no later than when it recognizes such income for accounting purposes; • the higher interest rates on PIK securities reflects the payment deferral and increased credit risk associated with such instruments and PIK securities generally represent a significantly higher credit risk than coupon loans; • the presence of accreted OID income and PIK interest income create the risk of non- refundable cash payments to the Adviser in the form of incentive fees on income based on non- cash accreted OID income and PIK interest income accruals that may never be realized; • even if accounting conditions are met, borrowers on such securities could still default when our actual collection is expected to occur at the maturity of the obligation; • OID and PIK create the risk that incentive fees will be paid to the Adviser based on • non- cash accruals that ultimately may not be realized, which the Adviser will be under no obligation to reimburse us or these fees; and PIK interest has the effect of generating investment income and increasing the incentive fees payable at a compounding rate. In addition, the deferral of PIK interest also reduces the loan- to- value ratio at a compounding rate. Stockholders may be required to pay tax in excess of the cash they receive. Under our dividend reinvestment plan, if a stockholder owns shares of our common stock, the stockholder will have all cash distributions automatically reinvested in additional shares of our common stock unless such stockholder, or his, her or its nominee on such stockholder' s behalf, specifically " opts out " of the dividend reinvestment plan by delivering a written notice to the plan administrator prior to the record date of the next distribution. If a stockholder does not " opt out " of the dividend reinvestment plan, that stockholder will be deemed to have received, and for U. S. federal income tax purposes will be taxed on, the amount reinvested in our common stock to the extent the amount reinvested was not a tax- free return of capital. As a result, a stockholder may have to use funds from other sources to pay U. S. federal income tax liability on the value of the common stock received. Even if a stockholder chooses to " opt out " of the dividend reinvestment plan, we will have the ability to declare a large portion of a dividend in shares of our common stock instead of in cash in order to satisfy the Annual Distribution Requirement (as defined herein under the heading " Item 1 (c). Description of Business — Regulation as a Business Development Company — Election to Be Taxed as a RIC "). As long as a sufficient portion of this dividend is available to be paid in cash (generally 20 %) and certain requirements are met, the entire distribution will be treated as a dividend for U. S. federal income tax purposes. As a result, a stockholder generally will be subject to tax on 100 % of the fair market value of the dividend on the date the dividend is received by the stockholder in the same manner as a cash dividend, even though most of the dividend was paid in shares of common stock. Our business could be adversely affected in the event we default under our existing credit facilities or any future credit or other borrowing facility. We have entered, and in the future may enter into, one or more credit facilities. The closing of any additional credit facility is contingent on a number of conditions including, without limitation, the negotiation and execution of definitive documents relating to such credit facility. If we obtain any additional credit facilities, we intend to use borrowings under such credit facilities to make additional investments and for other general corporate purposes. However, there can be no assurance that we will be able to close such additional credit facilities or obtain other financing. In the event we default under one of our credit facilities or any other future borrowing facility, our business could be adversely affected as we may be forced to sell a portion of our investments quickly and prematurely at what may be disadvantageous prices to us in order to meet our outstanding payment obligations and / or support working capital requirements under the relevant credit facility or such future borrowing facility, any of which would have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, following any such default, the agent for the lenders under any future borrowing facility could assume control of the disposition of any or all of our assets, including the selection of such assets to be disposed and the timing of such disposition, which would have a material adverse effect on our business, ability to pay dividends, financial condition, results of operations and cash flows. If we were unable to obtain a waiver of a default from the lenders or holders of that indebtedness, as applicable, those lenders or holders could accelerate repayment under that indebtedness, which might result in cross- acceleration of other indebtedness. An acceleration could have a material adverse impact on our business, financial condition and results of operations. In addition, following any such default, the agent for the lenders under the relevant credit facility or such future credit or other borrowing facility could assume control of the disposition of any or all of our assets,

including the selection of such assets to be disposed and the timing of such disposition, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Lastly, as a result of any such default, we may be unable to obtain additional leverage, which could, in turn, affect our return on capital. We are and may be subject to restrictions under our credit facilities and any future credit or other borrowing facility that could adversely impact our business. Our credit facilities, and any future borrowing facility, may be backed by all or a portion of our loans and securities on which the lenders may have a security interest. We currently pledge and may pledge up to 100 % of our assets and may grant a security interest in all of our assets under the terms of any debt instrument we enter into with lenders. Like with its current credit facilities, we expect that any future security interests we grant will be set forth in a pledge and security agreement and evidenced by the filing of financing statements by the agent for the lenders, and we expect that the custodian for our securities serving as collateral for such loan would include in the custodian' s electronic systems notices indicating the existence of such security interests and, following notice of occurrence of an event of default, if any, and during its continuance, will only accept transfer instructions with respect to any such securities from the lender or its designee. Under our current credit facilities, we are subject to customary events of default. If we were to default under the terms of our current credit facilities and any future borrowing facility, the agent for the applicable lenders would be able to assume control of the timing of disposition of the assets pledged under the facility, which could include any or all of our assets securing such debt. Such remedial action would have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, the security interests as well as negative covenants under its credit facilities, or any other future borrowing facility, may limit our ability to create liens on assets to secure additional debt and may make it difficult for us to restructure or refinance indebtedness at or prior to maturity or obtain additional debt or equity financing. In addition, if our borrowing base under our credit facilities or any other borrowing facility were to decrease, we would be required to secure additional assets in an amount equal to any borrowing base deficiency. In the event that all of our assets are secured at the time of such a borrowing base deficiency, we could be required to repay advances under the relevant credit facility or any other borrowing facility or make deposits to a collection account, either of which could have a material adverse impact on our ability to fund future investments and to pay dividends. In addition, under our credit facilities, or any other future borrowing facility, we may be limited as to how borrowed funds may be used, which may include restrictions on geographic and industry concentrations, loan size, payment frequency and status, average life, collateral interests and investment ratings, as well as regulatory restrictions on leverage which may affect the amount of funding that may be obtained. There may also be certain requirements relating to portfolio performance, including required minimum portfolio yield and limitations on delinquencies and charge- offs, a violation of which could limit further advances and, in some cases, result in an event of default. An event of default under our credit facilities or any other borrowing facility could result in an accelerated maturity date for all amounts outstanding thereunder, which could have a material adverse effect on our business and financial condition. This could reduce our revenues and, by delaying any cash payment allowed to us under the relevant credit facility or any other borrowing facility until the lenders have been paid in full, reduce our liquidity and cash flow and impair our ability to grow our business and maintain our qualification as a RIC. In addition to regulatory or existing credit facility requirements that restrict our ability to raise capital, any future debt facilities may contain various covenants that, if not complied with, could accelerate repayment under such debt facilities, thereby materially and adversely affecting our liquidity, financial condition and results of operations. Agreements covering our current credit facility require and future **agreements** governing any debt facilities may require us to comply with certain financial and operational covenants. These covenants may include, among other things: • restrictions on the level of indebtedness that we are permitted to incur in relation to the value of our assets; • restrictions on our ability to incur liens; and • maintenance of a minimum level of stockholders' equity. Our compliance with these covenants depends on many factors, some of which are beyond our control. For example, depending on the condition of the public debt and equity markets and pricing levels, unrealized depreciation in our portfolio may increase in the future. Any such increase could result in our inability to comply with an obligation to restrict the level of indebtedness that we are able to incur in relation to the value of our assets or to maintain a minimum level of stockholders' equity. Accordingly, there are no assurances that we will be able to comply with the covenants in our credit facilities or any debt facilities we enter into. Failure to comply with these covenants could result in a default under these debt facilities, that, if we were unable to obtain a waiver from the lenders or holders of such indebtedness, as applicable, such lenders or holders could accelerate repayment under such indebtedness and thereby have a material adverse impact on our business, financial condition and results of operations. Our strategy involves a high degree of leverage. We intend to continue to finance our investments with borrowed money, which will magnify the potential for gain or loss on amounts invested and increase the risk of investing in us. The risks of investment in a highly leveraged fund include volatility and possible distribution restrictions. The use of leverage magnifies the potential for gain or loss on amounts invested. The use of leverage is generally considered a speculative investment technique and increases the risks associated with investing in our securities. However, we have borrowed from, and may in the future issue debt securities to, banks, insurance companies and other lenders. Lenders of these funds have fixed dollar claims on our assets that are superior to the claims of our common stockholders, and we would expect such lenders to seek recovery against our assets in the event of a default. We have and may pledge up to 100 % of our assets and may grant a security interest in all of our assets under the terms of any debt instruments we may enter into with lenders. In addition, under the terms of our credit facilities and any borrowing facility or other debt instrument we may enter into, we are likely to be required to use the net proceeds of any investments that we sell to repay a portion of the amount borrowed under such facility or instrument before applying such net proceeds to any other uses. If the value of our assets decreases, leveraging would cause net asset value to decline more sharply than it otherwise would have had we not leveraged, thereby magnifying losses or eliminating our stake in a leveraged investment. Similarly, any decrease in our revenue or income will cause our net income to decline more sharply than it would have had we not borrowed. Such a decline would also negatively affect our ability to make dividend payments on our common stock or preferred stock. Our ability to service any debt will depend largely on our financial

performance and will be subject to prevailing economic conditions and competitive pressures. In addition, our common stockholders will bear the burden of any increase in our expenses as a result of our use of leverage, including interest expenses and any increase in the base management fee payable to the Adviser. There can be no assurance that our business will generate sufficient cash flow from operations or that future borrowings will be available to us under our credit facilities or otherwise in an amount sufficient to enable us to repay our indebtedness or to fund our other liquidity needs. We may need to refinance all or a portion of our indebtedness on or before it matures. There can be no assurance that we will be able to refinance any of our indebtedness on commercially reasonable terms or at all. If we cannot service our indebtedness, we may have to take actions such as selling assets or seeking additional equity. There can be no assurance that any such actions, if necessary, could be effected on commercially reasonable terms or at all, or on terms that would not be disadvantageous to stockholders or on terms that would not require us to breach the terms and conditions of our future debt agreements. As a BDC, we are generally required to meet a coverage ratio of total assets to total borrowings and other senior securities, which include all of our borrowings and any preferred stock that we may issue in the future, of at least 150 %. If this ratio declines below 150 %, we will not be able to incur additional debt and could be required to sell a portion of our investments to repay some debt when we are otherwise disadvantageous for us to do so. This could have a material adverse effect on our operations, and we may not be able to make distributions. The amount of leverage that we employ will depend on the Adviser' s assessment of market and other factors at the time of any proposed borrowing. We cannot assure stockholders that we will be able to obtain credit at all or on terms acceptable to it **. Changes in interest rates may adversely affect the value of our portfolio investments which could have an adverse effect on our business, financial condition and results of operations** . Our debt investments are generally based on floating rates, such as Secured Overnight Financing Rate (" SOFR "), EURIBOR, the Federal Funds Rate or the Prime Rate. General interest rate fluctuations may have a substantial negative impact on our investments, the value of our common stock and our rate of return on invested capital. **During periods of rising** ~~In December 2023, the Federal Reserve voted to pause interest rate hikes. Federal Reserve officials indicated that interest rate reductions may be warranted in 2024. There is no guarantee that the Federal Reserve will reduce rates in 2024, especially if inflation increases again. If the Federal Reserve resumes increases to~~ interest rates, the cost of borrowing for the companies in which we invest will increase and may make them less profitable, which generally would decrease the value of our investments in them. In addition, although we generally expect to invest a limited percentage of our assets in instruments with a fixed interest rate, including subordinated loans, senior and junior secured and unsecured debt securities and loans in high yield bonds, an increase in interest rates could decrease the value of those fixed rate investments. Rising interest rates may also increase the cost of debt for our underlying portfolio companies, which could adversely impact their financial performance and ability to meet ongoing obligations to the Company. Also, an increase in interest rates available to investors could make investment in our common stock less attractive if we are not able to increase our dividend rate, which could reduce the value of our common stock. Because we have borrowed money, and may issue preferred stock to finance investments, our net investment income depends, in part, upon the difference between the rate at which we borrow funds or pay dividends on preferred stock and the rate that our investments yield. As a result, we can offer no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income. In ~~this period~~ **periods** of high interest rates, our cost of funds may increase except to the extent we have issued fixed rate debt or preferred stock, which could reduce our net investment income. You should also be aware that a change in the general level of interest rates can be expected to lead to a change in the interest rate we receive on many of our debt investments. Accordingly, a change in the interest rate could make it easier for us to meet or exceed the performance threshold **under the Investment Advisory Agreement** and may result in a substantial increase in the amount of Incentive Fees payable to our Adviser with respect to the portion of the Incentive Fee based on income. We may be the target of litigation. We may be the target of securities litigation in the future, particularly if the value of shares of our common stock fluctuates significantly. We could also generally be subject to litigation, including derivative actions by stockholders. In addition, our investment activities subject it to litigation relating to the bankruptcy process and the normal risks of becoming involved in litigation by third parties. This risk is somewhat greater where we exercise control or significant influence over a portfolio company' s direction. Any litigation could result in substantial costs and divert management' s attention and resources from our business and cause a material adverse effect on our business, financial condition and results of operations **. There is a risk that investors in our common stock may not receive dividends or that our dividends may not grow over time and that investors in our debt securities may not receive all of the interest income to which they are entitled** . We intend to make distributions on a quarterly basis to our stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results that will allow us to make a specified level of cash distributions or year- to- year increases in cash distributions. If we declare a dividend and if more stockholders opt to receive cash distributions rather than participate in its reinvestment plan, we may be forced to sell some of its investments in order to make cash dividend payments. In addition, due to the asset coverage test applicable to us as a BDC, we may be limited in our ability to make distributions. Certain of our credit facilities may also limit our ability to declare dividends if we default under certain provisions. Further, if we invest a greater amount of assets in equity securities that do not pay current dividends, it could reduce the amount available for distribution. The above- referenced restrictions on distributions may also inhibit our ability to make required interest payments to holders of our debt, which may cause a default under the terms of its debt agreements. Such a default could materially increase our cost of raising capital, as well as cause us to incur penalties under the terms of its debt agreements **. The majority of our portfolio investments are recorded at fair value as determined in good faith by Adviser as Valuation Designee with approval from our Board and, as a result, there may be uncertainty as to the value of our portfolio investments** . Many of our portfolio investments are in the form of loans and securities that are not publicly traded. The fair value of loans, securities and other investments that are not publicly traded may not be readily determinable, and we will value these investments at fair value as determined by the Adviser as Valuation Designee in good faith in accordance with Rule 2a- 5 and with the approval of our Board, including to reflect

significant events affecting the value of our investments. Most, if not all, of our investments (other than cash and cash equivalents) will be classified as Level 3 under the FASB Accounting Standards Codification, Fair Value Measurements and Disclosures (ASC Topic 820). This means that our portfolio valuations will be based on unobservable inputs and our own assumptions about how market participants would price the asset or liability in question. We expect that inputs into the determination of fair value of our portfolio investments will require significant management judgment or estimation. Even if observable market data are available, such information may be the result of consensus pricing information or broker quotes, which include a disclaimer that the broker would not be held to such a price in an actual transaction. The non- binding nature of consensus pricing and / or quotes accompanied by disclaimers materially reduces the reliability of such information. We retain the services of one or more independent service providers to review the valuation of these loans and securities. However, the ultimate determination of fair value will be made by the Adviser as Valuation Designee with approval by our Board and not by such third- party valuation firm. The types of factors that the Valuation Designee may take into account in determining the fair value of our investments generally include, as appropriate, comparison to publicly- traded securities including such factors as yield, maturity and measures of credit quality, the enterprise value of a portfolio company, the nature and realizable value of any collateral, the portfolio company' s ability to make payments and its earnings and discounted cash flow, the markets in which the portfolio company does business, changes in the interest rate environment and the credit markets generally that may affect the price at which similar investments may be made in the future, comparisons to publicly traded companies, relevant credit market indices and other relevant factors. Because such valuations, and particularly valuations of private securities and private companies, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, our determinations of fair value may differ materially from the values that would have been used if a ready market for these loans and securities existed. Also, since these valuations are, to a large extent, based on estimates, comparisons and qualitative evaluations of private information, our fair valuation process could make it more difficult for investors to accurately value our investments and could lead to undervaluation or overvaluation of our securities. In addition, the valuation of these types of securities may result in substantial write- downs and earnings volatility. Also, privately held companies frequently have less diverse product lines and smaller market presence than larger public competitors. Our NAV could be adversely affected if our determinations regarding the fair value of our investments were materially higher than the values that we ultimately realize upon the disposal of such loans and securities. Further, our NAV as of a particular date may be materially greater than or less than the value that would be realized if our assets were to be liquidated as of such date. For example, if we were required to sell a certain asset or all or a substantial portion of our assets on a particular date, the actual price that we would realize upon the disposition of such asset or assets could be materially less than the value of such asset or assets as reflected in our NAV. Volatile market conditions could also cause reduced liquidity in the market for certain assets, which could result in liquidation values that are materially less than the values of such assets as reflected in the NAV. We will adjust quarterly the valuation of our portfolio to reflect the fair value of each investment in our portfolio. Any changes in fair value are recorded in our statement of operations as net change in unrealized appreciation or depreciation. In addition, the participation of the Adviser in the valuation process could result in a conflict of interest as the management fee payable is based on our gross assets and the incentive fees earned by the Adviser will be based, in part, on unrealized gains and losses. New or modified laws or regulations governing our operations may adversely affect our business. We and our portfolio companies are subject to regulation by laws at the U. S. federal, state and local levels. These laws and regulations, as well as their interpretation, may change from time to time, including as the result of interpretive guidance or other directives from the U. S. President and others in the executive branch, and new laws, regulations and interpretations may also come into effect. Any such new or changed laws or regulations could have a material adverse effect on our business. In addition, if we do not comply with applicable laws and regulations, we could lose any licenses that we then hold for the conduct of its business and may be subject to civil fines and criminal penalties. Additionally, changes to the laws and regulations governing our operations, including those associated with RICs, may cause us to alter our investment strategy in order to avail our self of new or different opportunities or result in the imposition of corporate- level taxes on us. Such changes could result in material differences to the strategies and plans set forth therein and may shift our investment focus from the areas of Crescent' s expertise to other types of investments in which Crescent may have little or no expertise or experience. Any such changes, if they occur, could have a material adverse effect on our results of operations and the value of an investor' s investment. If we invest in commodity interests in the future, the Adviser may determine not to use investment strategies that trigger additional regulation by the U. S. Commodity Futures Trading Commission (" CFTC ") or may determine to operate subject to CFTC regulation, if applicable. If we or the Adviser were to operate subject to CFTC regulation, we may incur additional expenses and would be subject to additional regulation. On January 20, ~~2021~~ **2025** , Mr. ~~Joseph R.~~ **Donald J** . ~~Biden~~ **Trump** was inaugurated as President of the United States. As a candidate, President ~~Biden~~ **Trump** called for significant policy changes and the reversal of several of the prior presidential administration' s policies ~~, including significant changes to U. S. fiscal, tax, trade, healthcare, immigration, foreign, and government regulatory policy~~ . To the extent the U. S. Congress or the current presidential administration implements changes to U. S. policy, those changes may impact, among other things, the U. S. and global economy, international trade and relations, unemployment, immigration, corporate taxes, healthcare, the U. S. regulatory environment, inflation, interest rates, fiscal or monetary policy and other areas in ways that adversely impact us or our portfolio companies. Further, there has been increasing commentary amongst regulators and intergovernmental institutions, including the Financial Stability Board and International Monetary Fund, on the topic of so called " shadow banking " (a term generally taken to refer to credit intermediation involving entities and activities outside the regulated banking system). We are an entity outside the regulated banking system and certain of our activities may be argued to fall within this definition and, in consequence, may be subject to regulatory developments. As a result, we and the Adviser could be subject to increased levels of oversight and regulation. This could increase costs and limit operations. In an extreme eventuality, it is possible that such regulations could render our continued operation unviable and lead to our premature termination or restructuring. We are subject

to risks related to corporate social responsibility. Our business (including that of our portfolio companies) faces increasing public scrutiny related to environmental, social and governance (" ESG ") activities, which are increasingly considered to contribute to the long- term sustainability of a company' s performance. A variety of organizations measure the performance of companies on ESG topics, and the results of these assessments are widely publicized. In addition, investment in funds that specialize in companies that perform well in such assessments are increasingly popular, and major institutional investors have publicly emphasized the importance of such ESG measures to their investment decisions. Crescent also recognizes the importance of considering ESG factors in the investment- decision making process in accordance with its ESG policy. We risk damage to our brand and reputation if we fail to act responsibly in a number of areas, such as diversity, equity and inclusion, environmental stewardship, support for local communities, corporate governance and transparency and considering ESG factors in our investment processes. Adverse incidents with respect to ESG activities could impact the value of our brand, our relationship with future portfolio companies, the cost of our operations and relationships with investors, all of which could adversely affect our business and results of operations. Additionally, new regulatory initiatives related to ESG that are applicable to us and our portfolio companies could adversely affect our business. ~~In May 2018, the European Commission adopted an " action plan on financing sustainable growth. " The action plan is, among other things, designed to define and reorient investment toward sustainability. The action plan contemplates: establishing European Union (" EU ") labels for green financial products; increasing disclosure requirements in the financial services sector around ESG and strengthening the transparency of companies on their ESG policies and introducing a ' green supporting factor' in the EU prudential rules for banks and insurance companies to incorporate climate risks into banks' and insurance companies' risk management policies. There is a risk that a significant reorientation in the market following the implementation of these and further measures could be adverse to our portfolio companies if they are perceived to be less valuable as a consequence of, e. g., their carbon footprint or~~ **For example** ~~" greenwashing " (i. e., the holding out of a product as having green or sustainable characteristics where this is not, in fact, the case). We and our portfolio companies are subject to the risk that similar measures might be introduced in other jurisdictions in the future. In addition~~ , the SEC has proposed rules that ~~would require~~ **, in** ~~additional~~ -- **addition to** ~~disclosures about ESG investment practices by investment advisers and certain funds, including BDCs. The SEC has also proposed rules that, among~~ other matters, would establish a framework for reporting of climate- related risks ~~. At this time, there is uncertainty regarding the scope of these proposed rules and when they would become effective (if at all). Compliance with these proposed rules may be onerous and expensive. Further, compliance with any new laws, regulations or disclosure obligations increases our regulatory burden and could make compliance more difficult and expensive, affect the manner in which we or our portfolio companies conduct our businesses and adversely affect our profitability~~ . Compliance with any new laws ~~or~~ **,** regulations **or disclosure obligations** increases our regulatory burden and could make compliance more difficult and expensive, affect the manner in which we or our portfolio companies conduct our businesses and adversely affect our profitability. We are subject to risks associated with artificial intelligence and machine learning technology. Recent technological advances in artificial intelligence and machine learning technology pose risks to our Company and our portfolio investments. Our Company and our portfolio investments could be exposed to the risks of artificial intelligence and machine learning technology if third- party service providers or any counterparties, whether or not known to our Company, also use artificial intelligence and machine learning technology in their business activities. We and our portfolio companies may not be in a position to control the use of artificial intelligence and machine learning technology in third- party products or services. Use of artificial intelligence and machine learning technology could include the input of confidential information in contravention of applicable policies, contractual or other obligations or restrictions, resulting in such confidential information becoming ~~part~~ accessible by other third- party artificial intelligence and machine learning technology applications and users. Independent of its context of use, artificial intelligence and machine learning technology is generally highly reliant on the collection and analysis of large amounts of data, and it is not possible or practicable to incorporate all relevant data into the model that artificial intelligence and machine learning technology utilizes to operate. Certain data in such models will inevitably contain a degree of inaccuracy and error — potentially materially so — and could otherwise be inadequate or flawed, which would be likely to degrade the effectiveness of artificial intelligence and machine learning technology. To the extent that we or our portfolio investments are exposed to the risks of artificial intelligence and machine learning technology use, any such inaccuracies or errors could have adverse impacts on our Company or our investments. Artificial intelligence and machine learning technology and its applications, including in the private investment and financial sectors, continue to develop rapidly, and it is impossible to predict the future risks that may arise from such developments. Additionally, legislative or other actions relating to taxes could have a negative effect on us. The rules dealing with U. S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U. S. Treasury Department. We cannot predict with certainty how any changes in the tax laws might affect us, our common stockholders, or our portfolio companies. New legislation and any U. S. Treasury regulations, administrative interpretations or court decisions interpreting such legislation could significantly and negatively affect our ability to qualify for tax treatment as a RIC or the U. S. federal income tax consequences to us and our common stockholders of such qualification or could have other adverse consequences. Stockholders are urged to consult with their tax advisor regarding tax legislative, regulatory, or administrative developments and proposals and their potential effect on an investment in our securities. Changes to United States tariff and import / export regulations may have a negative effect on our portfolio companies and, in turn, harm us. There has been ongoing discussion and commentary regarding potential significant changes to U. S. trade policies, treaties and tariffs. There continues to exist significant uncertainty about the future relationship between the U. S. and other countries with respect to such trade policies, treaties and tariffs. These developments, or the perception that any of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global trade and, in particular, trade between the impacted nations and the U. S. Any of these factors could depress economic activity and restrict our portfolio companies' access to suppliers or customers and have a material adverse effect on

their business, financial condition and results of operations, which in turn would negatively impact us. The lack of liquidity in our investments may adversely affect our business. All of our assets may be invested in illiquid loans and securities, and a substantial portion of our investments in leveraged companies will be subject to legal and other restrictions on resale or will otherwise be less liquid than more broadly traded public securities. The illiquidity of these investments may make it difficult for us to sell such investments if the need arises. In addition, if we are required to liquidate all or a portion of its portfolio quickly, we may realize significantly less than the value at which it has previously recorded its investments. Some of our debt investments may contain interest rate reset provisions that may make it more difficult for the borrowers to make periodic interest payments to us. In addition, some of our debt investments may not pay down principal until the end of their lifetimes, which could result in a substantial loss to us if the portfolio companies are unable to refinance or repay their debts at maturity. We may be obligated to pay the Adviser certain fees even if we incur a loss. The Adviser is entitled to incentive fees for each fiscal quarter in an amount equal to a percentage of the excess of our pre- incentive fee net investment income for that quarter (before deducting any incentive fees and certain other items) above a threshold return for that quarter. Our pre- incentive fee net investment income for incentive fee purposes excludes realized and unrealized capital losses or depreciation and income taxes related to realized gains that we may incur in the fiscal quarter, even if such capital losses or depreciation and income taxes related to realized gains result in a net loss on our statement of operations for that quarter. Thus, we may be required to pay the Adviser incentive fees for a fiscal quarter even if there is a decline in the value of our portfolio or the net asset value of our ~~Common~~ **common** ~~Shares~~ **shares** or we incur a net loss for that quarter. If a portfolio company defaults on a loan that is structured to provide interest, it is possible that accrued and unpaid interest previously used in the calculation of incentive fees will become uncollectible. The Adviser is not under any obligation to reimburse us for any part of incentive fees it received that was based on accrued income that we never receive. **There is a risk that investors in our common shares may not receive distributions or that our distributions may not grow over time and that investors in our debt securities may not receive all of the interest income to which they are entitled.** We make distributions to our common stockholders out of assets legally available for distribution. There is no assurance we will pay distributions in any particular amount, if at all. We may fund any distributions from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital to stockholders or offering proceeds, and we have no limits on the amounts we may pay from such sources. In addition, distributions may also be funded in significant part, directly or indirectly, from temporary waivers or expense reimbursements borne by our investment adviser or its affiliates, that may be subject to reimbursement to our investment adviser or its affiliates. The repayment of any amounts owed to the Adviser or our affiliates will reduce future distributions to which you would otherwise be entitled. We cannot assure you that we will achieve investment results that will allow us to make a specified level of cash distributions or year- to- year increases in cash distributions. If we declare a dividend and if more stockholders opt to receive cash distributions rather than participate in its reinvestment plan, we may be forced to sell some of our investments in order to make cash dividend payments. **In addition, due to the asset coverage test applicable to us as a BDC, we may be limited in our ability to make distributions. Certain of our credit facilities may also limit our ability to declare dividends if we default under certain provisions. Further, if we invest a greater amount of assets in equity securities that do not pay current dividends, it could reduce the amount available for distribution. The above- referenced restrictions on distributions may also inhibit our ability to make required interest payments to holders of our debt, which may cause a default under the terms of its debt agreements. Such a default could materially increase our cost of raising capital, as well as cause us to incur penalties under the terms of its debt agreements.** The amount of any distributions we may make is uncertain. Our distributions may exceed our earnings, particularly during the period before we have substantially invested the net proceeds from our offerings. Therefore, portions of the distributions that we make may represent a return of capital to you that will lower your tax basis in your ~~Common~~ **common** ~~Shares~~ **shares** and thereby increase the amount of capital gain (or decrease the amount of capital loss) realized upon a subsequent sale or redemption of such shares and reduce the amount of funds we have for investment in targeted assets. We may fund our cash distributions to stockholders from any sources of funds available to us, including offering proceeds, borrowings, net investment income from operations, capital gains proceeds from the sale of assets, non- capital gains proceeds from the sale of assets, dividends or other distributions paid to us on account of preferred and common equity investments in portfolio companies and expense reimbursement waivers from the investment adviser or the administrator, if any. Our ability to pay distributions might be adversely affected by, among other things, the impact of one or more of the risk factors described in this registration statement. In addition, the inability to satisfy the asset coverage test applicable to us as a BDC may limit our ability to pay distributions. All distributions are and will be paid at the sole discretion of our Board and will depend on our earnings, our financial condition, maintenance of our RIC status, compliance with applicable BDC regulations and such other factors as our Board may deem relevant from time to time. We cannot assure you that we will continue to pay distributions to our common stockholders in the future. A return of capital is a return of your investment, rather than a return of earnings or gains derived from our investment activities. We have not established any limit on the amount of funds we may use from available sources, such as borrowings, if any, to fund distributions (which may reduce the amount of capital we ultimately invest in assets). Stockholders should understand that any distributions made from sources other than cash flow from operations or relying on expense reimbursement waivers, if any, from the Adviser or our administrator are not based on our investment performance, and can only be sustained if we achieve positive investment performance in future periods and / or the Adviser or our administrator continues to makes such expense reimbursements, if any. The extent to which we pay distributions from sources other than cash flow from operations will depend on various factors, including the level of participation in our distribution reinvestment plan, how quickly we invest the proceeds from this and any future offering and the performance of our investments. Stockholders should also understand that our future repayments to the Adviser will reduce the distributions that they would otherwise receive. There can be no assurance that we will achieve such performance in order to sustain these distributions, or be able to pay distributions at all. The Adviser and our ~~administrator~~ **Administrator** have no

obligation to waive fees or receipt of expense reimbursements, if any. Our Adviser and ~~administrator~~ **Administrator** each have the ability to resign on 120 days' and 60 days' notice, respectively, and we may not be able to find a suitable replacement within that time, resulting in a disruption in operations that could adversely affect our financial condition, business and results of operations. Our Adviser has the right under the Investment Advisory Agreement to resign as our investment adviser at any time upon not less than 120 days' written notice, whether we have found a replacement or not. Similarly, our ~~administrator~~ **Administrator** has the right under the Administration Agreement to resign at any time upon not less than 60 days' written notice, whether we have found a replacement or not. If the Adviser or ~~administrator~~ **Administrator** were to resign, we may not be able to find a new investment adviser or administrator, as applicable, or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms within 120 days or 60 days, respectively, or at all. If we are unable to do so quickly, our operations are likely to experience a disruption, our financial condition, business and results of operations as well as our ability to pay distributions to our common stockholders are likely to be adversely affected and the market price of our shares may decline. In addition, the coordination of our internal management and investment or administrative activities, as applicable, is likely to suffer if we are unable to identify and reach an agreement with a single institution or group of executives having the expertise possessed by our investment ~~adviser~~ **Adviser** and ~~administrator~~ **Administrator** , as applicable. Even if we are able to retain a comparable service provider or individuals performing such services are retained, whether internal or external, their integration and lack of familiarity with our investment objectives may result in additional costs and time delays that may adversely affect our business, financial condition, results of operations and cash flows. In addition, if the Adviser resigns or is terminated, we would lose the benefits of our relationship with Crescent, including the use of its communication and information systems, market expertise, sector and macroeconomic views and due diligence capabilities, as well as any investment opportunities referred to us by Crescent, and we would be required to change our name, which may have a material adverse impact on our operations. As a public company, we are subject to regulations not applicable to private companies, such as provisions of the Sarbanes- Oxley Act. Efforts to comply with such regulations will involve significant expenditures, and such regulations may adversely affect us. As a public company, we are subject to the Sarbanes- Oxley Act, and the related rules and regulations promulgated by the SEC. We are required to review on an annual basis our internal control over financial reporting, and on a quarterly and annual basis to evaluate and disclose changes in our internal control over financial reporting. This process also will result in a diversion of our management' s time and attention. We cannot be certain of when our evaluation, testing and remediation actions will be completed or the impact of the same on our operations. In addition, we may be unable to ensure that the process is effective or that our internal controls over financial reporting are or will be effective in a timely manner. In the event that we are unable to develop or maintain an effective system of internal controls and maintain or achieve compliance with the Sarbanes- Oxley Act and related rules, we may be adversely affected **. We are an " emerging growth company " under the JOBS Act, and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common shares less attractive to investors** . We are and we will remain an " emerging growth company " as defined in the JOBS Act until the earlier of (a) the last day of the fiscal year (i) in which we have total annual gross revenue of at least $ 1 **. 235** billion, or (ii) in which we are deemed to be a large accelerated filer, which means the market value of our ~~Common~~ **common** ~~Shares~~ **shares** that is held by non- affiliates exceeds $ 700 million as of the date of our most recently completed second fiscal quarter, and (b) the date on which we have issued more than $ 1. 0 billion in non- convertible debt during the prior three- year period. For so long as we remain an " emerging growth company, " we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not " emerging growth companies " including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes- Oxley Act. We cannot predict if investors will find our ~~Common~~ **common** ~~Shares~~ **shares** less attractive because we will rely on some or all of these exemptions. If some investors find our ~~Common~~ **common** ~~Shares~~ **shares** less attractive as a result, there may be a less active trading market for our ~~Common~~ **common** ~~Shares~~ **shares** and our share price may be more volatile. In addition, Section 107 of the JOBS Act also provides that an " emerging growth company " can take advantage of the extended transition period provided in Section 7 (a) (2) (B) of the Securities Act of ~~1993~~ **1933** , as amended (the " Securities Act ") the for complying with new or revised accounting standards. In other words, an " emerging growth company " can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We will take advantage of the extended transition period for complying with new or revised accounting standards, which may make it more difficult for investors and securities analysts to evaluate us since our financial statements may not be comparable to companies that comply with public company effective dates and may result in less investor confidence. We may not be able to obtain all required state licenses. We may be required to obtain various state licenses in order to, among other things, originate commercial loans. Applying for and obtaining required licenses can be costly and take several months. There is no assurance that we will obtain all of the licenses that we need on a timely basis. Furthermore, we will be subject to various information and other requirements in order to obtain and maintain these licenses, and there is no assurance that we will satisfy those requirements. Our failure to obtain or maintain licenses might restrict investment options and have other adverse consequences **. Risks Relating to Our Investments Price declines and illiquidity in the corporate debt markets may adversely affect the fair value of our portfolio investments, reducing NAV through increased net unrealized depreciation** . As a BDC, we are required to carry its investments at market value or, if no market value is ascertainable, at fair value as determined in good faith by the our Board, as described above in " — Risks Relating to our Business and Structure — The majority of our portfolio investments are recorded at fair value as determined in good faith by Adviser as Valuation Designee with approval from our Board and, as a result, there may be uncertainty as to the value of our portfolio investments. " When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, we use the pricing indicated by the external event to corroborate our valuation. While most of our investments are not publicly traded, applicable accounting standards require us to assume as part of its valuation process that its investments are

sold in a principal market to market participants (even if we plan on holding an investment through its maturity). As a result, volatility in the capital markets can also adversely affect our investment valuations. We record decreases in the market values or fair values of our investments as unrealized depreciation. Declines in prices and liquidity in the corporate debt markets may result in significant net unrealized depreciation in our portfolio. The effect of all of these factors on our portfolio may reduce our NAV by increasing net unrealized depreciation in our portfolio. Depending on market conditions, we could incur substantial realized losses and may suffer additional unrealized losses in future periods, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Our portfolio companies may be unable to repay or refinance outstanding principal on their loans at or prior to maturity, and rising interests rates may make it more difficult for portfolio companies to make periodic payments on their loans. Our portfolio companies may be unable to repay or refinance outstanding principal on their loans at or prior to maturity. This risk and the risk of default is increased to the extent that the loan documents do not require the portfolio companies to pay down the outstanding principal of such debt prior to maturity. In addition, if general interest rates rise, there is a risk that our portfolio companies will be unable to pay escalating interest amounts, which could result in a default under their loan documents with us. Any failure of one or more portfolio companies to repay or refinance its debt at or prior to maturity or the inability of one or more portfolio companies to make ongoing payments following an increase in contractual interest rates could have a material adverse effect on our business, financial condition, results of operations and cash flows. We **will be subject to the risk that the debt investments we make in our portfolio companies may be repaid prior to maturity. We** expect that our investments will generally allow for repayment at any time subject to certain penalties. When such prepayment occurs, we intend to generally reinvest these proceeds in temporary investments, pending their future investment in accordance with our investment strategy. These temporary investments will typically have substantially lower yields than the debt being prepaid, and we could experience significant delays in reinvesting these amounts. Any future investment may also be at lower yields than the debt that was repaid. As a result, our results of operations could be materially adversely affected if one or more of our portfolio companies elects to prepay amounts owed to us. Additionally, prepayments could negatively impact our ability to pay, or the amount of, dividends on our common stock, which could result in a decline in the market price of our shares. **Inflation has adversely affected and may continue to adversely affect the business, results of operations and financial condition of our portfolio companies.** Certain of our portfolio companies may be in industries that have been, or are expected to be, impacted by inflation. Recent inflationary pressures have increased the costs of labor, energy and raw materials and have adversely affected consumer spending, economic growth and our portfolio companies' operations. If such portfolio companies are unable to pass any increases in their costs of operations along to their customers, it could adversely affect their operating results and impact their ability to pay interest and principal on our loans, particularly if interest rates rise in response to inflation. In addition, any projected future decreases in our portfolio companies' operating results due to inflation could adversely impact the fair value of those investments. Any decreases in the fair value of our investments could result in future realized or unrealized losses and therefore reduce our net assets resulting from operations. ~~Additionally, the U. S. Federal Reserve has raised, and has indicated its intent to continue raising, certain benchmark interest rates in an effort to combat inflation. See " —~~ We ~~are exposed to~~ **typically invest in middle- market companies, which involves higher** ~~risks -~~ **risk than investments** ~~associated with changes~~ in ~~interest rates~~ **large companies** . ~~"~~ Investment in private and middle- market companies involves a number of significant risks. Generally, limited public information exists about these companies, and we will rely on the ability of Crescent' s investment professionals to obtain adequate information to evaluate the potential returns from investing in these companies. If we are unable to uncover all material information about these companies, we may not make a fully informed investment decision and may lose money on ~~its~~ **our** investments. Middle-market companies may have limited financial resources and may be unable to meet their obligations under their loans and debt securities that we hold, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of our realizing any guarantees that ~~it~~ **we** may have obtained in connection with ~~its~~ **our** investment. In addition, such companies typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns. Additionally, middle- market companies are more likely to depend on the management talents and efforts of a small group of persons. Therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on one or more of the portfolio companies we invest in and, in turn, on us. Middle- market companies also may be parties to litigation and may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence. In addition, our executive officers, directors and the Adviser may, in the ordinary course of business, be named as defendants in litigation arising from our investments in portfolio companies. In addition, investment in middle- market companies involves a number of other significant risks, including: ~~• they typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;~~ they generally have less predictable operating results, ~~may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence,~~ and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position; • changes in laws and regulations, as well as their interpretations, may adversely affect their ~~business~~ **businesses** , financial ~~structure~~ **structures** or prospects; and • they may have difficulty accessing the capital markets to meet future capital needs, which may limit their ability to grow or to repay their outstanding indebtedness upon maturity. Our investments may be risky and we could lose all or part of our investment. The debt that we invest in is typically not initially rated by any rating agency, but we believe that if such investments were rated, they would be below investment grade (rated lower than " Baa3 " by Moody' s Investors Service, lower than " BBB- " by Fitch Ratings or lower than " BBB- " by Standard & Poor' s Ratings Services). Below investment grade securities have predominantly speculative characteristics with respect to the issuer' s capacity to pay interest and repay principal. Bonds that are rated below investment grade are sometimes referred to

as " high yield bonds " or " junk bonds. " Therefore, our investments may result in an above average amount of risk and volatility or loss of principal. While the debt we invest in is often secured, such security does not guarantee that we will receive principal and interest payments according to the terms of the loan, or that the value of any collateral will be sufficient to allow us to recover all or a portion of the outstanding amount of the loan should we be forced to enforce our remedies. Some of the loans in which we may invest directly or indirectly through investments in CDOs, CLOs or other types of structured entities may be " covenant- lite " loans, which means the loans contain fewer covenants than other loans (in some cases, none) and may not include terms which allow the lender to monitor the performance of the borrower and declare a default if certain criteria are breached. An investment by us in a covenant- lite loan may potentially hinder the ability to reprice credit risk associated with the issuer and reduce the ability to restructure a problematic loan and mitigate potential loss. We may also experience delays in enforcing our rights under covenant- lite loans. Furthermore, we will generally not have direct rights against the underlying borrowers or entities that sponsor CLOs, which means we will not be able to directly enforce any rights and remedies in the event of a default of a loan held by a CLO vehicle. As a result of these risks, our exposure to losses may be increased, which could result in an adverse impact on our net income and net asset value. We also may invest in assets other than first and second lien and subordinated debt investments, including high- yield securities, U. S. government securities, credit derivatives and other structured securities and certain direct equity investments. These investments entail additional risks that could adversely affect our investment returns. We may invest in high yield debt, or below investment grade securities, which has greater credit and liquidity risk than more highly rated debt obligations. We may also invest in debt securities which will not be rated by any rating agency and, if they were rated, would be rated as below investment grade quality. Bonds that are rated below investment grade are sometimes referred as " high yield bonds " or " junk bonds. " Below investment grade securities have predominantly speculative characteristics with respect to the issuer' s capacity to pay interest and repay principal. They may also be illiquid and difficult to value. **Investments in equity securities, many of which are illiquid with no readily available market, involve a substantial degree of risk.** We may purchase common and other equity securities. Although common stock has historically generated higher average total returns than fixed income securities over the long- term, common stock also has experienced significantly more volatility in those returns. The equity securities we acquire may fail to appreciate and may decline in value or become worthless and our ability to recover our investment will depend on the underlying portfolio company' s success. Investments in equity securities involve a number of significant risks, including: • any equity investment we make in a portfolio company could be subject to further dilution as a result of the issuance of additional equity interests and to serious risks as a junior security that will be subordinate to all indebtedness (including trade creditors) ~~or~~ **and** senior securities in the event that the issuer is unable to meet its obligations or becomes subject to a bankruptcy process; • to the extent that the portfolio company requires additional capital and is unable to obtain it, we may not recover our investment; and • in some cases, equity securities in which we invest will not pay current dividends, and our ability to realize a return on our investment, as well as to recover our investment, will be dependent on the success of the portfolio company. Even if the portfolio company is successful, our ability to realize the value of our investment may be dependent on the occurrence of a liquidity event, such as a public offering or the sale of the portfolio company. It is likely to take a significant amount of time before a liquidity event occurs or we can otherwise sell our investment. In addition, the equity securities we receive or invest in may be subject to restrictions on resale during periods in which it could be advantageous to sell them. There are special risks associated with investing in preferred securities, including: • preferred securities may include provisions that permit the issuer, at its discretion, to defer distributions for a stated period without any adverse consequences to the issuer. If we own a preferred security that is deferring its distributions, we may be required to report income for tax purposes before we receive such distributions; • preferred securities are subordinated to debt in terms of priority to income and liquidation payments, and therefore will be subject to greater credit risk than debt; • preferred securities may be substantially less liquid than many other securities, such as common stock or U. S. government securities; and • generally, preferred security holders have no voting rights with respect to the issuing company, subject to limited exceptions. Additionally, when we invest in first lien senior secured loans (including " unitranche " loans, which are loans that combine both senior and subordinated debt, generally in a first lien position), second lien senior secured loans or subordinated debt, we may acquire warrants or other equity securities as well. Our goal is ultimately to dispose of such equity interests and realize gains upon our disposition of such interests. However, the equity interests we receive may not appreciate in value and, in fact, may decline in value. Accordingly, we may not be able to realize gains from our equity interests and any gains that we do realize on the disposition of any equity interests may not be sufficient to offset any other losses we experience. We may invest, to the extent permitted by law, in the equity securities of investment funds that are operating pursuant to certain exceptions to the 1940 Act and in advisers to similar investment funds and, to the extent we so invest, will bear our ratable share of any such company' s expenses, including management and performance fees. We will also remain obligated to pay the management fee and incentive fees to our investment adviser with respect to the assets invested in the securities and instruments of such companies. With respect to each of these investments, each of our common stockholders will bear his or her share of the management fee and incentive fees due to our investment adviser as well as indirectly bearing the management and performance fees and other expenses of any such investment funds or advisers. We may be subject to risks associated with syndicated loans. From time to time, our investments may consist of syndicated loans that were not originated by us or our investment adviser. Under the documentation for such loans, a financial institution or other entity typically is designated as the administrative agent and / or collateral agent. This agent is granted a lien on any collateral on behalf of the other lenders and ~~distributed~~ **distributes** payments on the indebtedness as they are received. The agent is the party responsible for administering and enforcing the loan and generally may take actions only in accordance with the instructions of a majority or two- thirds in commitments and / or principal amount of the associated indebtedness. Accordingly, we may be precluded from directing such actions unless we or our investment adviser is the designated administrative agent or collateral agent or we act together with other holders of the indebtedness. If we are unable to direct such actions, we cannot assure you that the actions taken will be in our best interests.

There is a risk that a loan agent may become bankrupt or insolvent. Such an event would delay, and possibly impair, any enforcement actions undertaken by holders of the associated indebtedness, including attempts to realize upon the collateral securing the associated indebtedness and / or direct the agent to take actions against the related obligor or the collateral securing the associated indebtedness and actions to realize on proceeds of payments made by obligors that are in the possession or control of any other financial institution. In addition, we may be unable to remove the agent in circumstances in which removal would be in our best interests. Moreover, agented loans typically allow for the agent to resign with certain advance notice. **The disposition of our investments may result in contingent liabilities.** We currently expect that substantially all of our investments will involve loans and private securities. In connection with the disposition of an investment in loans and private securities, we may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of a business. We may also be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate or with respect to potential liabilities. These arrangements may result in contingent liabilities that ultimately result in funding obligations that we must satisfy through its return of distributions previously made to us **. Our subordinated investments may be subject to greater risk than investments that are not similarly subordinated** . We may make subordinated investments that rank below other obligations of the borrower in right of payment. Subordinated investments are subject to greater risk of default than senior obligations as a result of adverse changes in the financial condition of the borrower or in general economic conditions. If we make a subordinated investment in a portfolio company, the portfolio company may be highly leveraged, and its relatively high debt-to- equity ratio may create increased risks that its operations might not generate sufficient cash flow to service all of its debt obligations. There may be circumstances in which our debt investments could be subordinated to claims of other creditors or we could be subject to lender liability claims. If one of our portfolio companies were to go bankrupt, even though we may have structured our interest as senior debt, depending on the facts and circumstances, a bankruptcy court might recharacterize our debt holding as an equity investment and subordinate all or a portion of our claim to that of other creditors. In addition, lenders can be subject to lender liability claims for actions taken by them where they become too involved in the borrower' s business or exercise control over the borrower. For example, we could become subject to a lender' s liability claim, if, among other things, we actually render significant managerial assistance. We may hold the debt securities of leveraged companies. Investment in leveraged companies involves a number of significant risks. Leveraged companies in which we invest may have limited financial resources and may be unable to meet their obligations under their loans and debt securities that we hold. Such developments may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of our realizing any guarantees that it may have obtained in connection with its investment. Smaller leveraged companies also may have less predictable operating results and may require substantial additional capital to support their operations, finance their expansion or maintain their competitive position. Leveraged companies may experience bankruptcy or similar financial distress. The bankruptcy process has a number of significant inherent risks. Many events in a bankruptcy proceeding are the product of contested matters and ~~adversary~~ **adversarial** proceedings and are beyond the control of the creditors. A bankruptcy filing by a portfolio company may adversely and permanently affect the portfolio company. If the proceeding is converted to a liquidation, the value of the portfolio company may not equal the liquidation value that was believed to exist at the time of the investment. The duration of a bankruptcy proceeding is also difficult to predict, and a creditor' s return on investment can be adversely affected by delays until the plan of reorganization or liquidation ultimately becomes effective. The administrative costs in connection with a bankruptcy proceeding are frequently high and would be paid out of the debtor' s estate prior to any return to creditors. Because the standards for classification of claims under bankruptcy law are vague, our influence with respect to the class of securities or other obligations that we own may be lost by increases in the number and amount of claims in the same class or by different classification and treatment. In the early stages of the bankruptcy process, it is often difficult to estimate the extent of, or even to identify, any contingent claims that might be made. In addition, certain claims that have priority by law (for example, claims for taxes) may be substantial. Our portfolio companies may incur debt or issue equity securities that rank equally with, or senior to, our investments in such companies. Our portfolio companies may have, or may be permitted to incur, other debt, or issue other equity securities, that rank equally with, or senior to, our investments. By their terms, such instruments may provide that the holders are entitled to receive payment of dividends, interest or principal on or before the dates on which we are entitled to receive payments in respect of our investments. These debt investments would usually prohibit the portfolio companies from paying interest on or repaying our investments in the event and during the continuance of a default under such debt. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of securities ranking senior to our investment in that portfolio company typically are entitled to receive payment in full before we receive any distribution in respect of our investment. After repaying such holders, the portfolio company may not have any remaining assets to use for repaying its obligation to us. In the case of securities ranking equally with our investments, we would have to share on an equal basis any distributions with other security holders in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company. The rights we may have with respect to the collateral securing any junior priority loans we make to our portfolio companies may also be limited pursuant to the terms of one or more intercreditor agreements (including agreements governing " first out " and " last out " structures) that we enter into with the holders of senior debt. Under such an intercreditor agreement, at any time that senior obligations are outstanding, we may forfeit certain rights with respect to the collateral to the holders of the senior obligations. These rights may include the right to commence enforcement proceedings against the collateral, the right to control the conduct of such enforcement proceedings, the right to approve amendments to collateral documents, the right to release liens on the collateral and the right to waive past defaults under collateral documents. We may not have the ability to control or direct such actions, even if as a result our rights as junior lenders are adversely affected. When we **are a debt or minority equity investor in a portfolio company, we are often not in a position to exert influence on the entity, and other equity holders and management of the company may make**

decisions that could decrease the value of our investment in such portfolio company. When we make debt or minority equity investments, we are subject to the risk that a portfolio company may make business decisions with which we disagree and the other equity holders and management of such company may take risks or otherwise act in ways that do not serve our interests. As a result, a portfolio company may make decisions that could decrease the value of our investment **. Our portfolio companies may be highly leveraged** . Some of our portfolio companies may be highly leveraged, which may have adverse consequences to these companies and to us as an investor. These companies may be subject to restrictive financial and operating covenants and the leverage may impair these companies' ability to finance their future operations and capital needs. As a result, these companies' flexibility to respond to changing business and economic conditions and to take advantage of business opportunities may be limited. Further, a leveraged company' s income and net assets will tend to increase or decrease at a greater rate than if borrowed money were not used. Our investments in foreign companies may involve significant risks in addition to the risks inherent in U. S. investments. Our investment strategy contemplates potential investments in foreign companies. Investing in foreign companies may expose us to additional risks not typically associated with investing in U. S. companies. These risks include changes in exchange control regulations, political and social instability, expropriation, imposition of foreign taxes (potentially at confiscatory levels), less liquid markets, less available information than is generally the case in the U. S., higher transaction costs, less government supervision of exchanges, brokers and issuers, less developed bankruptcy laws, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility. Although we expect most of our investments will be U. S. dollar denominated, our investments that are denominated in a foreign currency will be subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short- term interest rates, differences in relative values of similar assets in different currencies, long- term opportunities for investment and capital appreciation and political developments. We may employ hedging techniques to minimize these risks, but we cannot assure you that such strategies will be effective or without risk to us. The due diligence process that the Adviser undertakes in connection with our investments may not reveal all the facts that may be relevant in connection with an investment. The Adviser' s due diligence may not reveal all of a company' s liabilities and may not reveal other weaknesses in its business. There can be no assurance that our **Adviser' s** due diligence process will uncover all relevant facts that would be material to an investment decision. Before making an investment in, or a loan to, a company, the Adviser will assess the strength and skills of the company' s management team and other factors that it believes are material to the performance of the investment. In making the assessment and otherwise conducting customary due diligence, the Adviser will rely on the resources available to it and, in some cases, an investigation by third parties. This process is particularly important and highly subjective with respect to newly organized entities because there may be little or no information publicly available about the entities. We may make investments in, or loans to, companies, including middle market companies, which are not subject to public company reporting requirements, including requirements regarding preparation of financial statements, and will, therefore, depend upon the compliance by investment companies with their contractual reporting obligations and the ability of the Adviser' investment professionals to obtain adequate information to evaluate the potential returns from investing in these companies. If we and the Adviser are unable to uncover all material information about these companies, we may not make a fully informed investment decision and may lose money on our investments. As a result, the evaluation of potential investments and the ability to perform due diligence on and effective monitoring of investments may be impeded, and we may not realize the returns that it expects on any particular investment. In the event of fraud by any company in which we invest or with respect to which we make a loan, we may suffer a partial or total loss of the amounts invested in that company. **We may be subject to risks under hedging transactions and may become subject to risk if it invests in non- U. S. securities.** The 1940 Act generally requires that 70 % of our investments be in issuers each of whom is organized under the laws of, and has its principal place of business in, any state of the United States, the District of Columbia, Puerto Rico, the Virgin Islands or any other possession of the United States. However, our portfolio may include debt securities of non- U. S. companies, including emerging market issuers, to the limited extent such transactions and investments would not cause us to violate the 1940 Act. We expect that these investments would focus on the same secured debt, unsecured debt and related equity security investments that we make in U. S. middle- market companies and, accordingly, would be complementary to our overall strategy and enhance the diversity of our holdings. Investing in loans and securities of emerging market issuers involves many risks including economic, social, political, financial, tax and security conditions in the emerging market, potential inflationary economic environments, regulation by foreign governments, different accounting standards and political uncertainties. Economic, social, political, financial, tax and security conditions also could negatively affect the value of emerging market companies. These factors could include changes in exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, less developed bankruptcy laws, difficulty in enforcing contractual obligations or judgments or foreclosing on collateral, lack of uniform accounting and auditing standards and greater price volatility. Engaging in either hedging transactions or investing in foreign loans and securities would entail additional risks to our stockholders. We could, for example, use instruments such as interest rate swaps, caps, collars and floors and, if we were to invest in foreign loans and securities, we could use instruments such as forward contracts or currency options and borrow under a credit facility in currencies selected to minimize our foreign currency exposure. In each such case, we generally would seek to hedge against fluctuations of the relative values of our portfolio positions from changes in market interest rates or currency exchange rates. Hedging against a decline in the values of our portfolio positions would not eliminate the possibility of fluctuations in the values of such positions or prevent losses if the values of the positions declined. However, such hedging could establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of such portfolio positions. Such hedging transactions could also limit the opportunity for gain if the values of the underlying portfolio positions increased. Moreover, it might not be possible to

hedge against an exchange rate or interest rate fluctuation that was so generally anticipated that we would not be able to enter into a hedging transaction at an acceptable price. While we may enter into such transactions to seek to reduce currency exchange rate and interest rate risks, unanticipated changes in currency exchange rates or interest rates could result in poorer overall investment performance than if we had not engaged in any such hedging transactions. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio positions being hedged could vary. Moreover, for a variety of reasons, we might not seek to establish a perfect correlation between the hedging instruments and the portfolio holdings being hedged. Any such imperfect correlation could prevent us from achieving the intended hedge and expose us to risk of loss. In addition, it might not be possible for us to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non- U. S. currencies because the value of those loans and securities would likely fluctuate as a result of factors not related to currency fluctuations. We may not realize anticipated gains on the equity interests in which we invest. When we invest in loans and debt securities, we may acquire warrants or other equity securities of portfolio companies as well. We may also invest in equity securities directly. To the extent we hold equity investments, we will attempt to dispose of them and realize gains upon such disposition. However, the equity interests we receive may not appreciate in value and, may decline in value. As a result, we may not be able to realize gains from our equity interests, and any gains that we do realize on the disposition of any equity interests may not be sufficient to offset any other losses we experience. Changes in healthcare **laws and other regulations applicable to some of our portfolio companies businesses may constrain their ability to offer their products and services. Changes in healthcare** or other laws and regulations applicable to the businesses of some of our portfolio companies may occur that could increase their compliance and other costs of doing business, require significant systems enhancements, or render their products or services less profitable or obsolete, any of which could have a material adverse effect on their results of operations. There has also been an increased political and regulatory focus on healthcare laws in recent years, and new legislation could have a material effect on the business and operations of some of our portfolio companies **. Our investments in the consumer products and services sector are subject to various risks including cyclical risks associated with the overall economy** . General risks of companies in the consumer products and services sector include cyclicality of revenues and earnings, economic recession, currency fluctuations, changing consumer tastes, extensive competition, product liability litigation and increased government regulation. Generally, spending on consumer products and services is affected by the health of consumers. Companies in the consumer products and services sectors are subject to government regulation affecting the permissibility of using various food additives and production methods, which regulations could affect company profitability. A weak economy and its effect on consumer spending would adversely affect companies in the consumer products and services sector. **Our investments in the financial services sector are subject to various risks including volatility and extensive government regulation.** These risks include the effects of changes in interest rates on the profitability of financial services companies, the rate of corporate and consumer debt defaults, price competition, governmental limitations on a company' s loans, other financial commitments, product lines and other operations and recent ongoing changes in the financial services industry (including consolidations, development of new products and changes to the industry' s regulatory framework). There is continued instability and volatility in the financial markets. Insurance companies have additional risks, such as heavy price competition, claims activity and marketing competition, and can be particularly sensitive to specific events such as man- made and natural disasters (including weather catastrophes), climate change, terrorism, mortality risks and morbidity rates **. Our investments in technology companies are subject to many risks, including volatility, intense competition, shortened product life cycles, litigation and periodic downturn risks** . We have invested and will continue investing in technology companies, many of which may have narrow product lines and small market shares, which tend to render them more vulnerable to competitors' actions and market conditions, as well as to general economic downturns. The revenues, income (or losses), and valuations of technology- related companies can and often do fluctuate suddenly and dramatically. In addition, technology related markets are generally characterized by abrupt business cycles and intense competition, where the leading companies in any particular category may hold a highly concentrated percentage of the overall market share. ~~Therefore, our portfolio companies may face considerably more risk of loss than do companies in other industry sectors.~~ The effect of global climate change may impact the operations of our portfolio companies. Climate change creates physical and financial risk and some of our portfolio companies may be adversely affected by climate change. For example, the needs of customers of energy companies vary with weather conditions, primarily temperature and humidity. To the extent weather conditions are affected by climate change, energy use could increase or decrease depending on the duration and magnitude of any changes. Increases in the cost of energy could adversely affect the cost of operations of our portfolio companies if the use of energy products or services is material to their ~~business~~ **businesses** . A decrease in energy use due to weather changes may affect some of our portfolio companies' financial ~~condition~~ **conditions** , through decreased revenues. Extreme weather conditions in general require more system backup, adding to costs, and can contribute to increased system stresses, including service interruptions. Other risks associated with climate change include risks related to the impact of climate- related legislation and regulation (both domestically and internationally), as well as risks related to climate- related business trends. **Risks Relating to Our Common Stock Investing in our common stock may involve an above average degree of risk.** The investments we make in accordance with our investment objectives may result in a higher amount of risk than alternative investment options and volatility or loss of principal, including the risk that the investor may lose their entire investment. Our investments in portfolio companies may be highly speculative and aggressive and, therefore, an investment in our ~~securities~~ **common stock** may not be suitable for someone with lower risk tolerance. **Certain investors will be subject to Exchange Act filing requirements.** Because our ~~Common~~ **common** ~~Shares~~ **shares** will be registered under the Exchange Act, ownership information for any person who beneficially owns 5 % or more of our ~~Common~~ **common** ~~Shares~~ **shares** will have to be disclosed in a Schedule 13G or other filings with the SEC. Beneficial ownership for these purposes is determined in accordance with the rules of the SEC, and includes having voting or investment power over the securities. In some

circumstances, our common stockholders who choose to reinvest their dividends may see their percentage stake in us increased to more than 5 %, thus triggering this filing requirement. Each stockholder is responsible for determining its filing obligations and preparing the filings. In addition, our common stockholders who hold more than 10 % of a class of our ~~Common~~ **common** ~~Shares~~ **shares** may be subject to Section 16 (b) of the Exchange Act, which recaptures for the benefit of our profits from the purchase and sale of registered stock (and securities convertible or exchangeable into such registered stock) within a six- month period. You may receive dividends in the form of common stock instead of cash, which could result in adverse tax consequences to you. In order to satisfy the Annual Distribution Requirement applicable to RICs, we have the ability to declare a large portion of a dividend in shares of our common stock instead of in cash. As long as a sufficient portion of such dividend is available to be paid in cash (generally 20 %) and certain requirements are met, the entire distribution would be treated as a dividend for U. S. federal income tax purposes. As a result, a stockholder would be taxed on 100 % of the dividend in the same manner as a cash dividend, even though most of the dividend was paid in shares of our common stock. No stockholder approval is required for certain mergers. Our Board may undertake to approve mergers between us and certain other funds or vehicles. Subject to the requirements of the **1940** ~~Investment Company~~ Act and Maryland law, such mergers will not require stockholder approval so you will not be given an opportunity to vote on these matters unless such mergers are reasonably anticipated to result in a material dilution of our NAV per share ~~of the Fund~~ or are otherwise required to be approved under Maryland law. These mergers may involve funds managed by affiliates of our investment adviser. Subject to stockholder approval, the Board may also seek to convert the form and / or jurisdiction of organization, including to take advantage of laws that are more favorable to maintaining board control in the face of dissident stockholders **. Our shares of common stock have traded at a discount from net asset value and may do so again, which could limit our ability to raise additional equity capital** . Shares of closed- end investment companies frequently trade at a market price that is less than the net asset value that is attributable to those shares. This characteristic of closed- end investment companies is separate and distinct from the risk that our net asset value per share may decline. It is not possible to accurately predict whether any shares of our common stock will trade at, above, or below net asset value. In the recent past, the stocks of BDCs as an industry, including at times shares of our common stock, have traded below net asset value. See " Item 1a. Risk Factors- Risks Relating to Macroeconomic Factors: Market disruptions and other geopolitical or macroeconomic events could create market volatility that negatively impacts our business, financial condition and earnings. " When our common stock is trading below its net asset value per share, we will generally not be able to issue additional shares of our common stock at its market price without first obtaining approval for such issuance from our stockholders and our independent directors. The market price **of our common stock may fluctuate significantly. The market price** and liquidity of the market for our common stock may be significantly affected by numerous factors, some of which may be beyond our control and may not be directly related to our operating performance. These factors include: • significant volatility in the market price and trading volume of securities of publicly traded RICs, BDCs or other companies in our sector, which are not necessarily related to the operating performance of these companies; • price and volume fluctuations in the overall stock market from time to time; • the inclusion or exclusion of our common stock from certain indices; • changes in law, regulatory policies or tax guidelines, or interpretations thereof, particularly with respect to RICs or BDCs; • loss of RIC status; • changes in earnings or variations in operating results; • changes in the value of our portfolio of investments; • announcements with respect to significant transactions; • any shortfall in revenue or net income or any increase in losses from levels expected by investors or securities analysts; • departure of key personnel of ours or the Adviser; • operating performance of companies comparable to us; • short- selling pressure with respect to shares of our common stock or BDCs generally; • general economic trends and other external factors; and • loss of a major funding source. In the past, securities class action litigation has been brought against numerous public companies resulting from volatility in the market price of their securities. Because of the potential volatility in the price of our common stock, we may become the target of securities litigation in the future. If we were to become involved in securities litigation, it could result in substantial costs, divert management' s attention and resources from the business and adversely affect the business. Common stockholders who participate in the distribution reinvestment plan may increase their risk of overconcentration. Common stockholders who opt in to our distribution reinvestment plan will have any cash distributions otherwise payable to them automatically reinvested in additional shares of our common stock. This may increase such stockholder' s ownership percentage in us and could increase such stockholder' s risk of overconcentration. **Our stockholders will experience dilution in their ownership percentage if they opt out of our dividend reinvestment plan.** We have adopted a dividend reinvestment plan, pursuant to which we will reinvest all cash distributions authorized by the Board on behalf of stockholders who do not elect to receive their distributions in cash. As a result, if the Board authorizes and we declare a cash distribution, then stockholders who have not opted out of the dividend reinvestment plan will have their cash distributions automatically reinvested in additional shares of Common stock, rather than receiving the cash distribution. See " Item 1 — Business — Dividend Reinvestment Plan " for a description of the dividend reinvestment plan. The number of shares to be issued to a plan participant will be determined by dividing the total dollar amount of the distribution payable to such stockholder by the market price per share of our common stock at the close of regular trading on NASDAQ on the date of such distribution. The market price per share of our common stock on a particular date will be the closing price for such shares on NASDAQ on such date, or, if no sale is reported for such date, at the average of their reported bid and asked prices. However, if the market price per share exceeds the most recently computed net asset value per share, we will issue shares at the greater of (i) the most recently computed net asset value per share and (ii) 95 % of the current market price per share (or such lesser discount to the current market price per share that still exceeds the most recently computed net asset value per share). Accordingly, participants in the dividend reinvestment plan may receive a greater number shares of our common stock than the number of shares associated with the market price of our common stock, resulting in dilution for other stockholders. Stockholders that opt out of the dividend reinvestment plan will experience dilution in their ownership percentage of our common stock over time. Our **future credit ratings may not reflect all risks of an investment in our debt securities. Our** credit ratings are an assessment

by third parties of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of our debt securities. Our future credit ratings, however, may not reflect the potential impact of risks related to market conditions generally or other factors discussed above on the market value of or trading market for the publicly issued debt securities. **Provisions of the Maryland General Corporation Law and of the Charter and the Bylaws could deter takeover attempts and have an adverse effect on the price of our common stock.** Certain provisions of the Maryland General Corporation Law (the " MGCL ") may discourage, delay or make more difficult a change in control of the Company, including (i) the Maryland Business Combination Act (the " Business Combination Act "), which, subject to any applicable requirements of the 1940 Act and certain other limitations, ~~will prohibit~~ **prohibits** certain business combinations between us and an " interested stockholder " (defined generally as any person who beneficially owns, directly or indirectly, 10 % or more of the voting power of our outstanding shares of voting stock or an affiliate or associate of us who, at any time within the two- year period prior to the date in question, was the beneficial owner, directly or indirectly, of 10 % or more of the voting power of our then outstanding shares of stock) or an affiliate thereof for five years after the most recent date on which the stockholder becomes an interested stockholder, and thereafter will impose special appraisal rights and supermajority voting requirements on these combinations and (ii) the Maryland Control Share Acquisition Act (the " Control Share Acquisition Act "), which, subject to any applicable requirements of the 1940 Act, ~~will provide~~ **provides** that our " control shares " (defined as shares which, when aggregated with other shares controlled by the stockholder (except solely by virtue of a revocable proxy), entitle the stockholder to exercise one of three increasing ranges of voting power in electing directors) acquired in a " control share acquisition " (defined as the direct or indirect acquisition of ownership or control of issued and outstanding " control shares ") have no voting rights except to the extent approved by our stockholders by the affirmative vote of at least two- thirds of all the votes entitled to be cast on the matter, excluding all interested shares. The Board has adopted a resolution exempting from the Business Combination Act any business combination between us and any other person, provided that the business combination is first approved by the Board, including a majority of the independent directors, and the Bylaws exempt from the Control Share Acquisition Act acquisitions of our stock by any person. However, if the resolution exempting business combinations is repealed or the Board or independent directors do not approve a business combination or we amend the Bylaws to repeal the exemption from the Control Share Acquisition Act, subject to any applicable requirements of the 1940 Act, the Business Combination Act or Control Share Acquisition Act, as the case may be, may discourage third parties from trying to acquire control of us and may increase the difficulty of consummating such an offer. We are also subject to other measures that may make it difficult for a third party to obtain control of us, including provisions of the Charter that (i) classify the Board into three classes serving staggered three- year terms and require that any vacancies be filled by a majority of directors remaining in office, (ii) require a two- thirds vote and cause for director removal, (iii) authorize the Board to classify any unissued shares of stock and reclassify any previously classified but unissued shares of stock into other classes or series of stock, including preferred stock, and to cause the issuance of additional shares of our common stock and (iv) authorize the Board to amend the Charter, without stockholder approval, to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we have the authority to issue. These provisions, as well as other provisions in the Charter and the Bylaws, may delay, defer or prevent a transaction or a change in control that might otherwise be in the best interests of our stockholders. Our Charter designates the Circuit Court for Baltimore City, Maryland as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or other employees. Our Charter provides that, unless we consent in writing to the selection of an alternative forum, the Circuit Court for Baltimore City, Maryland, or, if that Court does not have jurisdiction, the U. S. District Court for the District of Maryland, Baltimore Division, will be the sole and exclusive forum for: (i) any derivative action or proceeding brought on our behalf; (ii) any Internal Corporate Claim, as such term is defined in Section 1- 101 (p) of the MGCL, including, without limitation, (a) any action asserting a claim of breach of any duty owed by any of our directors or officers or other employees to us or to our stockholders or (b) any action asserting a claim against us or any of our directors or officers or other employees arising pursuant to any provision of the MGCL or the Charter or the Bylaws; or (iii) any action asserting a claim against us or any of our directors or officers or other employees that is governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring or holding any interest in shares of our common stock will be deemed to have notice of and to have consented and waived any objection to this exclusive forum provision of the Charter, as the same may be amended from time to time. The Charter includes this provision so that we can respond to litigation more efficiently, reduce the costs associated with our responses to such litigation, particularly litigation that might otherwise be brought in multiple forums, and make it less likely that plaintiffs' attorneys will be able to employ such litigation to coerce us into otherwise unjustified settlements. However, this exclusive forum provision may limit a stockholder' s ability to bring a claim in a judicial forum that such stockholder believes is favorable for disputes with us or our directors, officers or other employees, if any, and may discourage lawsuits against us and our directors, officers or other employees, if any. We believe the risk of a court declining to enforce this exclusive forum provision is remote, as the General Assembly of Maryland has specifically amended the MGCL to authorize the adoption of such provision. However, if a court were to find such provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings notwithstanding that the MGCL expressly provides that the charter or bylaws of a Maryland corporation may require that any Internal Corporate Claim be brought only in courts sitting in one or more specified jurisdictions, we may incur additional costs that it does not currently anticipate associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition and results of operations. **We incur significant costs as a result of being a publicly traded company.** As a publicly- traded company, we incur legal, accounting and other expenses, including costs associated with the periodic reporting requirements applicable to a company whose securities are registered under the Exchange Act, as well as additional corporate governance requirements, including certain requirements under the Sarbanes- Oxley Act, and other rules

implemented by the SEC and the listing standards of the Nasdaq Global Select Market. For example, the listing standards of the national securities exchanges require us to implement and disclose" clawback" policies mandating the recovery of incentive compensation paid to executive officers in connection with accounting restatements. As long as we remain an emerging growth company, we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes- Oxley Act. We will remain an emerging growth company for up to five years following an IPO or until the earliest of (i) the last day of the first fiscal year in which our annual gross revenues equal or exceeds $ 1. ~~07~~ **235** billion, (ii) December 31 of the fiscal year that we become a" large accelerated filer ” as defined in Rule 12b- 2 under the 1934 Act which would occur if the market value of our shares that is held by non- affiliates exceeds $ 700. 0 million as of the last business day of our most recently completed second fiscal quarter and we have been publicly reporting for at least 12 months and have filed an annual report on Form 10- K, (iii) the date on which we have issued more than $ 1. 0 billion in non- convertible debt securities during the preceding three- year period or (iv) December 31 of the fiscal year following the fifth anniversary of the date of our first sale of common equity securities pursuant to an effective registration statement under the 1933 **Securities** Act. ~~Economic~~ **General Risk FactorsEconomic** recessions or downturns could impair our portfolio companies, and defaults by our portfolio companies will harm our operating results. Many of the portfolio companies in which we expect to make investments are likely to be susceptible to economic slowdowns or recessions and may be unable to repay their loans during such periods. Therefore, the number of our non- performing assets is likely to increase and the value of our portfolio is likely to decrease during such periods. Macroeconomic factors such as real GDP growth, consumer confidence, the ~~COVID- 19~~ **global health epidemics or** ~~pandemic~~ **pandemics** , supply chain disruptions, inflation, employment levels, oil prices, interest rates, tax rates, foreign currency exchange rate fluctuations and other macroeconomic trends can adversely affect customer demand for the products and services that our portfolio companies offer and may adversely impact their businesses or financial results. In addition, although we invest primarily in companies located in the United States, our portfolio companies may rely on parts or supplies manufactured outside the United States. As a result, any event causing a disruption of imports, including natural disasters, public health crises, or the imposition of import or trade restrictions in the form of tariffs or quotas could increase the cost and reduce the supply of products available to our portfolio companies, which may negatively impact their businesses or financial results. Adverse economic conditions may also decrease the value of collateral securing some of our loans and debt securities and the value of our equity investments. If the value of collateral underlying our loan declines during the term of the loan, a portfolio company may not be able to obtain the necessary funds to repay the loan at maturity through refinancing. Decreasing collateral value may hinder a portfolio company’ s ability to refinance our loan because the underlying collateral cannot satisfy the debt service coverage requirements necessary to obtain new financing. Thus, economic slowdowns or recessions could lead to financial losses in our portfolio and a decrease in revenues, net income and assets. Unfavorable economic conditions also could increase our funding costs, limit its access to the capital markets or result in a decision by lenders not to extend credit to us. We consider a number of factors in making our investment decisions, including, but not limited to, the financial condition and prospects of a portfolio company and its ability to repay our loan. Unfavorable economic conditions could negatively affect the valuations of our portfolio companies and, as a result, make it more difficult for such portfolio companies to repay or refinance our ~~loan~~ **loans** . Therefore, these events could prevent us from increasing our investments and harm our operating results. A portfolio company’ s failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, acceleration of the time when ~~the~~ **its** loans are due, termination of the portfolio company’ s loans and foreclosure on its assets, which could trigger cross- defaults under other agreements and jeopardize its ability to meet its obligations under the loans and debt securities that we hold. We may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting portfolio company, which may include the waiver of certain financial covenants. Furthermore, if one of our portfolio companies were to file for bankruptcy protection, depending on the facts and circumstances, including the extent to which we actually provide significant managerial assistance to that portfolio company, a bankruptcy court might re- characterize our debt holding and subordinate all or a portion of our claim to claims of other creditors, even though we may have structured our investment as senior secured debt. In addition, the failure of certain financial institutions, namely banks, may increase the possibility of a sustained deterioration of financial market liquidity, or illiquidity at clearing, cash management and / or custodial financial institutions. The failure of a bank (or banks) with which we and / or our portfolio companies have a commercial relationship could adversely affect, among other things, our and / or our portfolio companies’ ability to pursue key strategic initiatives, including by affecting our or our portfolio ~~company~~ **companies ' ’ s** ability to access deposits or borrow from financial institutions on favorable terms. Additionally, if a portfolio company or its sponsor has a commercial relationship with a bank that has failed or is otherwise distressed, the portfolio company may experience issues receiving financial support from a sponsor to support its operations or consummate transactions, to the detriment of their business, financial condition and / or results of operations. In addition, such bank failure (s) could affect, in certain circumstances, the ability of both affiliated and unaffiliated co- lenders, including syndicate banks or other fund vehicles, to undertake and / or execute co- investment transactions with us, which in turn may result in fewer co- investment opportunities being made available to us or impact our ability to provide additional follow- on support to portfolio companies. Our ability and our portfolio companies **' ability** to spread banking relationships among multiple institutions may be limited by certain contractual arrangements, including liens placed on our respective assets as a result of a bank agreeing to provide financing. Downgrades by rating agencies to the U. S. government’ s credit rating or concerns about its credit and deficit levels in general, could cause interest rates and borrowing costs to rise, which may negatively impact both the perception of credit risk associated with our debt portfolio and our ability to access the debt markets on favorable terms. In addition, a decreased U. S. government credit rating could create broader financial turmoil and uncertainty, which may weigh heavily on our financial performance and the value of our ~~Common~~ **common** ~~Shares~~ **shares** . The current global financial market situation,

as well as various social and political circumstances in the U. S. and around the world, including wars and other forms of conflict, terrorist acts, security operations and catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes, adverse effects of climate crisis and global health epidemics, may contribute to increased market volatility and economic uncertainties or deterioration in the U. S. and worldwide. Additionally, the U. S. government' s credit and deficit concerns, the European sovereign debt crisis, and the potential trade war with China, could cause interest rates to be volatile, which may negatively impact our ability to access the debt markets on favorable terms. The impact of events described above on our portfolio companies could **affect** ~~impact their ability to make payments on their loans on a timely basis and may impact~~ their ability to continue making their loan payments on a timely basis or meeting their loan covenants. The inability of portfolio companies to make timely payments or meet loan covenants may in the future require us to undertake amendment actions with respect to our investments or to restructure our investments, which may include the need for us to make additional investments in our portfolio companies (including debt or equity investments) beyond any existing commitments, exchange debt for equity, or change the payment terms of our investments to permit a portfolio company to pay a portion of its interest through payment- in-kind, which would defer the cash collection of such interest and add it to the principal balance, which would generally be due upon repayment of the outstanding principal. Adverse developments in the credit markets may impair our ability to enter into new debt financing arrangements. During the economic downturn in the United States that began in mid- 2007, many commercial banks and other financial institutions stopped lending or significantly curtailed their lending activity. In addition, in an effort to stem losses and reduce their exposure to segments of the economy deemed to be high risk, some financial institutions limited refinancing and loan modification transactions and reviewed the terms of existing facilities to identify bases for accelerating the maturity of existing lending facilities. If these conditions recur, it may be difficult for us to enter into a new credit or other borrowing facility, obtain other financing to finance the growth of our investments, or refinance any outstanding indebtedness on acceptable economic terms, or at all **. We may experience fluctuations in our quarterly operating results** . We could experience fluctuations in our quarterly operating results due to a number of factors, including the interest rate payable on the loans and debt securities we acquire, the default rate on such loans and securities, the level of our expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our markets and general economic conditions. In light of these factors, results for any period should not be relied upon as being indicative of performance in future periods. We are dependent on information systems and systems failures could significantly disrupt our business, which may, in turn, negatively affect our liquidity, financial condition or results of operations. Our business is dependent on our and third parties' communications and information systems. Further, in the ordinary course of our business we or our investment adviser may engage certain third party service providers to provide us with services necessary for our business. Any failure or interruption of those systems or services, including as a result of the termination or suspension of an agreement with any third- party service providers, could cause delays or other problems in our business activities. Our financial, accounting, data processing, backup or other operating systems and facilities may fail to operate properly or become disabled or damaged as a result of a number of factors including events that are wholly or partially beyond our control and adversely affect our business. There could be: • sudden electrical or telecommunications outages; • natural disasters such as earthquakes, tornadoes and hurricanes; • disease pandemics; • events arising from local or larger scale political or social matters, including terrorist acts; and • cyber- attacks. These events, in turn, could have a material adverse effect on our business, financial condition and operating results and negatively affect the NAV of our ~~Common~~ **common** ~~Shares~~ **shares** and our ability to pay dividends to our common stockholders **. Cybersecurity risks and cyber incidents may adversely affect our business by causing a disruption to our operations, a compromise or corruption of its confidential information and / or damage to its business relationships** . A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of our information resources. These incidents may be an intentional attack or an unintentional event and could involve gaining unauthorized access to our information systems for purposes of misappropriating assets, stealing confidential information, corrupting data or causing operational disruption. The result of these incidents may include disrupted operations, misstated or unreliable financial data, liability for stolen information, misappropriation of assets, increased cybersecurity protection and insurance costs, litigation and damage to our business relationships. This could result in significant losses, reputational damage, litigation, regulatory fines or penalties, or otherwise adversely affect our business, financial condition or results of operations. In addition, we may be required to expend significant additional resources to modify its protective measures and to investigate and remediate vulnerabilities or other exposures arising from operational and security risks. We face risks posed to our information systems, both internal and those provided to it by third- party service providers. We, our investment adviser and its affiliates have implemented processes, procedures and internal controls to help mitigate cybersecurity risks and cyber intrusions, but these measures, as well as our increased awareness of the nature and extent of a risk of a cyber- incident, may be ineffective and do not guarantee that a cyber- incident will not occur or that our financial results, operations or confidential information will not be negatively impacted by such an incident. Third parties with which we do business (including those that provide services to us) may also be sources or targets of cybersecurity or other technological risks. We outsource certain functions and these relationships allow for the storage and processing of our information and assets, as well as certain investor, counterparty, employee and borrower information. While we engage in actions to reduce our exposure resulting from outsourcing, ongoing threats may result in unauthorized access, loss, exposure or destruction of data, or other cybersecurity incidents, with increased costs and other consequences, including those described above. Privacy and information security laws and regulation changes, and compliance with those changes, may also result in cost increases due to system changes and the development of new administrative processes.