Risk Factors Comparison 2024-03-14 to 2023-03-16 Form: 10-K

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

Investing in our securities involves ~~certain~~ **a high degree of** ~~risks~~ **risk, including those** relating to our structure and investment objective. You should carefully consider these risk factors, together with all of the other information included in this report, before you decide whether to make an investment in our securities. The risks set forth below are not the only risks we face, and we may face other risks that we have not yet identified, which we do not currently deem material or which are not yet predictable. If any of the following risks occur, our business, financial condition and results of operations could be materially adversely affected. In such case, our NAV and the trading price of our shares of common stock could decline, and you may lose all or part of your investment. Risks Relating to Our Business and Structure Our board of directors may change our operating policies and strategies without prior notice or shareholder approval, the effects of which may be adverse to our results of operations and financial condition. Our board of directors has the authority to modify or waive our current operating policies, investment criteria and strategies without prior notice and without shareholder approval. We cannot predict the effect any changes to our current operating policies, investment criteria and strategies would have on our business, **NAV** ~~net asset value~~, operating results ~~and~~ **or** trading price of our **common** stock. However, the effects might be adverse, which could negatively impact our ability to pay shareholders distributions and cause shareholders to lose all or part of their investment. Price declines in the medium- and large- sized U. S. corporate debt market may adversely affect the fair value of our portfolio, reducing our **NAV** ~~net asset value~~ through increased net unrealized depreciation. Conditions in the medium- and large- sized U. S. corporate debt market may deteriorate, as seen during the 2008 financial crisis and the 2020 outbreak of the COVID- 19 pandemic, which may cause pricing levels to similarly decline or be volatile. During the financial crisis and the 2020 outbreak of the COVID- 19 pandemic, many institutions were forced to raise cash by selling their interests in performing assets in order to satisfy margin requirements or the equivalent of margin requirements imposed by their lenders and / or, in the case of hedge funds and other investment vehicles, to satisfy widespread redemption requests. This resulted in a forced deleveraging cycle of price declines, compulsory sales, and further price declines, with falling underlying credit values, and other constraints resulting from the credit crisis **and the pandemic** generating further selling pressure. If similar events occurred in the medium- and large- sized U. S. corporate debt market, our **NAV** ~~net asset value~~ could decline through an increase in unrealized depreciation and incurrence of realized losses in connection with the sale of our investments, which could have a material adverse impact on our business, financial condition and results of operations. Our ability to achieve our investment objective depends on the ability of CIM to manage and support our investment process. If CIM was to lose any members of its senior management team, our ability to achieve our investment objective could be significantly harmed. Since we have no employees, we depend on the investment expertise, skill and network of business contacts of the broader networks of CIM and its affiliates. CIM evaluates, negotiates, structures, executes, monitors and services our investments. Our future success depends to a significant extent on the continued service and coordination of CIM and its senior management team. The departure of any members of CIM' s senior management team could have a material adverse effect on our ability to achieve our investment objective. Our ability to achieve our investment objective depends on CIM' s ability to identify and analyze, and to invest in, finance and monitor companies that meet our investment criteria. CIM' s capabilities in structuring the investment process, providing competent, attentive and efficient services to us, and facilitating access to financing on acceptable terms depend on the employment of investment professionals in an adequate number and of adequate sophistication to match the corresponding flow of transactions. To achieve our investment objective, CIM may need to hire, train, supervise and manage new investment professionals to participate in our investment selection and monitoring process. CIM may not be able to find investment professionals in a timely manner or at all. Failure to support our investment process could have a material adverse effect on our business, financial condition and results of operations. The investment advisory agreement between CIM and us has been approved pursuant to Section 15 of the 1940 Act. In addition, the investment advisory agreement has termination provisions that allow the parties to terminate the agreement. The investment advisory agreement may be terminated at any time, without penalty, by us or by CIM, upon 60 days' notice. If the agreement is terminated, it may adversely affect the quality of our investment opportunities. In addition, in the event such agreement is terminated, it may be difficult for us to replace CIM. Because our business model depends to a significant extent upon relationships with public and private lenders, selected middle- market private equity sponsors, large private equity sponsors (on a limited basis), investment banks and commercial banks, the inability of CIM or its affiliates to maintain or develop these relationships, or the failure of these relationships to generate investment opportunities, could adversely affect our business. CIM depends on its broader organizations' relationships with public and private lenders, selected middle- market private equity sponsors, large private equity sponsors (on a limited basis), investment banks and commercial banks, and we rely to a significant extent upon these relationships to provide us with potential investment opportunities. If CIM or its affiliates fail to maintain their existing relationships or develop new relationships with other sponsors or sources of investment opportunities, we may not be able to grow our investment portfolio. In addition, individuals with whom CIM has relationships are not obligated to provide us with investment opportunities, and, therefore, there is no assurance that such relationships will generate investment opportunities for us. We may face increasing competition for investment opportunities, which could delay deployment of our capital, reduce returns and result in losses. We compete for investments with other BDCs and investment funds (including private equity funds, mezzanine funds and funds that invest in CLOs, structured notes, derivatives and other types of collateralized securities and structured products), as well as traditional financial services companies such as commercial banks and other sources of funding. Moreover, alternative investment vehicles, such as hedge funds, have invested in areas in which they have not traditionally invested, including making investments in small to mid- sized private U. S. companies. As a result of these new entrants, competition for investment opportunities in small and middle- market private U. S. companies ~~may~~ **has** ~~intensify~~ **intensified** . Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. For example, some competitors may have a lower cost of capital and 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 than we have. These characteristics could allow our competitors to consider a wider variety of investments, establish more relationships and offer better pricing and more flexible structuring than we are able to do. We may lose investment opportunities if we do not match our competitors' pricing, terms or structure. If we are forced to match our competitors' pricing, terms or structure, we may not be able to achieve acceptable returns on our investments or may bear substantial risk of capital loss. A significant increase in the number and / or the size of our competitors in our target market could force us to accept less attractive investment terms ~~. Furthermore, many of our competitors have greater experience operating under, or are not subject to, the regulatory restrictions that the 1940 Act imposes on us as a BDC~~ . As required by the 1940 Act, a significant portion of our investment portfolio is and will be recorded at fair value as determined in good faith by our board of directors and, as a result, there is and will be uncertainty as to the value of our portfolio investments. Under the 1940 Act, we are required to carry our portfolio investments at market value or, if there is no readily available market value, at fair value as determined by our board of directors, including through delegation to CIM as our valuation designee. There is not a public market for the securities of the privately held companies in which we invest. Most of our investments will not be publicly traded or actively traded on a secondary market. As a result, we value these securities quarterly at fair value as determined in good faith by our board of directors as required by the 1940 Act. Certain factors that may be considered in determining the fair value of our investments include investment dealer quotes for securities traded on the secondary market for institutional investors, the nature and realizable value of any collateral, the portfolio company' s earnings and its ability to make payments on its indebtedness, the markets in which the portfolio company does business, comparison to comparable publicly- traded companies, discounted cash flow and other relevant factors. As a result, our determinations of fair value may differ materially from the values that would have been used if a ready market for these non- traded securities existed. Due to this uncertainty, our fair value determinations may cause our **NAV** ~~net asset value~~ on a given date to materially differ from the value that we may ultimately realize upon the sale of one or more of our investments. There is a risk that investors in our common stock may not receive distributions or that our distributions may not grow over time. We may not maintain investment results that will allow us to ~~make~~ **pay** a specified level of distributions or year- to- year increases in distributions. In addition, due to the asset coverage test applicable to us as a BDC, we may be limited in our ability to make distributions. The amount of any distributions we may pay is uncertain and our distributions may exceed our earnings. Therefore, portions of the distributions that we pay may represent a return of capital to shareholders that will lower their tax basis in their common stock ~~and reduce the amount of funds we have for investment in targeted assets~~ . We may fund our distributions to shareholders from any sources of funds available to us, including borrowings, net investment income from operations, capital gains proceeds from the sale of assets, non- capital gains proceeds from the sale of assets, and dividends or other distributions paid to us on account of preferred and common equity investments in portfolio companies. 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 section. 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 discretion of our board of directors and will depend on our earnings, our financial condition, maintenance of our RIC status, compliance with applicable BDC regulations, compliance with the terms, conditions and covenants in our financing arrangements, and such other factors as our board of directors may deem relevant from time to time. We cannot assure investors that we will continue to pay distributions to our shareholders in the future. **The tax treatment and characterization of our distributions may vary significantly from time to time due to the nature of our investments. The ultimate tax characterization of our distributions paid during a tax year may not finally be determined until after the end of that tax year. We may pay distributions during a tax year that exceed our investment company taxable income and net capital gains for that tax year.** In **such a situation,** the **amount by which our total distributions exceed** ~~event that we encounter delays in locating suitable~~ investment ~~opportunities~~ **company taxable income and net capital gains generally would be treated as a return of capital up to the amount of a shareholder' s tax basis in the shares, with any amounts exceeding such tax basis treated as a gain from the sale or exchange of such shares. A return of capital generally is a return of a shareholder' s investment rather than a return of earnings or gains derived from our investment activities. Moreover** , we may pay all or a substantial portion of our distributions from the proceeds of **the sale of shares of our common stock (if any)** ~~our~~ - **or from** borrowings in anticipation of future cash flow, which ~~may~~ **could** constitute a return of shareholders' capital **and will lower such** ~~. A return of capital is a return of~~ shareholders' **tax** ~~investment, rather than a return of earnings or gains derived from our investment activities. A shareholder will not be subject to immediate taxation on the amount of any distribution treated as a return of capital to the extent of the shareholder' s~~ basis in ~~its~~ **our** shares ~~; however~~ , ~~the~~ **which may result in increased tax liability to** ~~shareholder~~ **shareholders when they sell such** ~~' s basis in its~~ shares ~~will be reduced (but not below zero) by the amount of the return of capital, which will result in the shareholder recognizing additional gain (or a lower loss) when the shares are sold. To the extent that the amount of the return of capital exceeds the shareholder' s basis in its shares, such excess amount will be treated as gain from the sale of the shareholder' s shares. A shareholder' s basis in the investment will be reduced by the nontaxable amount, which will result in additional gain (or a lower loss) when the shares are sold. Distributions from the proceeds of our borrowings also could reduce the amount of capital we ultimately invest in our portfolio companies~~ . Changes in laws or regulations governing our operations may adversely affect our business or cause us to alter our business strategy. We and our portfolio companies are subject to regulation at the local, state and federal level. New legislation may be enacted or new interpretations, rulings or regulations could be adopted, including those governing the types of investments we are permitted to make, any of which could harm us and our shareholders, potentially with retroactive effect. Additionally, any changes to the laws and regulations governing our operations relating to permitted investments may cause us to alter our investment strategy to avail ourselves of new or different opportunities. Such changes could result in material differences to our strategies and plans as set forth herein and may result in our investment focus shifting from the areas of expertise of CIM to other types of investments in which CIM may have less expertise or little or no experience. Thus, any such changes, if they occur, could have a material adverse effect on our financial condition and results of operations and the value of a shareholder' s investment. 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 non- compliance with 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. Our management is required to report on our internal control over financial reporting pursuant to Section 404 of the Sarbanes- Oxley Act. 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. Maintaining an effective system of internal controls may require significant expenditures, which may negatively impact our financial performance and our ability to pay distributions. 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 maintain an effective system of internal controls and maintain compliance with the Sarbanes- Oxley Act and related rules, we may be adversely affected. Due to our Listing, we are no longer a " non- accelerated filer " as defined in Rule 12b- 2 of the Exchange Act and as a result ~~, commencing with this Annual Report on Form 10- K for the year ended December 31, 2022~~ , we are required to comply with the independent auditor attestation requirements of Section 404 (b) of the Sarbanes- Oxley Act. Complying with Section 404 (b) requires a rigorous compliance program as well as adequate time and resources. We are subject to significant documentation and administrative burdens as a result of being required to comply with Section 404 (b), which will require us to utilize additional resources, and our internal controls may not be determined to be effective, which may adversely affect investor confidence in us and, as a result, the value of our securities. We may experience fluctuations in our quarterly results. We could experience fluctuations in our quarterly operating results due to a number of factors, including our ability or inability to make investments in companies that meet our investment criteria, the interest rate payable on the debt securities we acquire, the level of our expenses (including our borrowing costs), 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. As a result of these factors, results for any previous period should not be relied upon as being indicative of performance in future periods. Any unrealized losses we experience on our portfolio may be an indication of future realized losses, which could reduce our income available for distribution. As a BDC, we are required to carry our investments at market value or, if no market value is ascertainable, at fair value as determined in good faith by our board of directors, including through delegation to CIM as our valuation designee. Decreases in the market value or fair value of our investments relative to amortized cost will be recorded as unrealized depreciation. Any unrealized losses in our portfolio could be an indication of a portfolio company' s inability to meet its repayment obligations to us with respect to the affected loans. This could result in realized losses in the future and ultimately in reductions of our income available for distribution in future periods. In addition, decreases in the market value or fair value of our investments will reduce our **NAV** ~~net asset value~~ . Risks Relating to CIM and its Affiliates CIM and its affiliates, including our officers and some of our directors, face conflicts of interest caused by compensation arrangements with us and our affiliates, which could result in actions that are not in the best interests of our shareholders. CIM and its affiliates receive substantial fees from us in return for their services, and these fees could influence the advice provided to us. Among other matters, the decision to utilize leverage will increase our assets and, as a result, will increase the amount of management fees payable to CIM and may increase the amount of subordinated income incentive fees payable to CIM. We may be obligated to pay CIM incentive compensation even if we incur a net loss due to a decline in the value of our portfolio. Our investment advisory agreement entitles CIM to receive incentive compensation on income regardless of any capital losses. In such case, we may be required to pay CIM incentive compensation for a fiscal quarter even if there is a decline in the value of our portfolio or if we incur a net loss for that quarter. Any incentive fee payable by us that relates to our net investment income may be computed and paid on income that may include interest that has been accrued, but not yet received, including original issue discount, which may arise if we receive warrants in connection with the origination of a loan or possibly in other circumstances, or contractual PIK interest, which represents contractual interest added to the loan balance and due at the end of the loan term. To the extent we do not distribute accrued PIK interest, the deferral of PIK interest has the simultaneous effects of increasing the assets under management and increasing the base management fee at a compounding rate, while generating investment income and increasing the incentive fee at a compounding rate. In addition, the deferral of PIK interest would also increase the loan- to- value ratio at a compounding rate if the issuer' s assets do not increase in value, and investments with a deferred interest feature, such as PIK interest, may represent a higher credit risk than loans on which interest must be paid in full in cash on a regular basis. For example, if a portfolio company defaults on a loan that is structured to provide accrued interest, it is possible that accrued interest previously included in the calculation of the incentive fee will become uncollectible. CIM is not under any obligation to reimburse us for any part of the incentive fee it received that was based on accrued income that we never received as a result of a default by an entity on the obligation that resulted in the accrual of such income, and such circumstances would result in our paying an incentive fee on income we never received. There may be conflicts of interest related to obligations that CIM' s senior management and investment teams have to other clients. The members of the senior management and investment teams of CIM ~~serve or~~ may serve as officers, directors or principals of entities that operate in the same or a related line of business as we do, or of investment funds managed by the same personnel. 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 our best interests or in the best interest of our shareholders. Our investment objective may overlap with the investment objectives of such investment funds, accounts or other investment vehicles. In particular, we rely on CIM to manage our day- to- day activities and to implement our investment strategy. CIM and certain of its affiliates are presently, and plan in the future to continue to be, involved with activities that are unrelated to us. As a result of these activities, CIM, its officers and employees and certain of its affiliates will have conflicts of interest in allocating their time between us and other activities in which they are or may become involved, including the management of its affiliated funds. CIM and its officers and employees will devote only as much of its or their time to our business as CIM and its officers and employees, in their judgment, determine is reasonably required, which may be substantially less than their full time. Our base management and incentive fees may induce CIM to make and identify speculative investments or to incur additional leverage. The incentive fee payable by us to CIM may create an incentive for it to make investments on our behalf that are risky or more speculative than would be the case in the absence of such compensation arrangement. The way in which the incentive fee payable to CIM is determined may encourage it to use leverage to increase the return on our investments. The part of the management and incentive fees payable to CIM that relates 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, such as market discount, debt instruments with PIK interest, preferred stock with PIK dividends and zero- coupon securities. This fee structure may be considered to involve a conflict of interest for CIM to the extent that it may encourage CIM to favor debt financings that provide for deferred interest, rather than current cash payments of interest. In addition, the fact that our base management fee is payable based upon our gross assets, which would include any borrowings for investment purposes, may encourage CIM to use leverage to make additional investments. Under certain circumstances, the use of leverage may increase the likelihood of default, which would disfavor holders of our common stock. Such a practice could result in our investing in more speculative securities than would otherwise be in our best interests, which could result in higher investment losses, particularly during cyclical economic downturns. CIM relies on key personnel, the loss of any of whom could impair its ability to successfully manage us. Our future success depends, to a significant extent, on the continued services of the officers and employees of CIM ~~or~~ **and** its affiliates. The loss of services of one or more members of CIM' s management team, including members of our investment committee, could adversely affect our financial condition, business and results of operations. The compensation we pay to CIM was determined without independent assessment on our behalf, and these terms may be less advantageous to us than if such terms had been the subject of arm' s- length negotiations. The compensation we pay to CIM was not entered into on an arm' s- length basis with an unaffiliated third party. As a result, the form and amount of such compensation may be less favorable to us than they might have been had these been entered into through arm' s- length transactions with an unaffiliated third party. CIM' s influence on conducting our operations gives it the ability to increase its fees, which may reduce the amount of cash flow available for distribution to our shareholders. CIM is paid a base management fee calculated as a percentage of our gross assets and unrelated to net income or any other performance base or measure. CIM may advise us to consummate transactions or conduct our operations in a manner that, in CIM' s reasonable discretion, is in the best interests of our shareholders. These transactions, however, may increase the amount of fees paid to CIM. CIM' s ability to influence the base management fee paid to it by us could reduce the amount of cash flow available for distribution to our shareholders. Risks Relating to Business Development Companies The requirement that we invest a sufficient portion of our assets in qualifying assets could preclude us from investing in accordance with our current business strategy; conversely, the failure to invest a sufficient portion of our assets in qualifying assets could result in our failure to maintain our status as a BDC. As a BDC, we may not acquire any assets other than " qualifying assets " unless, at the time of and after giving effect to such acquisition, at least 70 % of our total assets are qualifying assets. See " Item 1. Business – Regulation. " Therefore, we may be precluded from investing in what we believe are attractive investments if such investments are not qualifying assets. Conversely, if we fail to invest a sufficient portion of our assets in qualifying assets, we could lose our status as a BDC, which would have a material adverse effect on our business, financial condition and results of operations. Similarly, these rules could prevent us from making additional investments in existing portfolio companies, which could result in the dilution of our position, or could require us to dispose of investments at an inopportune time to comply with the 1940 Act. If we were forced to sell non- qualifying investments in the portfolio for compliance purposes, the proceeds from such sale could be significantly less than the current value of such investments. Failure to maintain our status as a BDC would reduce our operating flexibility. If we do not remain a BDC, we might be regulated as a registered closed- end investment company under the 1940 Act, which would subject us to substantially more regulatory restrictions under the 1940 Act and correspondingly decrease our operating flexibility. Regulations governing our operation as a BDC and RIC will affect our ability to raise, and the way in which we raise, additional capital or borrow for investment purposes, which may have a negative effect on our growth. As a result of the annual distribution requirement to maintain status as a RIC, we may need to periodically access the capital markets to raise cash to fund new investments. We may issue " senior securities, " as defined under the 1940 Act, including borrowing money from banks or other financial institutions, only in amounts such that our asset coverage, as defined in the 1940 Act, equals at least 150 % after such incurrence or issuance (effective on December 31, 2021, after we obtained the requisite shareholder approval and otherwise continue to satisfy disclosure requirements in accordance with the 1940 Act). Our ability to issue different types of securities is also limited. Compliance with these requirements may unfavorably limit our investment opportunities and reduce our ability in comparison to other companies to profit from favorable spreads between the rates at which we can borrow and the rates at which we can lend. We have borrowed for investment purposes. If the value of our assets declines, we may be unable to satisfy the asset coverage test, which would prohibit us from paying distributions and could prevent us from qualifying as a RIC. If we cannot satisfy the asset coverage test, we may be required to sell a portion of our investments and, depending on the nature of our financing arrangements, repay a portion of our indebtedness at a time when such sales may be disadvantageous. Under the 1940 Act, we generally are prohibited from issuing or selling our common stock at a price per share, after deducting selling commissions and dealer manager fees, that is below our **NAV** ~~net asset value~~ per share, which may be a disadvantage as compared with other public companies. However, in ~~2022~~ **2023** we obtained, and in ~~2023~~ **2024** we intend to again seek, the approval of our shareholders to issue shares of our common stock at prices below the then current NAV per share of our common stock in accordance with the 1940 Act. We may also, however, sell our common stock, or warrants, options or rights to acquire our common stock, at a price below the current **NAV** ~~net asset value~~ of our common stock if our board of directors, including our independent directors, determine that such sale is in our best interests and the best interests of our shareholders, and our shareholders, as well as those shareholders 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 of directors, closely approximates the fair value of such securities. Our ability to enter into transactions with our affiliates is restricted. We are prohibited under the 1940 Act from participating in certain transactions with certain of our affiliates without the prior approval of a majority of the independent members of our board of directors and, in some cases, the SEC. Any person that owns, directly or indirectly, 5 % or more of our outstanding voting securities will be our affiliate for purposes of the 1940 Act and generally we will be prohibited from buying or selling any securities from or to such affiliate, absent the prior approval of our board of directors. The 1940 Act also prohibits certain " joint " transactions with certain of our affiliates, which could include investments in the same portfolio company (whether at the same or closely related times), without prior approval of our board of directors and, in some cases, the SEC. If a person acquires more than 25 % of our voting securities, we will be prohibited from buying or selling any security from or to such person or certain of that person' s affiliates, or entering into prohibited joint transactions with such persons, absent the prior approval of the SEC. Similar restrictions limit our ability to transact business with our officers, directors, CIM or their respective affiliates. As a result of these restrictions, we may be prohibited from buying or selling any security from or to any fund or any portfolio company of a fund managed by CIM or entering into joint arrangements such as certain co- investments with these companies or funds without the prior approval of the SEC, which may limit the scope of investment opportunities that would otherwise be available to us. Although on August 30, 2022, we, CIM and certain of our affiliates were granted ~~an~~ **the** ~~order~~ **Order** for exemptive relief by the SEC for us to co- invest with other funds managed by CIM or certain affiliates, our board of directors or CIM' s investment committee may determine that we should not participate in a co- investment transaction. We are uncertain of our sources for funding our future capital needs; if we cannot obtain debt or equity financing on acceptable terms, our ability to acquire investments and to expand our operations will be adversely affected. **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 existing debt obligations to the extent such maturing obligations are not repaid with availability under our secured credit facilities, which include the JPM Credit Facility and the UBS Facility, or cash flows from operations.** Our working capital is used for our investment opportunities, operating expenses and for payment of various fees and expenses such as base management fees, incentive fees and other expenses. Any working capital reserves we maintain may not be sufficient for investment purposes, and we may require additional debt or equity financing to operate. Accordingly, in the event that we develop a need for additional capital in the future for investments or for any other reason, these sources of funding may not be available to us. Consequently, if we cannot obtain debt or equity financing on acceptable terms, our ability to acquire investments and to expand our operations will be adversely affected. As a result, we would be less able to maintain a broad portfolio of investments and achieve our investment objective, which may negatively impact our results of operations and reduce our ability to ~~make~~ **pay** distributions to our shareholders. We are a non- diversified investment company within the meaning of the 1940 Act, and therefore we are not limited with respect to the proportion of our assets that may be invested in securities of a single issuer. We are classified as a non- diversified investment company within the meaning of the 1940 Act, which means that we are not limited by the 1940 Act with respect to the proportion of our assets that we may invest in securities of a single issuer. Under the 1940 Act, a " diversified " investment company is required to invest at least 75 % of the value of its total assets in cash and cash items, government securities, securities of other investment companies and other securities limited in respect of any one issuer to an amount not greater than 5 % of the value of the total assets of such company and no more than 10 % of the outstanding voting securities of such issuer. As a non- diversified investment company, we are not subject to this requirement. To the extent that we assume large positions in the securities of a small number of issuers, or within a particular industry, our **NAV** ~~net asset value~~ may fluctuate to a greater extent than that of a diversified investment company as a result of changes in the financial condition or the market' s assessment of the issuer. We may also be more susceptible to any single economic or regulatory occurrence than a diversified investment company or to a general downturn in the economy. However, we will be subject to the diversification requirements applicable to RICs under Subchapter M of the Code. ~~We are subject~~ **Increasing scrutiny from stakeholders and regulators with respect** to ~~risks related to~~ **ESG matters and** corporate social responsibility **may impose additional costs and expose us to additional risks** . Our business (including that of our portfolio companies) faces increasing public scrutiny related to **environmental, social and governance, or** ESG **,** activities, which are increasingly considered to contribute to reducing a company' s operational risk, market risk and reputational risk, which may in turn impact 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 **ratings and** measures to their investment decisions. Our brand and reputation may be negatively impacted if we fail to act responsibly in a number of areas, including, but not limited to, diversity, equity and inclusion, human rights, climate change and environmental stewardship, **support for local communities,** corporate governance **,** and **transparency and** ~~considering~~ **consideration of** ESG factors in our investment processes. Adverse incidents with respect to ESG activities could impact the value of our brand, our ~~relationships~~ - **relationship** with existing and future portfolio companies, the cost of our operations and ~~our~~ relationships with investors, all of which could adversely affect our business and results of operations **. However, regional**

and investor specific sentiment may differ in what constitutes a material positive or negative ESG corporate practice. There is no guarantee that our ESG and sustainability practices will uniformly fit every investor' s definition of best practices for all ESG considerations across geographies and investor types. If we do not successfully manage expectations across varied stakeholder interests, it could erode stakeholder trust, impact our reputation, and constrain our investment opportunities . Additionally, new regulatory initiatives related to ESG that are applicable to us and our portfolio companies could adversely affect our business. For example, **in May 2018, the European Commission adopted an " action plan on financing sustainable growth. " The action plan is, among** ~~the~~ **other** ~~SEC has announced that it may require~~ **things, designed to define and reorient investment toward sustainability. The action plan contemplates: establishing European Union, or EU, labels for green financial products; clarifying asset managers' and institutional investors' duties regarding sustainability in their investment decision- making processes; increasing** disclosure ~~of certain~~ **requirements in the financial services sector around** ESG ~~- related matters, including with respect~~ **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 ~~corporate~~ **incorporate climate risks into banks'** and **insurance companies' risk** ~~fund carbon emissions, board diversity and human capital~~ 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 " greenwashing " (i. e., the holding out of a product as having green or sustainable characteristics where this is not, in fact, the case). ~~At this time,~~ **We and our portfolio companies are subject to the risk that similar measures might be introduced in** ~~there~~ - **other jurisdictions in the future. There** is ~~uncertainty~~ **also a growing regulatory interest across jurisdictions in improving transparency** regarding the ~~scope~~ **definition, measurement and disclosure** of **ESG factors in order to** ~~such proposals or when they would become effective (if at all~~ **allow** ~~)~~ **investors to validate and better understand sustainability claims** . In ~~addition, in~~ 2021, the SEC established an enforcement task force to look into ESG practices and disclosures by public companies and investment managers and has started to bring enforcement actions based on ESG disclosures not matching actual investment processes. ~~There~~ **Further, in 2022, the SEC issued a proposed rule regarding the enhancement and standardization of mandatory climate- related disclosures for investors that would mandate extensive disclosure of climate- related data, risks, and opportunities for certain public companies. In addition, the SEC has announced that it** is ~~also a growing regulatory interest across jurisdictions in improving transparency~~ **working on proposals for mandatory disclosure of certain ESG- related matters, including with respect to board diversity and human capital management. At this time, there is uncertainty** regarding the **scope** ~~definition, measurement and disclosure~~ of ~~ESG factors in order to~~ **such proposals or when they would become effective (if at** ~~allow~~ -- **all)** ~~investors to validate and better understand sustainability claims~~ . Compliance with any new laws or regulations 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. Risks Relating to Our Investments Our investments in prospective portfolio companies may be risky, and we could lose all or part of our investment. We invest and intend to invest in the following types of loans of private and thinly- traded U. S. middle- market companies. Senior Secured Debt. First Lien Loans and Second Lien Loans. When we invest in senior secured term debt, including first lien loans and second lien loans, we will generally take a security interest in the available assets of these portfolio companies, including the equity interests of their subsidiaries. We expect this security interest to help mitigate the risk that we will not be repaid. However, there is a risk that the collateral securing our loans may decrease in value over time or lose its entire value, may be difficult to sell in a timely manner, may be difficult to appraise and may fluctuate in value based upon the success of the business and market conditions, including as a result of the inability of the portfolio company to raise additional capital. Also, in some circumstances, our security interest could be subordinated to claims of other creditors. In addition, deterioration in a portfolio company' s financial condition and prospects, including its inability to raise additional capital, may be accompanied by deterioration in the value of the collateral for the loan. Consequently, the fact that a loan is secured does not guarantee that we will receive principal and interest payments according to the loan' s terms, or at all, or that we will be able to collect on the loan should we be forced to enforce our remedies. Unitranche Loans. We also expect to invest in unitranche loans, which are loans that combine both senior and subordinated financing, generally in a first- lien position. Unitranche loans provide all of the debt needed to finance a leveraged buyout or other corporate transaction, both senior and subordinated, but generally in a first lien position, while the borrower generally pays a blended, uniform interest rate rather than different rates for different tranches. Unitranche debt generally requires payments of both principal and interest throughout the life of the loan. Unitranche debt generally has contractual maturities of five to six years and interest is typically paid quarterly. Generally, we expect these securities to carry a blended yield that is between senior secured and subordinated debt interest rates. Unitranche loans provide a number of advantages for borrowers, including the following: simplified documentation, greater certainty of execution and reduced decision- making complexity throughout the life of the loan. In addition, we may receive additional returns from any warrants we may receive in connection with these investments. In some cases, a portion of the total interest may accrue or be paid in kind. Because unitranche loans combine characteristics of senior and subordinated financing, unitranche loans have risks similar to the risks associated with senior secured debt, including first lien loans and second lien loans, and subordinated debt in varying degrees according to the combination of loan characteristics of the unitranche loan. Unsecured Debt. Our unsecured debt, including corporate bonds and subordinated, or mezzanine, investments will generally rank junior in priority of payment to senior debt. This may result in a heightened level of risk and volatility or a loss of principal, which could lead to the loss of the entire investment. These investments may involve additional risks that could adversely affect our investment returns. To the extent interest payments associated with such debt are deferred, such debt may be subject to greater fluctuations in valuations, and such debt could subject us and our shareholders to non- cash income, including PIK interest and original issue discount. Loans structured with these features may represent a higher level of credit risk than loans that require interest to be paid in cash at regular intervals during the term of the loan. Since we generally will not receive any principal repayments prior to the maturity of some of our unsecured debt investments, such investments will have greater risk than amortizing loans. Collateralized Securities, Structured Products and Other. We may also invest in collateralized securities, structured products and other similar securities, which may include CDOs, CBOs, CLOs, structured notes and credit- linked notes. Investments in such securities and products involve risks, including, without limitation, credit risk and market risk. Certain of these securities and products may be thinly traded or have a limited trading market. Where our investments in collateralized securities, structured products and other similar securities are based upon the movement of one or more factors, including currency exchange rates, interest rates, reference bonds (or loans) and stock indices, depending on the factor used and the use of multipliers or deflators, changes in interest rates and movement of any factor may cause significant price fluctuations. Additionally, changes in the reference instrument or security may cause the interest rate on such a security or product to be reduced to zero, and any further changes in the reference instrument may then reduce the principal amount payable on maturity of the security or product. Collateralized securities, structured products and other similar securities may be less liquid than other types of securities and more volatile than the reference instrument or security underlying the product. Equity Investments. We make selected equity investments. In addition, when we invest in senior secured debt, including first lien loans and second lien loans, or unsecured debt, we may acquire warrants to purchase equity securities. Our goal is ultimately to dispose of these 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. Non- U. S. Securities. We may invest in non- U. S. securities, which may include securities denominated in U. S. dollars or in non- U. S. currencies, to the extent permitted by the 1940 Act. Because evidence of ownership of such securities usually are held outside the United States, we would be subject to additional risks if we invested in non- U. S. securities, which include possible adverse political and economic developments, seizure or nationalization of foreign deposits and adoption of governmental restrictions, which might adversely affect or restrict the payment of principal and interest on the non- U. S. securities to investors located outside the country of the issuer, whether from currency blockage or otherwise. Since non- U. S. securities may be purchased with and payable in foreign currencies, the value of these assets as measured in U. S. dollars may be affected unfavorably by changes in current rates and exchange control regulations. Below- Investment Grade Debt Securities. In addition, we invest in debt securities that are rated below investment grade by rating agencies or that would be rated below investment grade if they were rated. Debt securities rated below investment grade quality are generally regarded as having predominantly speculative characteristics and may carry a greater risk with respect to a borrower' s capacity to pay interest and repay principal. They may also be difficult to value and illiquid. To the extent original issue discount constitutes a portion of our income, we will be exposed to risks associated with the deferred receipt of cash representing such income. Our investments may include original issue discount instruments. To the extent original issue discount constitutes a portion of our income, we will be exposed to typical risks associated with such income being required to be included in taxable and accounting income prior to receipt of cash, including the following: • Original issue discount instruments may have unreliable valuations because the accruals require judgments about collectability. • Original issue discount instruments may create heightened credit risks because the inducement to trade higher rates for the deferral of cash payments typically represents, to some extent, speculation on the part of the borrower. • For accounting purposes, distributions to shareholders representing original issue discount income do not come from paid- in capital, although they may be paid from offering proceeds **(if any) or borrowings** . Thus, although a distribution of original issue discount income comes from the cash invested by shareholders **or from borrowings** , the 1940 Act does not require that shareholders be given notice of this fact. • In the case of PIK " toggle " debt, the PIK election has the simultaneous effects of increasing our assets under management, thus increasing the base management fee, and increasing our investment income, thus increasing the potential for realizing incentive fees. • Since original issue discount will be included in our investment company taxable income for the year of the accrual, we may be required to make a distribution to our shareholders in order to satisfy the annual distribution requirement applicable to RICs, even if we will not have received any corresponding cash amount. As a result, we may have difficulty meeting such annual distribution requirement necessary to maintain RIC tax treatment under the Code. If we are not able to obtain cash from other sources, and choose not to make a qualifying share distribution, we may fail to qualify for RIC tax treatment and thus become subject to corporate- level income tax. • Original issue discount creates a risk of non- refundable cash payments to the advisor based on non- cash accruals that may never be realized. Our portfolio companies may incur debt that ranks equally with, or senior to, our investments in such companies. We intend to invest primarily in senior secured debt, including first lien loans, second lien loans and unitranche loans of private and thinly- traded U. S. middle- market companies. Our portfolio companies may have, or may be permitted to incur, other debt that ranks equally with, or senior to, the debt in which we invest. By their terms, such debt instruments may entitle the holders to receive payment of interest or principal on or before the dates on which we are entitled to receive payments with respect to the debt instruments in which we invest. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of debt instruments ranking senior to our investment in that portfolio company would typically be entitled to receive payment in full before we receive any payment or distribution. After repaying such senior creditors, such portfolio company may not have any remaining assets to use for repaying its obligation to us. In the case of debt ranking equally with debt instruments in which we invest, we would have to share on an equal basis any payments or distributions with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company. There may be circumstances where 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 file for bankruptcy, depending on the facts and circumstances, including the extent to which we actually provided managerial assistance to that portfolio company, a bankruptcy court might recharacterize our debt investment and subordinate all or a portion of our claim to that of other creditors.

We may also be subject to lender liability claims for actions taken by us with respect to a borrower' s business or instances where we exercise control over the borrower. We generally will not control our portfolio companies. We do not expect to control most of our portfolio companies, even though we may have board representation or board observation rights ~~,~~ and our debt agreements with such portfolio companies may contain certain restrictive covenants. As a result, we are subject to the risk that a portfolio company in which we invest may make business decisions with which we disagree and the management of such company, as representatives of the holders of the company' s common equity, may take risks or otherwise act in ways that do not serve our interests as debt investors. Due to the lack of liquidity for our investments in non- traded companies, we may not be able to dispose of our interests in our portfolio companies as readily as we would like or at an appropriate valuation. As a result, a portfolio company may make decisions that could decrease the value of our portfolio holdings. We are exposed to risks associated with changes in interest rates, including the current ~~rising~~ **high** interest rate environment. We are subject to financial market risks, including changes in interest rates. General interest rate fluctuations may have a substantial negative impact on our investments and investment returns and, accordingly, may have a material adverse effect on our ability to achieve our investment objective and our target rate of return on invested capital. In addition, an increase in interest rates would make it more expensive to use debt for our financing needs. Changing interest rates, including rates that fall below zero, may have unpredictable effects on markets, may result in heightened market volatility and may detract from our performance to the extent we are exposed to such interest rates and / or volatility. In periods of ~~rising~~ **high** interest rates, such as the current interest rate environment, to the extent we borrow money subject to a floating interest rate, our cost of funds would increase, which could reduce our net investment income. Further, ~~rising~~ **high** interest rates could also adversely affect our performance if such ~~increases~~ **rates** cause our borrowing costs to rise at a rate in excess of the rate that our investments yield. Further, ~~rising~~ **high** interest rates could also adversely affect our performance if we hold investments with floating interest rates, subject to specified minimum interest rates (such as a ~~LIBOR or~~ SOFR floor ~~, as applicable~~), while at the same time engaging in borrowings subject to floating interest rates not subject to such minimums. In such a scenario, ~~rising~~ **high** interest rates may increase our interest expense, even though our interest income from investments is not increasing in a corresponding manner as a result of such minimum interest rates. **In an effort** ~~Interest rates in the United States are currently at relatively low levels but have been steadily increasing~~ to combat ~~rising~~ inflation ~~. In February 2023~~ , the Federal Reserve ~~further raised interest~~ **increased the federal funds rate in 2023. Although the Federal Reserve left its benchmark** rates ~~by 0. 25 % and~~ **steady in the fourth quarter of 2023, it has** indicated that ~~,~~ **additional rate increases** in ~~light of~~ the ~~economic recovery and higher than anticipated~~ **future may be necessary to mitigate** ~~inflation~~ **inflationary** ~~(although slowing), it expects~~ **pressures and there can be no assurance that the Federal Reserve will not make upwards adjustments** to ~~further raise interest~~ **the federal funds rate in the future. However, there are reports that the Federal Reserve may begin to cut the benchmark** rates in ~~2023~~ **2024** ~~but at a less aggressive pace~~ . If general interest rates **remain high** ~~continue to rise~~ , there is a risk that the portfolio companies in which we hold floating rate securities will be unable to pay ~~escalating~~ **high** interest amounts, which could result in a default under their loan documents with us. ~~Rising~~ **High** interest rates could also cause portfolio companies to shift cash from other productive uses to the payment of interest, which may have a material adverse effect on their business and operations and could, over time, lead to increased defaults. In addition, ~~rising~~ **high** interest rates may increase pressure on us to provide fixed rate loans to our portfolio companies, which could adversely affect our net investment income, as increases in our cost of borrowed funds would not be accompanied by increased interest income from such fixed- rate investments. **Also, an increase in interest rates available to investors could make an investment in our common stock less attractive if we are not able to pay distributions at a level that provides a similar return, which could reduce the value of our common stock. A decrease in the general level of interest rates can be expected to lead to lower interest rates applicable to our portfolio investments and therefore lower net investment income available for distributions to shareholders.** The timing, number and amount of any such future interest rate ~~increases~~ **changes** are uncertain **and** ~~. The discontinuation of the~~ **there** ~~LIBOR benchmark~~ **can be no assurance that a significant change in market** interest ~~rate~~ **rates will not have a material** ~~could adversely affect the value of LIBOR - indexed, floating - rate debt securities in our portfolio or the cost of our borrowings, resulting in an~~ adverse effect on our **net investment income** ~~business, financial condition, and results of operations~~ . **Inflation** ~~National and international regulators and law enforcement agencies have conducted investigations into a number of rates or indices that are deemed to be " reference rates. " Actions by such regulators and law enforcement agencies may result in changes to the manner in which certain reference rates are determined, their discontinuance, or the establishment of alternative reference rates. In particular, on July 27, 2017, the Chief Executive of the U. K. Financial Conduct Authority, or the FCA, which regulates LIBOR, announced that the FCA will no longer persuade or compel banks to submit rates for the calculation of LIBOR after 2021. On November 30, 2020, ICE Benchmark Administration, or the IBA, the administrator of LIBOR tenors, with the support of the U. S. Federal Reserve and the FCA, announced plans to consult on ceasing publication of USD LIBOR on December 31, 2021 for only the one- week and two- month USD LIBOR. As of the date of this report, USD LIBOR is available in five settings (overnight, one- month, three- month, six- month and 12- month). The IBA~~ has ~~stated that it will cease to publish all remaining USD LIBOR settings immediately following their publication on June 30, 2023, absent subsequent action by the relevant authorities. The U. S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U. S. financial institutions, has identified SOFR, plus a recommended spread adjustment, as its preferred alternative rate for LIBOR. We expect that a substantial portion of our future floating rate investments will be linked to SOFR. At this time, it is not possible to predict the effect of the transition to SOFR. Although there have been an increasing number of issuances utilizing SOFR or the Sterling Over Night Index Average (the GBP- LIBOR nominated replacement alternative reference rate that is based on transactions), it is unknown whether SOFR or any other alternative reference rates will attain market acceptance as replacements for LIBOR. Given the inherent differences between LIBOR and SOFR, or any other alternative reference rates that may be established, the transition from LIBOR may disrupt the overall financial markets and~~ adversely ~~affect~~ **affected** ~~the market for LIBOR - based~~

~~securities, including our portfolio of LIBOR - indexed, floating - rate debt securities, or the cost of our borrowings. In addition, changes or reforms to the determination or supervision of LIBOR may result in a sudden or prolonged increase or decrease in reported LIBOR, which could have an~~ **and** ~~adverse impact on the market for LIBOR - based securities, including the value and / or transferability of the LIBOR - indexed, floating - rate debt securities in our portfolio, or the cost of our borrowings. The transition from LIBOR to SOFR or other alternative reference rates~~ may **continue** ~~also introduce operational risks in our accounting, financial reporting, loan servicing, liability management and other aspects of our business. We are in the process of transitioning our investments and our borrowings from LIBOR~~ to ~~SOFR and we do not expect that the transition will have a material impact on our business, financial condition or results of operations. Inflation may~~ adversely affect the business, results of operations and financial condition of our portfolio companies. Certain of our portfolio companies are in industries that ~~may be~~ **have been** impacted by inflation. ~~Recent~~ **Although the U. S. inflation rate has decreased in the fourth quarter of 2023, it remains well above the historic levels over the past several decades.** ~~inflationary~~ **Inflationary** pressures have increased the costs of labor, energy and raw materials and have adversely affected consumer spending, economic growth and certain of our portfolio companies' operations. If such portfolio companies are unable to pass any increases in their costs along to their customers, it could adversely affect their results and impact their ability to pay interest and principal on our loans, particularly if interest rates ~~continue to~~ **remain high or** rise **further** 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 unrealized losses and therefore reduce our net assets resulting from operations. While the United States and other developed economies are experiencing higher- than- normal inflation rates, it remains uncertain whether substantial inflation will be sustained over an extended period of time or have a significant effect on the U. S. economy or other economies. Inflation may affect our investments adversely in a number of ways, including those noted above. During periods of rising inflation, interest and dividend rates of any instruments we or our portfolio companies may have issued could increase, which would tend to reduce returns to our investors. Inflationary expectations or periods of rising inflation could also be accompanied by the rising prices of commodities that are critical to the operation of portfolio companies. Portfolio companies may have fixed income streams and, therefore, be unable to pay their debts when they become due. The market value of such investments may decline in value in times of higher inflation rates. Some of our portfolio investments may have income linked to inflation through contractual rights or other means. However, as inflation may affect both income and expenses, any increase in income may not be sufficient to cover increases in expenses. Governmental efforts to curb inflation often have negative effects on the level of economic activity. In an attempt to stabilize inflation, certain countries have imposed wage and price controls at times. Past governmental efforts to curb inflation have also involved more drastic economic measures that have had a materially adverse effect on the level of economic activity in the countries where such measures were employed. We can offer no assurance that continued and more widespread inflation in the United States and / or other economies will not become a serious problem in the future and have a material adverse impact on us. International investments create additional risks. We have made, and expect to continue to make, investments in portfolio companies that are domiciled outside of the United States. We anticipate that up to 30 % of our investments may be in assets located in jurisdictions outside the United States. Our investments in foreign portfolio companies are deemed " non- qualifying assets, " which means, as required by the 1940 Act, they may not constitute more than 30 % of our total assets at the time of our acquisition of any asset, after giving effect to the acquisition. Notwithstanding that limitation on our ownership of foreign portfolio companies, those investments subject us to many of the same risks as our domestic investments, as well as certain additional risks including the following: • foreign governmental laws, rules and policies, including those restricting the ownership of assets in the foreign country or the repatriation of profits from the foreign country to the United States; • foreign currency devaluations that reduce the value of and returns on our foreign investments; • adverse changes in the availability, cost and terms of investments due to the varying economic policies of a foreign country in which we invest; • adverse changes in tax rates, the tax treatment of transaction structures and other changes in operating expenses of a particular foreign country in which we invest; • the assessment of foreign- country taxes (including withholding taxes, transfer taxes and value added taxes, any or all of which could be significant) on income or gains from our investments in the foreign country; • adverse changes in foreign- country laws, including those relating to taxation, bankruptcy and ownership of assets; • changes that adversely affect the social, political and / or economic stability of a foreign country in which we invest; • high inflation in the foreign countries in which we invest, which could increase the costs to us of investing in those countries; • deflationary periods in the foreign countries in which we invest, which could reduce demand for our assets in those countries and diminish the value of such investments and the related investment returns to us; and • legal and logistical barriers in the foreign countries in which we invest that materially and adversely limit our ability to enforce our contractual rights with respect to those investments. In addition, we may make investments in countries whose governments or economies may prove unstable. Certain of the countries in which we may invest may have political, economic and legal systems that are unpredictable, unreliable or otherwise inadequate with respect to the implementation, interpretation and enforcement of laws protecting asset ownership and economic interests. In some of the countries in which we may invest, there may be a risk of nationalization, expropriation or confiscatory taxation, which may have an adverse effect on our portfolio companies in those countries and the rates of return we are able to achieve on such investments. We may also lose the total value of any investment which is nationalized, expropriated or confiscated. The financial results and investment opportunities available to us, particularly in developing countries and emerging markets, may be materially and adversely affected by any or all of these political, economic and legal risks. Second priority liens on collateral securing debt investments that we make to our portfolio companies may be subject to control by senior creditors with first priority liens. If there is a default, the value of the collateral may not be sufficient to repay in full both the first priority creditors and us. Certain debt investments that we make to portfolio companies may be secured on a second priority basis by the same collateral securing first priority 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 company under the agreements governing the loans. The holders of obligations secured by the 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 the sale or sales of all of the collateral would be sufficient to satisfy the debt 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 are not sufficient to repay amounts outstanding under the debt 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 company' s remaining assets, if any. The rights we may have with respect to the collateral securing the debt investments 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 senior debt. Under such an 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 our rights are adversely affected. Economic recessions or downturns could impair our portfolio companies and adversely affect our operating results. Many of our portfolio companies may be susceptible to economic recessions or downturns and may be unable to repay our debt investments during these periods. Therefore, our non- performing assets are likely to increase, and the value of our portfolio is likely to decrease, during these periods. Adverse economic conditions may also decrease the value of any collateral securing our senior secured debt. A prolonged recession may further decrease the value of such collateral and result in losses of value in our portfolio and a decrease in our revenues, net income and **NAV** ~~net asset value~~. Unfavorable economic conditions also could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us on terms we deem acceptable. These events could prevent us from increasing investments and adversely affect our operating results. A covenant breach or other defaults by our portfolio companies may adversely affect 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, termination of its loans and foreclosure on its secured assets, which could trigger cross- defaults under other agreements and jeopardize a portfolio company' s ability to meet its obligations under the debt or equity securities that we hold. We may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms, which may include the waiver of certain financial covenants, with a defaulting portfolio company. Investing in middle- market companies involves a number of significant risks, any one of which could have a material adverse effect on our operating results. Investments in middle- market companies involve the same risks that apply generally to investments in larger, more established companies. However, such investments have more pronounced risks in that middle- market companies: • may have limited financial resources and may be unable to meet their obligations under their 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 us realizing on any guarantees we may have obtained in connection with our investment; • have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tends to render them more vulnerable to competitors' actions and changing market conditions, as well as general economic downturns; • 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 our portfolio company and, in turn, on us; • 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. In addition, our executive officers, directors and members of CIM may, in the ordinary course of business, be named as defendants in litigation arising from our investments in the portfolio companies; and • 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. We may not realize gains from our equity investments. Certain investments that we may make could include warrants or other equity securities. In addition, we may make direct equity investments in portfolio companies. Our goal is ultimately to realize gains upon our disposition of such equity 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 also may be unable to realize any value if a portfolio company does not have a liquidity event, such as a sale of the business, recapitalization or public offering, which would allow us to sell the underlying equity interests. We may seek puts or similar rights to give us the right to sell our equity securities back to the portfolio company issuer. We may be unable to exercise these put rights for the consideration provided in our investment documents if the issuer is in financial distress. An investment strategy focused primarily on privately- held companies presents certain challenges, including, but not limited to, the lack of available information about these companies. We have invested and continue to invest primarily in privately- held companies. Investments in private companies pose significantly greater risks than investments in public companies. First, private companies have reduced access to the capital markets, resulting in diminished capital resources and the ability to withstand financial distress. Second, the depth and breadth of experience of management in private companies tends to be less than that at public companies, which makes such companies more likely to depend on the management talents and efforts of a smaller group of persons and / or persons with less depth and breadth of experience. Therefore, the decisions made by such management teams and / or the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on our investments and, in turn, on us. Third, the investments themselves tend to be less liquid. As such, we may have difficulty exiting an investment promptly or at a desired price prior to maturity or outside of a normal amortization schedule. As a result, the relative lack of liquidity and the potential diminished capital resources of our target portfolio companies may affect our investment returns. Fourth, little public information generally exists about private companies. Further, these companies may not have third- party debt ratings or audited financial statements. We must therefore rely on the ability of CIM to obtain adequate information through due diligence to evaluate the creditworthiness and potential returns from investing in these companies. These companies and their financial information will generally not be subject to the Sarbanes- Oxley Act and other rules that govern public companies. If we are unable to uncover all material information about these companies, we may not make a fully informed investment decision, and we may lose money on our investments. A lack of liquidity in certain of our investments may adversely affect our business. We have invested and continue to invest in certain companies whose securities are not publicly traded or actively traded on the secondary market, and whose securities are subject to legal and other restrictions on resale or will otherwise be less liquid than publicly traded securities. The illiquidity of certain of our investments may make it difficult for us to sell these investments when desired. In addition, if we are required to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the value at which we had previously recorded these investments. The reduced liquidity of our investments may make it difficult for us to dispose of them at a favorable price, and, as a result, we may suffer losses. We may not have the funds or ability to make additional investments in our portfolio companies or to fund our unfunded debt commitments. We may not have the funds or ability to make additional investments in our portfolio companies or to fund our unfunded debt commitments. After our initial investment in a portfolio company, we may be called upon from time to time to provide additional funds to such company or have the opportunity to increase our investment through the exercise of a warrant to purchase common stock. There is no assurance that we will make, or will have sufficient funds to make, follow- on investments. Any decisions not to make a follow- on investment or any inability on our part to make such an investment may have a negative impact on a portfolio company in need of such an investment, may result in a missed opportunity for us to increase our participation in a successful operation or may reduce the expected return on the investment. We may acquire various financial instruments for purposes of " hedging " or reducing our risks, which may be costly and ineffective and could reduce our cash available for distribution to our shareholders. We may seek to hedge against interest rate and currency exchange rate fluctuations and credit risk by using financial instruments such as futures, options, swaps and forward contracts, subject to the requirements of the 1940 Act. These financial instruments may be purchased on exchanges or may be individually negotiated and traded in over- the- counter markets. Use of such financial instruments for hedging purposes may present significant risks, including the risk of loss of the amounts invested. Defaults by the other party to a hedging transaction can result in losses in the hedging transaction. Hedging activities also involve the risk of an imperfect correlation between the hedging instrument and the asset being hedged, which could result in losses both on the hedging transaction and on the instrument being hedged. Use of hedging activities may not prevent significant losses and could increase our losses. Further, hedging transactions may reduce cash available to pay distributions to our shareholders. Prepayments of our debt investments by our portfolio companies could adversely impact our results of operations and reduce our return on equity. We are subject to the risk that the investments we make in our portfolio companies may be repaid prior to maturity. When this occurs, we will generally reinvest these proceeds in temporary investments, pending their future investment in new portfolio companies. 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 in a new portfolio company 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 elect to prepay amounts owed to us. Additionally, prepayments, net of prepayment fees, could negatively impact our return on equity. The effect of global climate change may impact **our operations and** the operations of our portfolio companies. ~~There may~~ **Climate change is widely considered to** be ~~evidence of~~ **a significant threat to the** global **economy** ~~climate change~~. Climate change creates physical and financial risk **and we** 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. A decrease in energy use due to weather changes may affect some of our portfolio companies' financial condition through, for example, decreased revenues. Extreme weather conditions in general require more system backup, adding to costs, and can contribute to increased system stresses, including service interruptions **. Our business operations and our portfolio companies may face risks associated with climate change, including risks related to the impact of climate- related legislation and regulation (both domestically and internationally), risks related to climate- related business trends (such as the process of transitioning to a lower- carbon economy), and risks stemming from the physical impacts of climate change, such as the increasing frequency or severity of extreme weather events and rising sea levels and temperatures** . Risks Relating to Our Debt Financings The Small Business Credit Availability Act of 2018 allows us to incur additional leverage and our shareholders approved a proposal permitting us to incur additional leverage, effective December 31, 2021. As a BDC, we were generally not permitted to incur indebtedness unless immediately after such borrowings we had an asset coverage for total borrowings of at least 200 % (i. e., the amount of debt may not exceed 50 % of the value of our assets). On March 23, 2018, the Small Business Credit Availability **Act** of 2018, which amended Section 61 (a) of the 1940 Act, was signed into law to permit BDCs to reduce the minimum " asset coverage " ratio from 200 % to 150 % and, as a result, to potentially increase the ratio of a BDC' s debt to equity from a maximum of 1- to- 1 to a maximum **of** 2- to- 1, so long as certain approval and disclosure requirements are satisfied. Specifically, a BDC is permitted to apply a lower minimum asset coverage ratio of 150 % if: (1) the BDC complies with certain additional asset coverage disclosure requirements; and (2) (A) a " required majority " of the BDC' s directors, as defined in

Section 57 (o) of the 1940 Act, approves the application of such a lower minimum asset coverage ratio to the BDC, in which case the 150 % minimum asset coverage ratio will become effective on the date that is one year after the date of such independent director approval; or (B) the BDC obtains, at a special or annual meeting of its shareholders at which a quorum is present, the approval of more than 50 % of the votes cast for the application of such a lower minimum asset coverage ratio to the BDC, in which case the 150 % minimum asset coverage ratio will become effective on the first day after the date of such shareholder approval. On December 30, 2021, we received approval from our shareholders to reduce our minimum" asset coverage" ratio from 200 % to 150 % in accordance with the 1940 Act, effective December 31, 2021. We are required to make certain disclosures on our website and in SEC filings regarding, among other things, the receipt of approval to increase our leverage, our leverage capacity and usage, and risks related to leverage. Leverage magnifies the potential for loss on investments in our indebtedness and on invested equity capital. We are also subject to asset coverage requirements for total borrowings under our financing arrangements. As we use leverage to partially finance our investments, you will experience increased risks of investing in our securities. If the value of our assets increases, then leveraging would cause the **NAV** ~~net asset value~~ attributable to our common stock to increase more sharply than it would have had we not leveraged. Conversely, if the value of our assets decreases, leveraging would cause **NAV** ~~net asset value~~ to decline more sharply than it otherwise would have had we not leveraged our business. Similarly, any increase in our income in excess of interest payable on the borrowed funds would cause our net investment income to increase more than it would without the leverage, while any decrease in our income would cause net investment income to decline more sharply than it would have had we not borrowed. Such a decline could negatively affect our ability to pay ~~common stock~~ distributions, scheduled debt payments or other payments related to our securities. Leverage is generally considered a speculative investment technique. Because we borrow money, the potential for loss on amounts invested in us is magnified and may increase the risk of investing in us. Since we have borrowed money, the potential for loss on amounts invested in us is magnified and may increase the risk of investing in us. Borrowed money may also adversely affect the return on our assets, reduce cash available for distribution to our shareholders, and result in losses. The use of borrowings, also known as leverage, increases the volatility of investments by magnifying the potential for loss on invested equity capital. Since we have used leverage to partially finance our investments through ~~borrowing~~ **borrowings** from banks and other institutional investors, shareholders experience increased risks of investing in our common stock. If the value of our assets decreases, leveraging would cause **NAV** ~~net asset value~~ to decline more sharply than it otherwise would have had we not leveraged. Similarly, any decrease in our income would cause net income to decline more sharply than it would have had we not borrowed. Such a decline could negatively affect our ability to ~~make~~ **pay** distributions to our shareholders. In addition, our shareholders 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 management or incentive fees payable to CIM. We may continue to use leverage to finance our investments. The amount of leverage that we employ will depend on CIM' s and our board of directors' assessment of market and other factors at the time of any proposed borrowing. There can be no assurance that leveraged financing will be available to us on favorable terms or at all. However, to the extent that we continue to use leverage to finance our assets, our financing costs will reduce cash available for distributions to shareholders. Moreover, we may not be able to meet our financing obligations and, to the extent that we cannot, we risk the loss of some or all of our assets to liquidation or sale to satisfy the obligations. In such an event, we may be forced to sell assets at significantly depressed prices due to market conditions or otherwise, which may result in losses. As a BDC, we generally are 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. Recent legislation has modified the 1940 Act by allowing a BDC to increase the maximum amount of leverage it may incur from an asset coverage ratio of 200 % to an asset coverage ratio of 150 %, if certain requirements are met. See" ~~Recent legislation may~~ **The Small Business Credit Availability Act of 2018** ~~allow~~ **allows** us to incur additional leverage **and our shareholders approved a proposal permitting us to incur additional leverage, effective December 31, 2021** " above for more information. On December 30, 2021, we received approval from our shareholders to reduce our minimum" asset coverage" ratio from 200 % to 150 % in accordance with the 1940 Act, which allows us to increase the maximum amount of leverage that we are permitted to incur. If this ratio declines below 150 %, we cannot incur additional debt and could be required to sell a portion of our investments to repay some debt when it is disadvantageous to do so. This could have a material adverse effect on our operations and investment activities. Moreover, our ability to ~~make~~ **pay** distributions to shareholders may be significantly restricted or we may not be able to ~~make~~ **pay** any such distributions whatsoever. The amount of leverage that we will employ will be subject to oversight by our board of directors, a majority of whom are independent directors with no material interests in such transactions. At December 31, **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ , our borrowings for the BDC coverage ratio were $ **1, 092, 344, $** 957, 500 ~~,~~ **and** $ 830, 000 ~~and $ 725, 000~~ , respectively, and resulted in coverage ratios of **181 %,** 192 % ~~,~~ **and** 212 ~~% and 221~~ %, respectively. For a detailed discussion on the coverage ratio calculation, refer to Note 13 to our consolidated financial statements included in this report. Illustration. The following table illustrates the effect of leverage on returns from an investment in our common stock assuming various annual returns, net of expenses. The calculations in the table below are hypothetical and actual returns may be higher or lower than those appearing below. The calculation assumes (i) $ ~~1~~ **2** . ~~87~~ **00** billion in total assets as of December 31, ~~2022~~ **2023** , (ii) a weighted average cost of funds of ~~7~~ **8** . ~~87~~ **95** %, (iii) $ ~~958~~ **1, 092** million in debt outstanding (i. e., assumes that ~~93~~ **88** % of the $ 1. ~~03~~ **24** billion available to us as of December 31, ~~2022~~ **2023** under our financing arrangements as of such date is outstanding) and (iv) $ ~~884~~ **880** million in shareholders' equity. In order to compute the " Corresponding return to shareholders, " the " Assumed Return on Our Portfolio (net of expenses) " is multiplied by the assumed total assets to obtain an assumed return to us. From this amount, the interest expense is calculated by multiplying the assumed weighted average cost of funds times the assumed debt outstanding, and the product is subtracted from the assumed return to us in order to determine the return available to shareholders. The return available to shareholders is then divided by our shareholders' equity to determine the " Corresponding return to shareholders. " Actual interest payments may be different. Assumed Return on Our Portfolio (net of expenses)- 10 %- 5 % 0 % 5 % 10 % Corresponding return to shareholders (~~29~~ **33** . ~~72~~ **86**) % (~~19~~ **22** . ~~12~~ **49**) % (~~8~~ **11** . ~~53~~ **11**) % ~~2~~ **0** . ~~07~~ **27** % ~~12~~ **11** . ~~66~~ **65** % Similarly, assuming (i) $ ~~1~~ **2** . ~~87~~ **00** billion in total assets as of December 31, ~~2022~~ **2023** , (ii) a weighted average cost of funds of ~~7~~ **8** . ~~87~~ **95** % and (iii) $ ~~958~~ **1, 092** million in debt outstanding (i. e., assumes that ~~93~~ **88** % of the $ 1. ~~03~~ **24** billion available to us as of December 31, ~~2022~~ **2023** under our financing arrangements as of such date is outstanding), our assets would need to yield an annual return (net of expenses) of approximately 4. ~~02~~ **88** % **just** ~~in order~~ to cover the annual interest payments on our outstanding debt. Changes in interest rates may affect our cost of capital and net investment income. Since we have used debt to finance a portion of our investments, our net investment income will depend, in part, upon the difference between the rate at which we borrow funds and the rate at which we invest those funds. 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 periods of rising interest rates when we have debt outstanding, our cost of funds will increase, which could reduce our net investment income. We expect that our long- term fixed- rate investments will be financed primarily with equity and long- term debt. We may use interest rate risk management techniques in an effort to limit our exposure to interest rate fluctuations. These techniques may include various interest rate hedging activities to the extent permitted by the 1940 Act. These activities may limit our ability to participate in the benefits of lower interest rates with respect to the hedged portfolio. Adverse developments resulting from changes in interest rates or hedging transactions could have a material adverse effect on our business, financial condition and results of operations. Also, we have limited experience in entering into hedging transactions, and we will initially have to purchase or develop such expertise. A rise in the general level of interest rates can be expected to lead to higher interest rates applicable to our debt investments. Accordingly, an increase in interest rates would make it easier for us to meet or exceed the incentive fee hurdle rate and may result in a substantial increase in the amount of incentive fees payable to CIM with respect to pre- incentive fee net investment income. **A decrease in the general level of interest rates can be expected to lead to lower interest rates applicable to our portfolio investments and lower net investment income available for distributions to shareholders. In addition to regulatory requirements that restrict our ability to raise capital, the JPM Credit Facility, the UBS Facility, the 2026 Notes, the More Term Loans, the Series A Notes and the 2027 Notes contain various covenants that, if not complied with, could accelerate repayment under such secured and unsecured borrowings, thereby materially and adversely affecting our liquidity, financial condition and results of operations. The agreements governing the JPM Credit Facility, the UBS Facility, the 2026 Notes, the More Term Loans, the Series A Notes and the 2027 Notes 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 shareholders' equity. As of the date of this Annual Report, we are in compliance in all material respects with the covenants of the JPM Credit Facility, the UBS Facility, the 2026 Notes, the More Term Loans, the Series A Notes and the 2027 Notes. However, our continued 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 our 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 shareholders' equity. Accordingly, although we believe we will continue to be in compliance, there are no assurances that we will continue to comply with the covenants in the JPM Credit Facility, the UBS Facility, the 2026 Notes, the More Term Loans, the Series A Notes and the 2027 Notes. Failure to comply with these covenants could result in a default under such secured and unsecured borrowings, 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.** The 2026 Notes, the More Term Loans ~~and~~ **,** the Series A **Notes and the 2027** Notes are unsecured and therefore are effectively subordinated to any secured indebtedness we have currently incurred or may incur in the future. The 2026 Notes, the 2021 More Term Loan, the 2022 More Term Loan ~~and~~ **,** the Series A **Notes and the 2027** Notes are generally not secured by any of our assets or any of the assets of our subsidiaries. As a result, the 2026 Notes, the 2021 More Term Loan, the 2022 More Term Loan ~~and~~ **,** the Series A **Notes and the 2027** Notes are effectively subordinated to any secured indebtedness we or our subsidiaries have currently incurred and may incur in the future (or any indebtedness that is initially unsecured to which we subsequently grant security) to the extent of the value of the assets securing such indebtedness. In any liquidation, dissolution, bankruptcy or other similar proceeding, the holders of any of our existing or future secured indebtedness and the secured indebtedness of our subsidiaries may assert rights against the assets pledged to secure that indebtedness in order to receive full payment of their indebtedness before the assets may be used to pay other creditors, including the holders of the 2026 Notes, the 2021 More Term Loan, the 2022 More Term Loan ~~and~~ **,** the Series A Notes **and the 2027 Notes** . As a result, the indebtedness under the JPM Credit Facility and the UBS ~~facility~~ **Facility** is therefore effectively senior in right of payment to our 2026 Notes, the 2021 More Term Loan, the 2022 More Term Loan ~~and~~ **,** the Series A **Notes and the 2027** Notes to the extent of the value of such assets. Federal Income Tax Risks We will be subject to corporate- level income tax if we are unable to qualify as a RIC under Subchapter M of the Code or to satisfy RIC distribution requirements. To qualify for and maintain RIC tax treatment under Subchapter M of the Code, we must, among other things, meet the following annual distribution, income source and asset diversification requirements: • The annual distribution requirement for a RIC will be satisfied if we distribute to our shareholders on an annual basis at least 90 % of our net ordinary income and realized net short- term capital gains in excess of realized net long- term capital losses, if any. Because we use debt financing, we are subject to an asset coverage ratio requirement under the 1940 Act and are subject to certain financial covenants under our financing arrangements that could, under certain circumstances, restrict us from ~~making~~ **paying** distributions necessary to satisfy the distribution requirement. If we are unable to obtain cash from other sources, we could fail to qualify for RIC tax treatment and thus become subject to corporate- level income tax. • The income source requirement will be satisfied if we obtain at least 90 % of our income for each taxable year from dividends, interest, gains from the sale of common stock or securities or similar sources. • The asset diversification requirement will be satisfied if we meet certain asset diversification requirements at the end of each quarter of our taxable year. To satisfy this requirement, at least 50 % of the value of our assets must consist 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 our assets or more than 10 % of the outstanding voting securities of the issuer; 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 our 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. 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. We may have difficulty paying our required distributions if we recognize income before or without receiving cash representing such income. For federal income tax purposes, we may be required to recognize taxable income in circumstances in which we do not receive a corresponding payment in cash. For example, if we hold debt obligations that are treated under applicable tax rules as having original issue discount (such as debt instruments with PIK interest or, in certain cases, increasing interest rates or debt instruments that were issued with warrants), we must include in income each year a portion of the original issue discount that accrues over the life of the obligation, regardless of whether cash representing such income is received by us in the same taxable year. We may also have to include in income other amounts that we have not yet received in cash, such as deferred loan origination fees that are paid after origination of the loan or are paid in non- cash compensation such as warrants or stock. We anticipate that a portion of our income may constitute original issue discount or other income required to be included in taxable income prior to receipt of cash. Further, we may elect to amortize market discounts and include such amounts in our taxable income in the current year, instead of upon disposition, as an election not to do so would limit our ability to deduct interest expenses for tax purposes. Because any original issue discount or other amounts accrued will be included in our investment company taxable income for the year of the accrual, we may be required to ~~make~~ **pay** a distribution to our shareholders in order to satisfy the annual distribution requirement, even though we will not have received any corresponding cash amount. As a result, we may have difficulty meeting the annual distribution requirement necessary to qualify for and maintain RIC tax treatment under Subchapter M of the Code. We may have to sell some of our investments at times and / or at prices we would not consider advantageous, raise additional debt or equity capital or forgo new investment opportunities for this purpose. If we are not able to obtain cash from other sources, we may fail to qualify for or maintain RIC tax treatment and thus become subject to corporate- level income tax. Deferred PIK interest instruments may have less reliable valuations because these instruments have continuing accruals that require continuing judgment about the collectability of the deferred payments and the value of any associated collateral. In addition, deferred PIK interest instruments create the risk of non- refundable cash payments to our investment adviser based on non- cash accruals that ultimately may not be realized. For accounting purposes, any distributions to shareholders representing deferred PIK interest income are not treated as coming from paid- in capital, even though the cash to pay these distributions may come from offering proceeds **(if any) or borrowings** . Thus, although a distribution of deferred PIK interest may come from the cash invested by shareholders **or from borrowings** , the 1940 Act does not require that shareholders be given notice of this fact by reporting it as a return of capital. If we do not qualify as a " publicly offered regulated investment company, " as defined in the Code, shareholders will be taxed as though they received a distribution of some of our expenses. A " publicly offered regulated investment company " is a RIC whose shares are either (i) continuously offered pursuant to a public offering within the meaning of Section 4 of the Securities Act, (ii) regularly traded on an established securities market or (iii) held by at least 500 persons at all times during the taxable year. If we are not a publicly offered RIC for any period, a non- corporate shareholder' s allocable portion of our affected expenses, including our management fees, will be treated as an additional distribution to the shareholder and will be deductible by such shareholder only to the extent permitted under the limitations described below. For non- corporate shareholders, including individuals, trusts, and estates, significant limitations generally apply to the deductibility of certain expenses of a non- publicly offered RIC, including advisory fees. In particular, these expenses, referred to as miscellaneous itemized deductions, are deductible to an individual only to the extent they exceed 2 % of such shareholder' s adjusted gross income, and are not deductible for alternative minimum tax purposes. While we anticipate that we will constitute a publicly offered RIC, there can be no assurance that we will in fact so qualify for any of our taxable years. Risks Relating to an Investment in Our Common Stock The market price of our common stock may fluctuate significantly. The market price and liquidity of the market for shares of our common stock that will prevail in the market may be higher or lower than the price you pay and may be significantly affected by numerous factors, some of which are 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 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 stock from certain indices; • changes in regulatory policies or tax guidelines, particularly with respect to RICs or BDCs; • any loss of RIC or BDC status; • changes in earnings or perceived changes or variations in operating results; • changes or perceived changes in the value of our portfolio of investments; • changes in accounting guidelines governing valuation of our investments; • any shortfall in revenue or net income or any increase in losses from levels expected by investors or securities analysts; • the inability of CIM to employ additional experienced investment professionals or the departure of any of CIM' s key personnel; • short- selling pressure with respect to shares of our common stock or BDCs generally; • future sales of our securities convertible into or exchangeable or exercisable for our common stock or the conversion of such securities; • uncertainty surrounding the strength of the U. S. economy; • concerns regarding European sovereign debt and economic activity generally; • operating performance of companies comparable to us; • general economic trends and other external factors; and • loss of a major funding source. In the past, following periods of volatility in the market price of a company' s securities, securities class action litigation has often been brought against that company. If our stock price fluctuates significantly, we may be the target of securities litigation in the future. Securities litigation could result in substantial costs and divert management' s attention and resources from our business. We cannot assure you that a market for shares of our common stock will be maintained or the market price of our shares will trade close **or at a premium** to NAV. We cannot assure you that a trading market for our common stock can be sustained. In addition, we cannot predict the prices at which our common stock will trade, whether at, above or below NAV. Shares of closed- end investment companies, including BDCs, frequently trade at a discount from NAV, and our common stock may also be discounted in the market. In addition, if our common stock trades below its NAV, we will generally not be able to sell additional shares of our common stock to the public at its market price without, among other things, the requisite shareholders approving such a sale. Sales of substantial amounts of our common stock in the public market may have an adverse effect on the market price of our common stock. Sales of substantial amounts of our common stock, or the availability of such shares for sale, could adversely affect the prevailing market prices for our common stock. If this occurs and continues, it could impair our ability to raise additional capital through the sale of equity securities should we desire to do so. We may in the future determine to issue preferred stock, which could adversely affect the market value of our common stock. The issuance of shares of preferred stock with dividend or conversion rights, liquidation preferences or other economic terms more favorable to the holders of preferred stock than to our common shareholders could adversely affect the market price for our common stock by making an investment in the common stock less attractive. In addition, the dividends on any preferred stock we issue must be cumulative. Payment of dividends and repayment of the liquidation preference of preferred stock must take preference over any distributions or other payments to our common shareholders, and holders of preferred stock are not subject to any of our expenses or losses and are not entitled to participate in any income or appreciation in excess of their stated preference (other than convertible preferred stock that converts into common stock). In addition, under the 1940 Act, participating preferred stock and preferred stock constitutes a " senior security " for purposes of the asset coverage test. We may incur significant costs as a result of being a public company. Public companies 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 requirements under the Sarbanes- Oxley Act **and the NYSE Listed Company Rules**. Accordingly, we may incur significant additional costs as a result of being a public company. These requirements may place a strain on our systems and resources. The Sarbanes- Oxley Act requires that we maintain effective disclosure controls and procedures and internal controls over financial reporting, which are discussed below. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal controls, significant resources and management oversight may be required. We may be implementing additional procedures, processes, policies and practices for the purpose of addressing the standards and requirements applicable to public companies. These activities may divert management' s attention from other business concerns, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. We may incur significant additional annual expenses related to these steps such as, among other things, directors' and officers' liability insurance, director fees, reporting requirements of the SEC, transfer agent fees, additional administrative expenses payable to CIM, as our administrator, to compensate it for hiring additional accounting, legal and administrative personnel, increased auditing and legal fees and similar expenses. We are obligated to maintain proper and effective internal control over financial reporting. We may not complete our analysis of our internal control over financial reporting in a timely manner, or our internal controls may not be determined to be effective, which may adversely affect investor confidence in our company and, as a result, the value of our common stock. **Due to** ~~Since our shares of common stock listed on~~ the **Listing** ~~NYSE on October 5, 2021~~, we are ~~now~~ required to comply with the independent auditor attestation requirements of Section 404 of the Sarbanes- Oxley Act beginning with ~~this~~ **our** Annual Report on Form 10- K for the fiscal year ended December 31, 2022. Complying with Section 404 requires a rigorous compliance program as well as adequate time and resources. We may not be able to complete our internal control evaluation, testing and any required remediation in a timely fashion. Additionally, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal controls are effective. If we are unable to assert that our internal control over financial reporting is effective, or if our auditors are unable to attest to management' s report on the effectiveness of our internal controls, we could lose investor confidence in the accuracy and completeness of our financial reports, which would have a material adverse effect on the price of our common stock. In ~~2022~~ **2023** we obtained, and in ~~2023~~ **2024** we intend to seek, the approval of our shareholders to issue shares of our common stock at prices below the then current NAV per share of our common stock. If we issue such shares and again receive such approval from shareholders in the future, we may issue shares of our common stock at a price below the then current NAV per share of common stock. Any such issuance could materially dilute your interest in our common stock and reduce our NAV per share and potentially the trading price of our common stock. In September ~~2022~~ **2023**, we obtained approval from our shareholders authorizing us to issue shares of our common stock at prices below the then current NAV per share of our common stock in one or more offerings for a 12- month period. We have not issued any such shares as of the date of this report. In ~~2023~~ **2024**, we intend to seek to obtain from our shareholders and they may approve a proposal that again authorizes us to issue shares of our common stock at prices below the then current NAV per share of our common stock in one or more offerings for a 12- month period. Such approval would allow us to access the capital markets in a way that we were previously unable to do as a result of restrictions that, absent shareholder approval, apply to BDCs under the 1940 Act. Any sale or other issuance of shares of our common stock at a price below NAV per share will result in an immediate dilution to your interest in our common stock and a reduction of our NAV per share and potentially the trading price of our common stock. This dilution would occur as a result of a proportionately greater decrease in a shareholder' s interest in our earnings and assets and voting interest in us than the increase in our assets resulting from such issuance. Because the number of future shares of common stock that may be issued below our NAV per share and the price and timing of such issuances are not currently known, we cannot predict the actual dilutive effect of any such issuance. We also cannot determine the resulting reduction in our NAV per share or the trading price of our common stock of any such issuance at this time. We caution you that such effects may be material, and we undertake to describe all the material risks and dilutive effects of any actual offerings we may make at a price below our then current NAV in the future. The determination of NAV in connection with an offering of shares of common stock will involve the determination by our board of directors or a committee thereof that we are not selling shares of our common stock at a price below the then current NAV of our common stock at the time at which the sale is made or otherwise in violation of the 1940 Act, unless we have previously received the consent of the majority of our shareholders to do so and the board of directors decides such an offering is in the best interests of our shareholders. Whenever we do not have current shareholder approval to issue shares of our common stock at a price per share below our then current NAV per share, the offering price per share (after any sales commission or discounts (if applicable)) will equal or exceed our then current NAV per share, based on the value of our portfolio securities and other assets determined in good faith by our board of directors. A shareholder' s interest in us will be diluted if we issue additional shares of common stock, which could reduce the overall value of an investment in us. Potential investors will not have preemptive rights to any common stock we issue in the future. Our articles of incorporation authorize us to issue 500, 000, 000 shares of common stock. Pursuant to our articles of incorporation, a majority of our entire board of directors may amend our articles of incorporation to increase the number of authorized shares of common stock without shareholder approval. To the extent that we issue additional shares of common stock at or below **NAV** ~~net asset value~~ after an investor purchases shares of our common stock, an investor' s percentage ownership interest in us will be diluted. In addition, depending upon the terms and pricing of any additional offerings and the value of our investments, an investor may also experience dilution in the book value and fair value of his or her shares of common stock. Certain provisions of our articles of incorporation and bylaws could deter takeover attempts and have an adverse impact on the value of our common stock. Our bylaws exempt us from the Maryland Control Share Acquisition Act, which significantly restricts the voting rights of control shares of a Maryland corporation acquired in a control share acquisition. If our board of directors were to amend our bylaws to repeal this exemption from the Maryland Control Share Acquisition Act, that statute may make it more difficult for a third party to obtain control of us and increase the difficulty of consummating such a transaction. There can be no assurance, however, that we will not so amend our bylaws in such a manner at some time in the future. We will not, however, amend our bylaws to make us subject to the Maryland Control Share Acquisition Act without our board of directors determining that doing so would not conflict with the 1940 Act ~~and obtaining confirmation from the SEC that it does not object to such determination~~ . Our articles of incorporation and bylaws, as well as certain statutory and regulatory requirements, contain certain provisions that may have the effect of discouraging a third party from attempting to acquire us. Our board of directors may, without shareholder action, authorize the issuance of shares in one or more classes or series, including preferred shares; and our board of directors may, without shareholder action, amend our articles of incorporation to increase the number of our shares, of any class or series, that we have authority to issue. These anti-takeover provisions may inhibit a change of control in circumstances that could give the holders of our common stock the opportunity to realize a premium over the value of our common stock. Investing in our common stock involves a high degree of risk. The investments we make in accordance with our investment objective may result in a higher amount of risk than alternative investment options and volatility or loss of principal. Our investments in portfolio companies may be highly speculative and aggressive and, therefore, an investment in our common stock may not be suitable for someone with lower risk tolerance. The **NAV** ~~net asset value~~ of our common stock may fluctuate significantly. The **NAV** ~~net asset value~~ and liquidity, if any, of the market for shares of our common stock may be significantly affected by numerous factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include: • loss of RIC or BDC status; • changes in earnings or variations in operating results; • changes in the value of our portfolio of investments; • any shortfall in revenue or net income or any increase in losses from levels expected by investors; • departure of either of our adviser or certain of its key personnel; Purchases of our common stock by us pursuant to our 10b5- 1 plan may result in the price of our common stock being higher than the price that otherwise might exist in the open market. We are authorized to purchase up to $ 60 million of shares of our common stock if our shares trade on the NYSE below the most recently announced NAV per share, subject to certain limitations. Any such purchases will be conducted in accordance with applicable securities laws **. During the year ended December 31, 2023, we repurchased an aggregate of 1, 114, 848 shares under the 10b5- 1 trading plan for an aggregate purchase price of $ 11, 518, or an average purchase price of $ 10. 33 per share** . Purchases made under our 10b5- 1 plan and how much will be purchased at any time is uncertain, dependent on prevailing market prices and trading volumes, all of which we cannot predict. These activities may have the effect of maintaining the market price of our common stock or slowing a decline in the market price of our common stock, and, as a result, the price of our common stock may be higher than the price that otherwise might exist in the open market. Purchases of our common stock by us under our 10b5- 1 plan may result in dilution to our NAV per share. Under our 10b5- 1 plan, we are authorized to purchase shares of our common stock when the market price per share is below the most recently reported NAV per share, subject to certain limitations. Because purchases may be made beginning at any price below our most recently reported NAV per share, if our NAV per share decreases after the date as of which NAV per share was last reported, such purchases may result in dilution to our NAV per share. This dilution would occur because we would purchase shares at a price above the then- current NAV per share, which would cause a proportionately smaller increase in our shareholders' interest in our earnings and assets and their voting interest in us than the decrease in our assets resulting from such purchase. As a result of any such dilution, our market price per share may decline. The actual dilutive effect will depend on the number of shares of common stock that could be so purchased, the price and the timing of any purchases. The tax treatment of a non- U. S. shareholder in its jurisdiction of tax residence will depend entirely on the laws of such jurisdiction, and may vary considerably from jurisdiction to jurisdiction. Depending on (i) the laws of such non- U. S. shareholder' s jurisdiction of tax residence, (ii) how we, the investments and / or any other investment vehicles through which we directly or indirectly invest are treated in such jurisdiction, and (iii) the activities of any such entities, an investment in us could result in such non- U. S. shareholder recognizing adverse tax consequences in its jurisdiction of tax residence, including (a) with respect to any generally required or additional tax filings and / or additional disclosure required in such filings in relation to the treatment for tax purposes in the relevant jurisdiction of an interest in us, the investments and / or any other investment vehicles through which we directly or indirectly invest and / or of distributions from such entities and any uncertainties arising in that respect (such entities not being established under the laws of the relevant jurisdiction), (b) the possibility of taxable income significantly in excess of cash distributed to a non- U. S. shareholder, and possibly in excess of our actual economic income, (c) the possibilities of losing deductions or the ability to utilize tax basis and of sums invested being returned in the form of taxable income or gains, and (d) the possibility of being subject to tax at unfavorable tax rates. A non- U. S. shareholder may also be subject to restrictions on the use of its share of our deductions and losses in its jurisdiction of tax residence. Each shareholder is urged to consult its own tax advisors with respect to the tax and tax filing consequences, if any, in its jurisdiction of tax residence of an investment in us, as well as any other jurisdiction in which such shareholder is subject to taxation. General Risk Factors Global economic, political and market conditions may adversely affect our business, financial condition and results of operations, including our revenue growth and profitability. The current worldwide financial market situation, as well as various social and political tensions in the United States and around the world, have contributed and may continue to contribute to increased market volatility, may have long- term effects on the United States and worldwide financial markets, and may cause economic uncertainties or deterioration in the United States and worldwide. We monitor developments and seek to manage our investments in a manner consistent with achieving our investment objective, but there can be no assurance that we will be successful in doing so. **Concerns over the United States' debt ceiling and budget- deficit have driven downgrades by rating agencies to the U. S. government' s credit rating. 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, any default by the U. S. government on its obligations, or any prolonged U. S. government shutdown, could create broader financial turmoil and uncertainty, which may weigh heavily on our financial performance and the value of our common stock. U. S. debt ceiling and budget deficit concerns have increased the possibility of additional credit- rating downgrades and economic slowdowns or a recession in the United States. Deterioration in the economic conditions in the Eurozone and other regions or countries globally and the resulting instability in global financial markets may pose a risk to our business. Financial markets have been affected at times by a number of global macroeconomic events, including large sovereign debts and fiscal deficits of several countries in Europe and in emerging markets jurisdictions, levels of non - performing loans on the balance sheets of European banks, instability in the Chinese capital markets and the COVID- 19 pandemic. Global market and economic disruptions have affected, and may in the future affect, the U. S. capital markets, which could adversely affect our business, financial condition or results of operations. We cannot assure you that market disruptions in Europe and other regions or countries, including the increased cost of funding for certain governments and financial institutions, will not impact the global economy, and we cannot assure you that assistance packages will be available, or if available, be sufficient to stabilize countries and markets in Europe or elsewhere affected by a financial crisis. To the extent uncertainty regarding any economic recovery in Europe or elsewhere negatively impacts consumer confidence and consumer credit factors, our business, financial condition and results of operations could be significantly and adversely affected. Moreover, there is a risk of both sector- specific and broad- based corrections and / or downturns in the equity and credit markets. Any of the foregoing could have a significant impact on the markets in which we operate and could have a material adverse impact on our business prospects and financial condition.** Our business is directly influenced by the economic cycle and could be negatively impacted by a downturn in economic activity in the U. S. as well as globally. Fiscal and monetary actions taken by U. S. and non- U. S. government and regulatory authorities could have a material adverse impact on our business. To the extent uncertainty regarding the U. S. or global economy negatively impacts consumer confidence and consumer credit factors, our business, financial condition and results of operations could be adversely affected. Moreover, Federal Reserve policy, including with respect to certain interest rates, along with the general policies of the current Presidential administration, may also adversely affect the value, volatility and liquidity of dividend- and interest- paying securities. These conditions, government actions and future developments may cause interest rates and borrowing costs to ~~rise~~ **remain high** , which may adversely affect our ability to access debt financing on favorable terms and may increase the interest costs of our borrowers, hampering their ability to repay us. Continued or future adverse economic conditions could have a material adverse effect on our business, financial condition and results of operations. If key economic indicators, such as the unemployment rate or inflation, do not progress at a rate consistent with the Federal Reserve' s objectives, the target range for the federal funds rate may ~~increase~~ **remain high** and cause interest rates and borrowing costs to ~~rise~~ **remain high** , which may negatively impact our ability to access the debt markets on favorable terms and may also increase the costs of our borrowers, hampering their ability to repay us. In ~~February 2023~~ **an effort to combat inflation** , the Federal Reserve ~~further raised interest~~ **increased the federal funds rate in 2023. Although the Federal Reserve left its benchmark** rates ~~by 0. 25 % and~~ **steady in the fourth quarter of 2023, it has** indicated that ~~,~~ **additional rate increases** in ~~light of~~ the ~~economic recovery and higher than anticipated~~ **future may be necessary to mitigate** ~~inflation~~ **inflationary** ~~(although slowing), it expects~~ **pressures and there can be no assurance that the Federal Reserve will not make upwards adjustments** to ~~further raise interest~~ **the federal funds rate in the future. However, there are reports that the Federal**

Reserve may begin to cut the benchmark rates in ~~2023~~ **2024** ~~but at a less aggressive pace~~ . **The** ~~However, the~~ timing, number and amount of any such future interest rate ~~increases~~ **changes** are uncertain. **Various social and political circumstances in** ~~Legislation may be adopted that could significantly affect~~ the ~~regulation of~~ U. S. **and around the world (** ~~financial markets. Areas subject to potential change, amendment or repeal include~~ **including wars** ~~the Dodd- Frank Wall Street Reform~~ and ~~Consumer Protection Act, or the Dodd- Frank Act, and the authority of the Federal Reserve and the Financial Stability Oversight Council. These or~~ other ~~regulatory changes could result in greater competition from banks~~ **forms of conflict, terrorist acts, security operations** and ~~other lenders with which we compete~~ **catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes and global health epidemics** ~~for~~ - **or** ~~lending~~ **outbreaks of infectious diseases), may also contribute to increased market volatility** and **economic uncertainties or deterioration in** ~~other~~ -- **the U** ~~investment opportunities~~ . ~~The~~ **S. and worldwide. Such events, including trade tensions between the** United States ~~may also~~ **and China, other uncertainties regarding actual and** ~~potentially~~ -- **potential** ~~withdraw from or renegotiate various~~ **shifts in U. S. and foreign** trade ~~agreements~~ **, economic** and ~~take~~ other ~~actions that would change current trade~~ policies **with** ~~of the United States. We cannot predict which, if any, of these actions will be taken or, if taken, their~~ - **other** ~~effect on~~ **countries,** the ~~financial stability of~~ **Russia- Ukraine war and more recently** the ~~United States. Such actions~~ **Israel- Hamas war, and health epidemics and pandemics,** could ~~have a material adverse~~ **adversely** ~~effect~~ **affect** ~~on~~ our business, financial condition ~~and~~ **or** results of operations **. These market and economic disruptions could also negatively impact the operating results of our portfolio companies** . Political, social and economic uncertainty, including uncertainty related to the ~~COVID~~ **Russia** - ~~19 pandemic, and Russia' s military invasion of~~ Ukraine **war and more recently the Israel- Hamas war** , creates and exacerbates risks. Social, political, economic and other conditions and events in the U. S., the United Kingdom, the European Union ~~and~~ **,** China **and elsewhere around the world** (such as natural disasters, epidemics and pandemics, terrorism, military conflicts and social unrest) may occur that create uncertainty and have significant impacts on issuers, industries, governments and other systems, including the financial markets, to which companies and their investments are exposed. The uncertainties caused by these conditions and events could result in or coincide with, among other things: increased volatility in the financial markets for securities, derivatives, loans, credit and currency; a decrease in the reliability of market prices and difficulty in valuing assets (including portfolio company assets); greater fluctuations in spreads on debt investments and currency exchange rates; increased risk of default (by both government and private obligors and issuers); changes to governmental regulation and supervision of the loan, securities, derivatives and currency markets and market participants; limitations on the activities of investors in the financial markets; and substantial, and in some periods extremely high, rates of inflation, which can last many years and have substantial negative effects on credit and securities markets. The ~~COVID- 19 pandemic created disruptions in supply chains and economic activity, contributed to labor difficulties and continues to have a particularly adverse impact on transportation, hospitality, tourism, entertainment and other industries, which may in the future adversely affect our financial condition, liquidity and results of operations. The extent to which the COVID- 19 pandemic will negatively affect our financial condition, liquidity and results of operations will depend on future developments, including the emergence of new variants of COVID- 19, such as Delta and Omicron, and the effectiveness of vaccines and treatments over the long term and against new variants, which are highly uncertain and cannot be predicted. While financial markets have rebounded from the significant declines that occurred early in the pandemic and global economic conditions generally improved in 2021 and 2022, certain of the circumstances that arose or became more pronounced after the onset of the COVID- 19 pandemic persisted in 2022, including (a) relatively weak consumer confidence; (b) ongoing heightened credit risk with regard to industries that have been most severely impacted by the pandemic, including, at times, oil and gas, gaming and lodging, and airlines; (c) higher cyber security, information security and operational risks; and (d) interruptions in the supply chain that have adversely affected many businesses and have contributed to higher rates of inflation. Depending on the duration and severity of the pandemic going forward, as well as the effects of the pandemic on consumer and corporate confidence, the~~ conditions noted above could continue for an extended period and other adverse developments may occur or reoccur, including (i) the decline in value and performance of us and our portfolio companies, (ii) the ability of our borrowers to continue to meet loan covenants or repay loans provided by us on a timely basis or at all, which may require us to restructure our investments or write down the value of our investments, (iii) our ability to comply with the covenants and other terms of our debt obligations and to repay such obligations, on a timely basis or at all, (iv) our ability to comply with certain regulatory requirements, such as asset coverage requirements under the 1940 Act, (v) our ability **to** maintain our distributions at their current level or to pay them at all or (vi) our ability to source, manage and divest investments and achieve our investment objectives, all of which could result in significant losses to us. We will also be negatively affected if the operations and effectiveness of any of our portfolio companies (or any of the key personnel or service providers of the foregoing) is compromised or if necessary or beneficial systems and processes are disrupted. ~~Even after the COVID- 19 pandemic subsides, the U. S. economy, as well as most other major economies, may experience economic recession, and we anticipate our businesses could be materially and adversely affected by a prolonged recession in the United States and other major global markets.~~ In addition, Russia' s invasion of Ukraine in February 2022 and corresponding events have had, and could continue to have, severe adverse effects on regional and global economic markets. Following Russia' s actions, various governments, including the government of the United States, ~~have~~ issued broad- ranging economic sanctions against Russia, including, among other actions, a prohibition on doing business with certain Russian companies, large financial institutions, officials and oligarchs; a commitment by certain countries and the European Union to remove selected Russian banks from the Society for Worldwide Interbank Financial Telecommunications, the electronic banking network that connects banks globally; and restrictive measures to prevent the Russian Central Bank from undermining the impact of the sanctions. The duration of hostilities and the vast array of sanctions and related events (including cyber incidents and espionage) cannot be predicted. **The Israel- Hamas war has created similar adverse effects on regional and global economic markets, including social unrest in the United States and around the world.** ~~Those~~ **These** events present material uncertainty and risk with respect to markets globally, which pose potential adverse risks to us and the performance of our investments and operations. Any such market disruptions could affect our portfolio companies' operations and, as a result, could have a material adverse effect on our business, financial condition and results of operations. The capital markets **may experience** ~~are currently in a period~~ **periods** of disruption **, instability** and economic uncertainty. Such market conditions ~~have~~ **may** materially and adversely ~~affected~~ -- **affect the** debt and equity capital markets, which **may** have ~~had, and may continue to have,~~ a negative impact on our business and operations. From time to time, capital markets **may** experience periods of disruption ~~and~~ **,** instability **and economic uncertainty** . **Such periods may result in, among other things, write-offs, the re- pricing of credit risk, the failure of financial institutions or worsening general economic conditions, any of which could materially and adversely impact the broader financial and credit markets and reduce the availability of debt and equity capital for the market as a whole and financial services firms in particular. In addition,** ~~Social~~ **social** and political tensions in the U. S. and around the world may contribute to increased market volatility, may have long- term effects on the U. S. and worldwide financial markets, and may cause economic uncertainties or deterioration in the U. S. and worldwide. ~~The~~ **There** ~~U. S. capital~~ **can be no assurance these** ~~markets~~ - **market** ~~have experienced extreme disruption since~~ **conditions will not occur or worsen in** the ~~global outbreak~~ **future, including as a result** of ~~COVID~~ **the Russia** - **Ukraine war and more recently** ~~19. Such disruptions have been evidenced by volatility in global stock markets as a result of, among other~~ -- **the Israel** ~~things, uncertainty regarding the COVID - 19~~ **Hamas war, health epidemics and** ~~pandemic~~ **pandemics** , ~~the fluctuating price of commodities such as oil, rising inflation and~~ rising interest rates ~~. Despite actions of the U. S. federal government and foreign governments, these events have contributed to worsening general economic conditions that are materially and adversely impacting broader financial and credit markets and reducing the availability of debt and equity capital for~~ - **or renewed inflationary pressure** ~~the market as a whole~~ . **Significant disruption** ~~These and any other unfavorable economic conditions could increase our~~ - **or volatility in** ~~funding costs and / or limit our access to~~ the capital markets ~~. These conditions could continue for a prolonged period of time or worsen in the future. Significant changes or volatility in the capital markets~~ may **also** negatively affect the valuations of our investments. While most of our investments are not publicly traded, applicable accounting standards require us to assume as part of our valuation process that our investments are sold in a principal market to market participants (even if we plan to hold an investment to maturity). Our valuations, and particularly valuations of private investments and private companies, are inherently uncertain, fluctuate over short periods of time and are often based on estimates, comparisons and qualitative evaluations of private information that may not reflect the full impact of ~~the COVID- 19 pandemic, rising~~ inflation and ~~rising~~ **high** interest rates and measures taken in response thereto. ~~Any public health emergency, including the COVID- 19 pandemic or an outbreak of other existing or new epidemic diseases, or the threat thereof, and the resulting financial and economic market uncertainty, could have a significant adverse impact on us and the fair value of our investments and our portfolio companies.~~ Significant ~~changes~~ **disruption or volatility** in the capital markets **also** ~~, such as the disruption in economic activity caused by the COVID- 19 pandemic as well as rising inflation and rising interest rates,~~ could limit our investment originations **, limit the potential for liquidity events involving our investments** , limit our ability to grow and have a material negative impact on our and our portfolio companies' operating results and the fair values of our debt and equity investments. ~~Additionally, the recent disruption in economic activity discussed above has had, and may continue to have, a negative effect on the potential for liquidity events involving our investments.~~ The illiquidity of our investments may make it difficult for us to sell such investments to access capital, if required. As a result, we could realize significantly less than the value at which we have recorded our investments if we were required to sell them to increase our liquidity. An inability on our part to raise incremental capital, and any required sale of all or a portion of our investments as a result, could have a material adverse effect on our business, financial condition or results of operations. Further, ~~current~~ **volatility and dislocation in the capital** ~~market~~ **markets** ~~conditions~~ may make it difficult to raise equity capital, extend the maturity of or refinance our existing indebtedness or obtain new indebtedness with similar terms and any failure to do so could have a material adverse effect on our business. The debt capital **that we have raised over the last year has generally been at higher rates than we have raised debt at in the past due to the higher interest rate environment we have been experiencing. The debt capital** available to us in the future, if available at all, may bear a higher interest rate and may be available only on terms and conditions less favorable than those of our existing debt and such debt may need to be incurred in a ~~rising~~ **high** interest rate environment. If we are unable to raise new debt or refinance our existing debt, then our equity investors will not benefit from the potential for increased returns on equity resulting from leverage, and we may be unable to make new commitments or to fund existing commitments to our portfolio companies. Any inability to extend the maturity of or refinance our existing debt, or to obtain new debt, could have a material adverse effect on our business, financial condition or results of operations. Terrorist attacks, acts of war, global health emergencies or natural disasters may impact the businesses in which we invest and harm our business, operating results and financial condition. Terrorist acts, acts of war, including **the** Russia **-** ~~' s invasion of~~ Ukraine ~~in 2022~~ **war and more recently the Israel- Hamas war** , global health emergencies or natural disasters may disrupt our operations, as well as the operations of the businesses in which we invest. Such acts have created, and continue to create, economic and political uncertainties and have contributed to global economic instability. Future terrorist activities, military or security operations, global health emergencies or natural disasters could further weaken the domestic / global economies and create additional uncertainties, which may negatively impact the businesses in which we invest directly or indirectly and, in turn, could have a material adverse impact on our business, operating results and financial condition. Losses from terrorist attacks, global health emergencies and natural disasters are generally uninsurable. We are ~~subject to~~ **highly dependent on the information systems of CIG and operational** risks ~~associated~~ **including systems failures could significantly disrupt our business, result in losses or limit our growth, which may, in turn, negatively affect the market price of our common stock and our ability to pay distributions. Our business is highly dependent on communications and information systems of CIG, the parent of CIM, which is our investment adviser and our administrator. In this Annual Report, we sometimes refer to hardware, software,**

information and communications systems maintained by CIG and used by us and CIM as " our " systems. We also face operational risk from transactions and key data not being properly recorded, evaluated or accounted for with ~~cybersecurity~~ **respect to our portfolio companies. In addition, we face operational risk from errors made in the execution, confirmation or settlement of transactions. In particular, CIM is highly dependent on its ability to process and evaluate, on a daily basis, transactions across markets and geographies in a time- sensitive, efficient and accurate manner. Consequently, we and CIM rely heavily on CIG' s financial, accounting and other data processing systems. In addition, we operate in a business that is highly dependent on information systems and technology. CIG' s and our information systems and technology may not continue to be able to accommodate our growth, and the cost of maintaining the information systems and technology, which may be partially allocated to or borne by us, may increase from its current level. Such a failure to accommodate growth, or** ~~and~~ - **an** ~~cyber incidents~~ **increase in costs related to the information systems and technology, could have a material adverse effect on our business and results of operations. Furthermore, a disaster or a disruption in the infrastructure that supports our businesses, including a disruption involving electronic communications, human resources systems or other services used by us, CIM or third parties with whom we conduct business could have a material adverse effect on our ability to continue to operate our businesses without interruption. Although we and CIG have disaster recovery programs in place, these may not be sufficient to mitigate the harm that may result from such a disaster or disruption. In addition, insurance and other safeguards might only partially reimburse us for any losses as a result of such a disaster or disruption, if at all** . We ~~, CIM~~ and ~~our~~ **CIG also rely on third-party** service providers ~~are subject to~~ **for certain aspects of our respective businesses, including for certain information systems, technology and administration of our portfolio company investments and compliance matters. Operational** risks ~~associated~~ **could increase as vendors increasingly offer mobile and cloud- based software services rather than software services that can be operated** ~~with~~ **within CIG' s own** ~~a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and~~ data **centers** ~~from both intentional cyber- attacks and hacking by other computer users as well as unintentional damage or interruption that~~ , ~~in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data and / or misappropriation of confidential information. For example, information and technology systems are vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Such damage or interruptions to information technology systems may cause losses to our investors by interfering with the processing of investor transactions, affecting our ability to calculate net asset value or impeding or sabotaging the investment process. We may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose us and CIM to civil liability as well as regulatory inquiry and / or action (and CIM may be indemnified by us in connection with any such liability, inquiry or action). Shareholders could also be exposed to losses resulting from unauthorized use of their personal information. Moreover, the increased use of mobile and cloud technologies due to the proliferation of remote work resulting from the COVID- 19 pandemic could heighten these and other operational risks~~ as certain aspects of the security of such technologies may be complex ~~and~~ **,** unpredictable **or beyond** ~~. Reliance on mobile or~~ **our** ~~cloud technology~~ or **CIG' s control, and** any failure by mobile technology ~~and~~ **or** cloud service providers to adequately safeguard their systems and prevent cyber- attacks could disrupt our operations ~~, the operations of a portfolio company or the operations of our or their service providers~~ and result in misappropriation, corruption or loss of **confidential, proprietary or** personal ~~, confidential or proprietary~~ information ~~or the inability to conduct ordinary business operations~~ . In addition, **our counterparties' information systems, technology or accounts** ~~there is a risk that encryption and other protective measures~~ may be ~~circumvented, particularly to~~ the **target** ~~extent that new computing technologies increase the speed and computing power available. Extended periods~~ of ~~remote working, whether by us, our portfolio companies, or our service providers, could strain technology resources, introduce operational risks and otherwise heighten the risks described above. Remote working environments may be less secure and more susceptible to hacking attacks, including phishing and social engineering attempts. Accordingly, the risks described above, are heightened under the current conditions. While CIM has implemented various measures to manage risks associated with cybersecurity breaches, including establishing a business continuity plan and systems designed to prevent~~ cyber- attacks **. Any interruption or deterioration in the performance of these third parties or the service providers of our counterparties or failures or vulnerabilities of their respective information systems or technology could impair the quality of our operations and could impact our reputation, adversely affect our businesses and limit our ability to grow. Finally** , there **has been significant evolution and developments in the use of artificial intelligence technologies, such as ChatGPT. We cannot fully determine the impact of such evolving technology to our business at this time. Cybersecurity failures and data security incidents could adversely affect our business by causing a disruption to our operations, a compromise or corruption of our confidential, personal or other sensitive information and / or damage to our business relationships or reputation, any of which could negatively impact our business, financial condition and operating results. The efficient operation of our business is dependent on computer hardware and software systems, as well as data processing systems and the secure processing, storage and transmission of information, all of which** are ~~inherent limitations in such plans~~ **potentially vulnerable to security breaches** and **cyber- attacks or other security breaches, which may include intentional attacks or accidental losses, either of which may result in unauthorized access to, or corruption of, our hardware, software, or data processing** systems, ~~including~~ **or to our confidential, personal, or** ~~the~~ **other** ~~possibility that certain risks~~ **sensitive information. In addition, we, CIM or its employees may be the target of fraudulent emails or other targeted attempts to**

gain unauthorized access to confidential, personal, or other sensitive information. The result of any cyber- attack or other security incidents may include disrupted operations, misstated or unreliable financial data, fraudulent transfers or requests for transfers of money, liability for stolen assets or information (including personal information ~~any ongoing breaches~~) ~~have not been identified. Similar types~~ , fines or penalties, investigations, increased cybersecurity protection and insurance costs, litigation, or damage to our business relationships and reputation, in each case, causing our business and results of operations to suffer. The rapid evolution and increasing prevalence of artificial intelligence technologies may also increase our cybersecurity risks . Although we are not currently aware of any cyber- attacks or other incidents that, individually or in the aggregate, have materially affected, or would reasonably be expected to materially affect, our operations or financial condition, there has been an increase in the frequency and sophistication of the cyber and security threats that we face, with attacks ranging from those common to businesses generally to more advanced and persistent attacks. Cyber- attacks and other security threats could originate from a wide variety of sources, including cyber criminals, nation state hackers, hacktivists and other outside or inside parties. We or our third- party providers may face a heightened risk of a security breach or disruption with respect to confidential, personal or other sensitive information resulting from an attack by foreign governments or cyber terrorists. We may be a target for attacks because, as a specialty finance company, we hold confidential and other sensitive information, including price information, about existing and potential investments. Further, we are dependent on third- party vendors for hosting hardware, software and data processing systems that we do not control. We also rely on third- party service providers for certain aspects of our business, including for certain information systems, technology and administration and compliance matters. While we rely on the cybersecurity strategy and policies implemented by CIG, which includes the performance of risk assessments on third- party providers, our reliance on them and their potential reliance on third-party providers removes certain cybersecurity functions from outside of our immediate control, and cyber- attacks on CIG, on us or on our third- party service providers could adversely affect us, our business and our reputation. The costs related to cyber- attacks or other security threats or disruptions may not be fully insured or indemnified by others, including by our third- party providers. As our reliance on computer hardware and software systems, data processing systems, and other technology has increased, so have the risks posed to such systems, both those we or CIG control and those provided by third- party vendors. Cyber- attacks may originate from a wide variety of sources, and while CIG has implemented processes, procedures and internal controls designed to mitigate cybersecurity risks and cyber- attacks, these measures do not guarantee that a cyber- attack will not occur or that our financial results, operations or confidential information, personal or other sensitive information will not be negatively impacted by such an incident, especially because the techniques of threat actors change frequently and are often not recognized until launched. CIG relies on industry accepted security measures and technology to securely maintain confidential and proprietary information maintained on its information systems, as well as on policies and procedures to protect against the unauthorized or unlawful disclosure of confidential, personal or other sensitive information. Although CIG takes protective measures and endeavors to strengthen its computer systems, software, technology assets and networks to ~~present~~ prevent and address potential cyber- attacks, there can be no assurance that any of these measures prove effective. CIG expects to be required to devote increasing levels of funding and resources, which may in part be allocated to us, to comply with evolving cybersecurity and privacy laws and regulations and to continually monitor and enhance its cybersecurity procedures and controls. Cybersecurity risks are exacerbated by the rapidly increasing volume of highly sensitive data, including our proprietary business information and intellectual property, personal information of CIM' s employees, our investors and others and other sensitive information that CIG collects, processes and stores in its data centers and on its networks ~~for~~ or those of its third- party service providers. The secure processing, maintenance and transmission of this information are critical to our operations. A significant actual or potential theft, loss, corruption, exposure, fraudulent use or misuse of investor, employee or other personal information, proprietary business data or other sensitive information, whether by third parties or as a result of employee malfeasance or otherwise, non-compliance with applicable contractual or other legal obligations regarding such data or intellectual property or a violation of applicable privacy and security policies with respect to such data could result in significant investigation, remediation and other costs, fines, penalties, litigation or regulatory actions against us and significant reputational harm, any of which could harm our business and results of operations. Our portfolio companies ~~in which we~~ also rely on similar systems and face similar risks. A disruption or compromise of these systems could have a material adverse effect on the value of these businesses. We may invest in strategic assets having a national or regional profile , the nature of which could ~~affect~~ expose them to a greater risk of being subject to a terrorist attack or cyber- attack than ~~their~~ other assets or ~~business~~ businesses . Such ~~and~~ an event may have ~~financial performance, resulting in~~ material adverse consequences on ~~for such issuers, and causing~~ our investments ~~in such~~ or may require portfolio companies to ~~lose value~~ increase preventative security measures or expand insurance coverage . In addition, we operate in a business that is highly dependent on information systems and technology. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means. ~~cybersecurity~~ Cybersecurity has become a ~~top~~ priority for ~~global lawmakers and~~ regulators in the U. S. and around the world . In the latter half of 2021 , the SEC brought three charges, sanctioning eight companies, all of which were registered as broker dealers, investment advisory firms or both, for deficient cybersecurity policies and procedures, and settled charges in two separate actions against public companies for deficient disclosure controls and procedures violations related to a cybersecurity vulnerability that exposed sensitive customer information. More recently, the SEC proposed new rules related to cybersecurity risk management for registered investment advisers, registered investment companies and BDCs, as well as amendments to certain rules that govern investment adviser and fund disclosures. In July 2023, the SEC also adopted rules requiring public companies to disclose material cybersecurity

incidents on Form 8- K and periodic disclosure of a registrant' s cybersecurity risk management, strategy, and governance in annual reports. The rules became effective beginning with annual reports for fiscal years ending on or after December 15, 2023 and beginning with Form 8- Ks on December 18, 2023. With the SEC particularly focused on cybersecurity, we expect increased scrutiny of our and CIG' s policies and systems designed to manage cybersecurity risks and related disclosures. We also may face increased costs to comply with the new SEC rules, including CIG' s increased costs for cybersecurity training and management, a portion of which may be allocated to us. Many jurisdictions in which we operate have laws and regulations relating to data privacy, cybersecurity and protection of personal information, including, the CCPA, the New York SHIELD Act, the General Data Protection Regulation, or GDPR, and the U. K. GDPR. In addition, the SEC has indicated in recent periods that one of its examination priorities for the Office of Compliance Inspections and Examinations is to continue to examine cybersecurity procedures and controls, including testing the implementation of these procedures and controls. There may be substantial financial penalties or fines for breach of privacy laws (which may include insufficient security for personal or other sensitive information). For example, the maximum penalty for breach of the GDPR is the greater of 20 million Euros and 4 % of group annual worldwide turnover, and fines for each violation of the CCPA are $ 2, 500, or $ 7, 500 per violation for intentional violations. Non- compliance with any applicable privacy or data security laws represents a serious risk to our business. ~~some~~ **Some** jurisdictions have **also** ~~proposed or~~ enacted laws requiring companies to notify ~~regulators and~~ individuals of data security breaches involving certain types of personal ~~data~~ **information** . ~~Compliance with such laws~~ **Breaches in security could potentially jeopardize CIM' s employees' or our investors' or counterparties' confidential or other information processed** and ~~regulations may~~ **stored in, or transmitted through, our or CIG' s computer systems and networks (or those of our third- party service providers), or otherwise cause interruptions or malfunctions in CIM' s employees', our investors', our portfolio companies', our counterparties' or third parties' operations, which could** result in **significant** ~~cost increases due to system changes and the development of new administrative processes. If we or CIM or certain of our affiliates fail to comply with the relevant and increasing laws and regulations, we could suffer financial~~ losses, ~~a~~ **increased costs,** disruption of our ~~businesses~~ -- **business** , liability to **our** investors **, our portfolio companies and other counterparties, fines or penalties, litigation** , regulatory intervention or reputational damage **, which could also lead to a loss of investors** . ~~Item 1B~~ **We and our portfolio companies may maintain cash balances at financial institutions that exceed federally insured limits and may otherwise be materially affected by adverse developments affecting the financial services industry, such as actual events or concerns involving liquidity, defaults or non- performance by financial institutions or transactional counterparties** . ~~Unresolved Staff Comments~~ **Our cash is held principally at one financial institution that we believe is of high quality and at times may exceed insured limits. Cash held by us and by our portfolio companies in non- interest- bearing and interest- bearing operating accounts may exceed the FDIC insurance limits. If such banking institutions were to fail, we or our portfolio companies could lose all or a portion of those amounts held in excess of such insurance limitations. In addition, actual events involving limited liquidity, defaults, non- performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market- wide liquidity problems, which could adversely affect our and our portfolio companies' business, financial condition, results of operations, or prospects. Although we assess our banking relationships as we believe necessary or appropriate, our access to funding sources and other credit arrangements in amounts adequate to finance or capitalize our current and projected future business operations could be significantly impaired by factors that affect us, the financial institutions with which we have arrangements directly, or the financial services industry or economy in general. These factors could include, among others, events such as liquidity constraints or failures, the ability to perform obligations under various types of financial, credit or liquidity agreements or arrangements, disruptions or instability in the financial services industry or financial markets or concerns or negative expectations about the prospects for companies in the financial services industry. These factors could involve financial institutions or financial services industry companies with which we have financial or business relationships but could also include factors involving financial markets or the financial services industry generally. In addition, investor concerns regarding the U. S. or international financial systems could result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult for us to acquire financing on acceptable terms or at all.**