Risk Factors Comparison 2024-05-21 to 2023-05-23 Form: 10-K

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Investing in our securities involves a number of significant risks. In addition to other information contained in this Annual Report on Form 10- K, investors should consider the following information before making an investment in our securities. The risks and uncertainties described below could materially adversely affect our business, financial conditions and results of operations. The risks set forth below are not the only risks we face. Additional risks and uncertainties not presently known to us, or not presently deemed material by us, also may impair our operations and performance. If any of the following risks, or risks not presently known to us, actually occur, the trading price of our securities could decline, and you may lose all or part of your investment. The following is a summary of the principal risk factors associated with an investment in us. Further details regarding each risk included in the below summary list can be found further below. • Our financial condition and results of operations will depend on our ability to effectively allocate and manage capital. • Our business model depends to a significant extent upon strong referral relationships. Our inability to maintain or develop these relationships, as well as the failure of these relationships to generate investment opportunities, could adversely affect our business. • All of our assets are subject to security interests under our ~~secured~~ **Corporate** Credit Facility and **our SPV Credit Facility, except for assets held by SBIC I, and** if we default on our obligations under the **Corporate Credit Facility or the SPV** Credit Facility, we may suffer adverse consequences, including foreclosure on our assets. • In addition to regulatory limitations on our ability to raise capital, our current debt obligations contain various covenants, that, if not complied with, could accelerate our repayment obligations under the **Corporate Credit Facility and / or the SPV** Credit Facility — thereby materially and adversely affecting our liquidity, financial condition, results of operations and ability to pay distributions. • Because we borrow money to make investments, the potential for gain or loss on amounts invested in us is magnified and may increase the risk of investing in us. • A failure on our part to maintain our status as a BDC would significantly reduce our operating flexibility. • We will become subject to U. S. federal income tax **imposed** at corporate rates if we are unable to maintain our qualification as a regulated investment company under Subchapter M of the Code or satisfy regulated investment company distribution requirements. • Our portfolio investments generally are not publicly traded. As a result, the fair value of these investments may not be readily determinable and will be recorded at fair value as determined in good faith **by** ~~and under~~ the ~~direction~~ **Valuation Committee, subject to the oversight** of our Board of Directors. As a result, there may be uncertainty as to the value of our portfolio investments. • We are currently operating in a period of ~~capital markets disruptions and~~ economic uncertainty. Such market conditions may materially and adversely affect debt and equity capital markets, which may have a negative impact on our business, financial condition and results of operations. • Inflation may adversely affect the business, results of operations and financial condition of our portfolio companies, which may, in turn, impact the valuation of such portfolio companies. • We operate in a highly competitive market for investment opportunities. • Our success depends on attracting and retaining qualified personnel in a competitive environment. • Our investments in portfolio companies involve a number of significant risks. • SBIC I has an SBIC license and is subject to SBA regulations, and any failure to comply with SBA regulations could have an adverse effect on our operations. • Rising credit spreads could affect the value of our investments, and rising interest rates make it more difficult for portfolio companies to make periodic payments on their loans. • The lack of liquidity in our investments may adversely affect our business. • Defaults by our portfolio companies could harm our operating results. • We generally will not control our portfolio companies. • Investing in shares of our common stock may involve an above average degree of risk. • Shares of closed- end investment companies, including BDCs, may trade at a discount to their NAV. • The January 2026 Notes ~~and~~ **,** the October 2026 **Notes, and the August 2028** Notes are unsecured and therefore are effectively subordinated to any existing and future secured indebtedness, including indebtedness under our **Corporate Credit Facility. The January 2026 Notes, the October 2026 Notes, and the August 2028 Notes are structurally subordinated to the indebtedness and other liabilities of our subsidiaries, including the SBA- guaranteed debentures and the SPV** Credit Facility. • We may not be able to repurchase the January 2026 Notes and the October 2026 Notes upon a Change of Control Repurchase Event. • If we default on our obligations to pay our other indebtedness, we may not be able to make payments on the ~~January 2026 Notes and the October 2026~~ Notes. RISKS RELATED TO OUR BUSINESS AND STRUCTURE Our ability to achieve our investment objective of maximizing risk- adjusted returns to shareholders depends on our ability to effectively allocate and manage capital. Capital allocation depends in part upon our investment team' s ability to identify, evaluate, invest in and monitor companies that meet our investment criteria. ~~Accomplishing~~ **Achieving** our investment objectives is largely a function of our investment team' s management of the investment process and our access to investments offering attractive risk adjusted returns. In addition, members of our investment team may be called upon, from time to time, to provide managerial assistance to some of our portfolio companies. The results of our operations depend on many factors, including the availability of opportunities for investment, readily accessible short- and long- term funding alternatives in the financial markets and economic conditions. Our ability to make new investments at attractive relative returns is also a function of our marketing and our management of the investment process, as well as conditions in the private credit markets in which we invest. If we fail to invest our capital effectively, our return on equity may be negatively impacted, which could have a material adverse effect on the price of the shares of our common stock. Any unrealized losses we experience may be an indication of future realized losses, which could reduce our income available to make distributions. As a BDC, we are required to carry our investments at market value or, if no market quotation is readily available, at fair value as determined in good faith by our Valuation Committee pursuant to a valuation methodology approved by our Board of Directors. Decreases in the market values or fair values of our investments will be recorded as unrealized losses. An unrealized loss could be an indication of a portfolio company' s inability to generate cash flow or meet its repayment obligations. This could result in realized losses in the future and ultimately in reductions of our income available to pay dividends or interest and principal on our securities and could have a material adverse effect on your investment. Our business model depends to a significant extent upon strong referral relationships. Our inability to develop or maintain these relationships, as well as the potential failure of these relationships to generate investment opportunities, could adversely affect our business. We expect that members of our management team will maintain their relationships with financial sponsors, intermediaries, financial institutions, investment bankers, commercial bankers, financial advisors, attorneys, accountants, consultants and other individuals within our network, and we will rely to a significant extent upon these relationships to provide us with potential investment opportunities. If our management team fails to maintain its existing relationships or develop new relationships with sources of investment opportunities, we will not be able to effectively invest our capital. Individuals with whom members of our management team have relationships are not obligated to provide us with investment opportunities; therefore, there is no assurance that these relationships will generate investment opportunities for us. All of our assets are currently pledged as collateral under our **Corporate** Credit Facility **or our SPV Credit Facility, except for assets held by SBIC I**. If we default on our obligations under the **Corporate Credit Facility or the SPV** Credit Facility, the lenders party thereto may have the right to foreclose upon and sell, or otherwise transfer, the collateral subject to their security interests. In such event, we may be forced to sell our investments to raise funds to repay our outstanding borrowings in order to avoid foreclosure and these forced sales may be at times and prices we would not consider advantageous. Moreover, such deleveraging of the Company could significantly impair our ability to effectively operate our business in the manner in which we have historically operated. As a result, we could be forced to curtail or cease new investment activities and lower or eliminate the dividends that we have historically paid to our shareholders. In addition, if the lenders exercise their right to sell the assets pledged under our **Corporate Credit Facility or our SPV** Credit Facility, such sales may be completed at distressed sale prices, thereby diminishing or potentially eliminating the amount of cash available to us after repayment of the amounts outstanding under the **Corporate Credit Facility or the SPV** Credit Facility. These distressed prices could be materially below our most recent valuation of each security, which could have a significantly negative effect on NAV. **In addition to regulatory limitations on our ability to raise capital, our current debt obligations contain various covenants, that, if not complied with, could accelerate our repayment obligations under the Corporate Credit Facility or the SPV Credit Facility — thereby materially and adversely affecting our liquidity, financial condition, results of operations and ability to pay distributions.** We will have a continuing need for capital to finance our investments. As of March 31, ~~2023~~ **2024**, the **Corporate** Credit Facility provides us with a revolving credit line of up to $ ~~400~~ **460**. 0 million of which $ ~~235~~ **265**. 0 million was drawn. **As of March 31, 2024, the SPV Credit Facility provides us with total commitments of $ 150. 0 million of which none was drawn.** The **agreement relating to each of the Corporate Credit Facility and the SPV** Credit Facility contains customary terms and conditions, including, without limitation, affirmative and negative covenants such as information reporting requirements, minimum consolidated net worth, minimum consolidated interest coverage ratio, minimum asset coverage, and maintenance of RIC tax treatment and BDC status. ~~The~~ **Each of the Corporate Credit Facility and the SPV** Credit Facility also contains customary events of default with customary cure and notice provisions, including, without limitation, nonpayment, misrepresentation of representations and warranties in a material respect, breach of covenants, bankruptcy, and change of control. ~~The~~ **Each of the Corporate Credit Facility and the SPV** Credit Facility permits us to fund additional loans and investments as long as we are within the conditions set out in the ~~Credit Facility~~ **related agreements**. Our continued compliance with these covenants depends on many factors, some of which are beyond our control, and there are no assurances that we will continue to comply with these covenants. If we breach a covenant under the terms of the **Corporate Credit Facility or the SPV** Credit Facility and seek a waiver, we may not be able to obtain a waiver from the required lenders. Our failure to satisfy these covenants could result in foreclosure by our lenders, which would accelerate our repayment obligations under the **Corporate Credit Facility or the SPV** Credit Facility and thereby have a material adverse effect on our business, liquidity, financial condition, results of operations, and ability to pay distributions to our shareholders. Borrowings to fund investments, also known as leverage, magnify the potential for loss on investments in our indebtedness and gain or loss on investments in our equity capital. As we use leverage to partially finance our investments, you will experience increased risks of investing in our securities. We may borrow from banks and other lenders, including under our **Corporate Credit Facility and our SPV** Credit Facility, and may issue debt securities or enter into other types of borrowing arrangements in the future. If the value of our assets decreases, leveraging would cause NAV to decline more sharply than it otherwise would have had we not leveraged our business. Similarly, any decrease in our income would cause net investment income to decline more sharply than it would have had we not leveraged our business. Such a decline could negatively affect our ability to pay common stock dividends, scheduled debt payments or other payments related to our securities. Use of leverage is generally considered a speculative investment technique. As of March 31, ~~2023~~ **2024**, we had $ ~~235~~ **265**. 0 million ~~debt~~ **borrowings** outstanding out of $ ~~400~~ **460** million of total commitments under our **Corporate** Credit Facility. Borrowings under the **Corporate** Credit Facility bear interest, on a per annum basis **,** ~~at a rate~~ equal to the applicable ~~LIBOR~~ **Adjusted Term SOFR** rate plus 2. 15 % ~~with no LIBOR floor~~. We pay unused commitment fees of 0. 50 % to 1. 00 % per annum, based on utilization, on the unused lender commitments under the **Corporate** Credit Facility. The **Corporate** Credit Facility is secured by ~~substantially~~ all of ~~our~~ **the Company' s** assets **, except for assets held by SBIC I and Capital Southwest SPV**. If we are unable to meet our financial obligations under the **Corporate** Credit Facility, the lenders under the **Corporate** Credit Facility may exercise their remedies under the **Corporate** Credit Facility as the result of a default by us. As of March 31, ~~2023~~ **2024 , we had no borrowings outstanding out of the $ 150 million of total commitments under our SPV Credit Facility. Borrowings under the SPV Credit Facility bear interest, on a per annum basis, equal to three- month Term SOFR plus an applicable margin of 2. 50 % during the revolving period ending on March 20, 2027 and, thereafter, three- month Term SOFR plus an applicable**

margin of 2. 85 %. We pay unused commitment fees of 0. 10 % per annum on the unused commitments through April 20, 2024, and thereafter, 0. 35 % per annum on the unused commitments. The SPV Credit Facility is secured by all of SPV' s assets. If we are unable to meet our financial obligations under the SPV Credit Facility, the lenders under the SPV Credit Facility may exercise their remedies under the SPV Credit Facility as the result of a default by us. As of March 31, 2024, the carrying amount of the January 2026 Notes was $ 139. ~~1~~ **4** million. The January 2026 Notes mature on January 31, 2026 and may be redeemed in whole or in part at any time prior to October 31, 2025, at par plus a" make- whole" premium, and thereafter at par. The January 2026 Notes bear interest at a rate of 4. 50 % per year, payable semi- annually on January 31 and July 31 of each year. The January 2026 Notes are the direct unsecured obligations of the Company and rank pari passu with our other outstanding and future unsecured unsubordinated indebtedness and are effectively subordinated to all of our existing and future secured indebtedness, including borrowings under our Credit Facility. As of March 31, ~~2023~~ **2024**, the carrying amount of the October 2026 Notes was $ ~~147~~ **148**. ~~3~~ **1** million. The October 2026 Notes mature on October 1, 2026 and may be redeemed in whole or in part at any time prior to July 1, 2026, at par plus a" make- whole" premium, and thereafter at par. The October 2026 Notes bear interest at a rate of 3. 375 % per year, payable semi- annually on April 1 and October 1 of each year. The October 2026 Notes are the direct unsecured obligations of the Company and rank pari passu with our other outstanding and future unsecured unsubordinated indebtedness and are effectively subordinated to all of our existing and future secured indebtedness, including borrowings under our Credit Facility. **As of March 31, 2024, the carrying amount of the August 2028 Notes was $ 69. 7 million. The August 2028 Notes mature on August 1, 2028 and may be redeemed in whole or in part at any time, or from time to time, at the Company' s option on or after August 1, 2025. The August 2028 Notes bear interest at a rate of 7. 75 % per year, payable quarterly on February 1, May 1, August 1 and November 1 of each year. The August 2028 Notes are the direct unsecured obligations of the Company, rank pari passu with the Company' s other outstanding and future unsecured unsubordinated indebtedness and are effectively or structurally subordinated to all of the Company' s existing and future secured indebtedness, including borrowings under the Corporate Credit Facility, the SPV Credit Facility and the SBA Debentures. The August 2028 Notes are listed on the Nasdaq Global Select Market under the trading symbol" CSWCZ."** Our ability to achieve our investment objective may depend in part on our ability to access additional leverage on favorable terms by borrowing from banks or insurance companies or by issuing debt securities and there can be no assurance that such additional leverage can in fact be achieved. 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. Assumed Return on Our Portfolio (1) (net of expenses) (10. 0) % (5. 0) % 0. 0 % 5. 0 % 10. 0 % Corresponding net return to common shareholder (2) (~~27~~ **26**. ~~20~~ **65**) % (16. ~~55~~ **35**) % (~~5~~ **6**. ~~90~~ **05**) % 4. ~~75~~ **25** % ~~15~~ **14**. ~~40~~ **55** % (1) Assumes $ 1, ~~257~~ **556**. ~~7~~ **8** million in total assets, $ ~~645~~ **779**. ~~0~~ **9** million in debt principal outstanding, $ ~~590~~ **755**. ~~4~~ **7** million in net assets and a weighted- average interest rate of 5. ~~27~~ **64** % on our indebtedness based on our financial data available on March 31, ~~2023~~ **2024**. Actual interest payments may be different. (2) In order for us to cover our annual interest payments on indebtedness, we must achieve annual returns on our March 31, ~~2023~~ **2024** total assets of at least 2. ~~77~~ **94** %. If we do not invest a sufficient portion of our assets in qualifying assets, we could fail to qualify as a BDC or be precluded from investing according to our current business strategy. As a BDC, we are not permitted to 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. As of March 31, ~~2023~~ **2024**, ~~86~~ **89**. ~~1~~ **4** % of our total assets consisted of qualifying assets. However, we may be precluded from investing in what we believe are attractive investments if those investments are not qualifying assets for purposes of the 1940 Act. Similarly, these rules could prevent us from making follow- on investments in existing portfolio companies, or we could be required to dispose of investments at inopportune or inappropriate times to comply with the 1940 Act (which could result in the dilution of our position). If we need to dispose of investments quickly, it could be difficult to dispose of such investments on favorable terms. We may not be able to find a buyer for such investments and, even if we do find a buyer, we may have to sell the investments at a substantial loss. Any such outcomes could have a material adverse effect on our business, financial condition, results of operations, and cash flows. If we fail to maintain our status as a BDC, we might be regulated as a closed- end investment company that is required to register under the 1940 Act, which would subject us to additional regulatory restrictions and significantly decrease our operating flexibility. In addition, any such failure could cause an event of default under our outstanding indebtedness, which could have a material adverse effect on our business, financial condition or results of operations. We have elected, and intend to qualify annually, to be treated as a RIC under Subchapter M of the Code. No assurance can be given that we will be able to maintain our qualification as a RIC. To maintain RIC tax treatment under the Code, we must meet the following annual distribution, income source and asset diversification requirements: • The annual distribution requirement for a RIC is generally satisfied if we timely distribute to our shareholders on an annual basis at least 90 % of our net ordinary **taxable** income and realized short- term capital gains in excess of realized net long- term capital losses. We will be subject to U. S. federal income tax, and possibly a 4 % U. S. federal excise tax, on any income that we do not timely distribute to our shareholders. Our U. S. federal income tax liability may be reduced to the extent that we make certain distributions during the following calendar year and satisfy other procedural requirements. • The source of income requirement is satisfied if we obtain at least 90 % of our gross income for each taxable year from dividends, interest, payments with respect to certain securities loans, gains from the sale or other disposition of stock or other securities or foreign currencies or other income derived with respect to our business of investing in such stock, securities or currencies and net income derived from an interest in a " qualified publicly traded partnership " (as defined in the Code), or the 90 % Income Test. • The asset diversification requirement is 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~~ **, provided that** such other securities **will not include**

any securities of any one issuer ~~do not represent~~ **, if our holdings of such issuer constitute** more than 5 % of the **total** value of our assets or **if we hold** more than 10 % of the outstanding voting securities of the issuer (which for these purposes includes the equity securities of a " qualified publicly traded partnership "). In addition, no more than 25 % of the value of our assets can be invested in (i) the securities, other than U. S Government securities or securities of other RICs, of one issuer; (ii) the securities, other than securities of other RICs, of two or more issuers that are controlled, as determined under applicable tax rules, by us and that are engaged in the same or similar or related trades or businesses; or (iii) the securities of one or more " qualified publicly traded partnerships, " or the Diversification Tests. Failure to meet these requirements may result in us having to dispose of certain unqualified investments quickly in order to prevent the loss of RIC tax treatment. If we fail to maintain RIC tax treatment for any reason and are subject to U. S. federal income tax, the resulting ~~corporate- level taxes~~ -- **tax liability** could substantially reduce our net assets, the amount of income available for distribution and the amount of our distributions. In addition, to the extent we have unrealized gains, we would have to establish deferred tax liabilities, which would reduce our NAV accordingly. In addition, our shareholders would lose the tax credit realized when we, as a RIC, decide to retain the net realized capital gain and make deemed distributions of net realized capital gains, and pay taxes on behalf of our shareholders at the end of the tax year. The loss of this pass- through tax treatment could have a material adverse effect on the total return of an investment in our common stock. Even if the Company qualifies as a regulated investment company, it may face tax liabilities that reduce its cash flow. If we **continue to** qualify for taxation as a RIC under the Code, we generally will not be subject to U. S. federal income tax on income that we timely distribute to our shareholders as dividends. Income derived through the Taxable Subsidiary will be subject to U. S. federal income tax at corporate rates without regard to the Annual Distribution Requirement ~~.~~ ~~Our portfolio investments generally are not publicly traded. As a result~~ , ~~the fair value of these investments may not be readily determinable~~ and **any taxes paid** ~~will be recorded at fair value as determined in good faith~~ by the **Taxable Subsidiary would decrease** ~~Valuation Committee, subject to the oversight of our Board of Directors. As a result, there~~ -- **the cash available for distribution** ~~may 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 quotation, at fair value as determined in good faith by the Valuation Committee, subject to the oversight of our Board of Directors. Typically, there is not a public market for the securities of the privately held companies in which we have invested and will continue to invest. As a result, the Valuation Committee values these securities quarterly at fair value based on inputs from our investment team and our third- party valuation firms, subject to the oversight of our Board of Directors. The determination of fair value and, consequently, the amount of unrealized gains and losses in our portfolio are, to a certain degree, subjective and dependent on our valuation process. Certain factors that may be considered in determining the fair value of our investments include external events, such as private mergers, sales and acquisitions involving comparable companies. Because of the inherent uncertainty of the valuation of portfolio securities that do not have readily available market quotations, our fair value determinations may differ materially from the values a third party would be willing to pay for our portfolio securities or the values that would be applicable to unrestricted securities having a public market. Due to this uncertainty, our fair value determinations may cause our NAV on a given date to materially understate or overstate the value that we may ultimately realize on one or more of our investments. As a result, investors purchasing our common stock based on an overstated NAV may pay a higher price than the value of our investments might warrant. Conversely, investors selling shares during a period in which the NAV understates the value of our investments may receive a lower price for their shares than the value of our investments might warrant. From time to time, capital markets may experience periods of disruption and instability. The U. S. capital markets have experienced extreme volatility and disruption following the global outbreak of COVID- 19 that began in December 2019 ~~and~~ **,** the conflict between Russia and Ukraine that began in late February 2022 **, and the ongoing war in the Middle East** (see" Terrorist attacks, acts of war or natural disasters may affect any market for our common stock, impact the business in which we invest and harm our business, operating results and financial condition" for more information). Even after the COVID- 19 pandemic ~~subsides~~ **subsided** , the U. S. economy, as well as most other major economies, ~~may~~ **have** ~~continue~~ **continued** to experience ~~a recession~~ **unpredictable economic conditions** , and we anticipate our businesses would be materially and adversely affected by a prolonged **economic downturn or** recession in the United States and other major markets. **In addition,** ~~Disruptions~~ **disruptions** in the capital markets ~~have~~ **could** ~~increased~~ - **increase** the spread between the yields realized on risk- free and higher risk securities, **which could** ~~resulting~~ --- **result** in illiquidity in parts of the capital markets. ~~The~~ **These** ~~economic~~ conditions ~~caused by the COVID- 19 pandemic could have, an adverse impact on the ability of lenders to originate loans, the volume and type of loans originated, the ability of borrowers to make payments and the volume and type of amendments and waivers granted to borrowers and remedial actions taken in the event of a borrower default, each of which could negatively impact the amount and quality of loans available for investment by the Company and returns to the Company, among other things. With respect to the U. S. credit markets (in particular for middle- market loans), the COVID- 19 outbreak has resulted in, and until fully resolved is likely to continue to result in, the following, among other things: (i) increased draws by borrowers on revolving lines of credit and other financing instruments; (ii) increased requests by borrowers for amendments and waivers of their credit agreements to avoid default, increased defaults by such borrowers and / or increased difficulty in obtaining refinancing at the maturity dates of their loans; and (iii) greater volatility in pricing and spreads and difficulty in valuing loans during periods of increased volatility and liquidity issues. These~~ and future market disruptions and / or illiquidity could have an adverse effect on our **(and our portfolio companies')** business, financial condition, results of operations and cash flows. **Ongoing** ~~Unfavorable~~ **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 **our portfolio companies and / or** us. These events **have limited and** could **continue to** limit our investment originations and our ability to grow and could also have a material negative impact on our operating results and the fair values of our debt and equity investments. We may have to access, if available, alternative markets for debt and equity capital, and a severe disruption in the global financial markets, deterioration in credit and financing conditions **, high interest rates** or uncertainty regarding U. S. government spending and deficit levels or other global economic conditions could have a material adverse effect on our business, financial condition and results of operations **. Even if capital markets remain stable or improve, conditions could deteriorate again in the future** . Past economic downturns or recessions have had a significant negative impact on the operating performance and fair value of middle market companies. For example, between 2008 and 2009, the U. S. and global capital markets were unstable, as evidenced by periodic disruptions in liquidity in the debt capital markets, significant write- offs in the financial services sector, the re- pricing of credit risk in the broadly syndicated credit market and the failure of major financial institutions. Despite actions of the U. S. federal government and foreign governments, these events contributed to worsening general economic conditions that materially and adversely impacted the broader financial and credit markets and reduced the availability of debt and equity capital for the market as a whole and financial services firms in particular. Equity capital may be difficult to raise during periods of adverse or volatile market conditions because, subject to some limited exceptions, as a BDC, we are generally not able to issue additional shares of our common stock at a price less than NAV without first obtaining approval for such issuance from our shareholders and our directors who are not" interested persons" (as such term is used under Section 2 (a) (19) of the 1940 Act) of the Company, or independent directors. Volatility and dislocation in the capital markets **also** can ~~also~~ create a challenging environment in which to raise or access debt capital. ~~If~~ **Under** ~~the~~ **these** ~~current market~~ conditions ~~(which are similar to those experienced from 2008 through 2009) continue for any substantial length of time~~ , it could make it difficult to refinance or extend the maturity of 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 will be available to us in the future, if at all, may be at a higher cost and on less favorable terms and conditions than what we currently experience, including being at a higher cost in a rising interest rate environment. If any of these conditions appear, they may have an adverse effect on our business, financial condition, and results of operations. These events could limit our investment originations, limit our ability to increase returns to equity holders through the effective use of leverage, and negatively impact our operating results. In addition, significant changes or volatility in the capital markets may also have a negative effect on 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 on holding an investment through its maturity). Significant changes in the capital markets may also affect the pace of our investment activity and the potential for liquidity events involving our investments. Thus, the illiquidity of our investments may make it difficult for us to sell our investments to access capital if required, and 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 for liquidity purposes. An inability to raise or access capital could have a material adverse effect on our business, financial condition or results of operations. Government authorities worldwide have taken increased measures to stabilize the markets and support economic growth. The success of these measures is unknown and they may not be sufficient to address the market dislocations or avert severe and prolonged reductions in economic activity. We also face an increased risk of investor, creditor or portfolio company disputes, litigation, and governmental and regulatory scrutiny as a result of **current** ~~the effects of COVID- 19 on~~ economic and market conditions ~~. Events outside of our control, such as the COVID- 19 pandemic, could negatively affect our portfolio companies and our results of our operations and financial condition. Periods of market volatility have occurred and could continue to occur in response to pandemics or other events outside of our control. These types of events have adversely affected — and could continue to adversely affect — operating results for us and for our portfolio companies. For example, the COVID- 19 pandemic has led to, and for an unknown period of time will continue to lead to, disruptions in local, regional, national and global markets and the economies affected thereby, including the United States. With respect to U. S. and global credit markets and the economy in general, the COVID- 19 pandemic and preventative measures taken to contain or mitigate its spread have caused, and are continuing to cause, business shutdowns, cancellations of events and restrictions on travel, significant reductions in demand for certain goods and services, reductions in business activity and financial transactions, supply chain disruptions, labor difficulties and shortages, commodity inflation and elements of economic and financial market instability in the United States and globally. Such effects will likely continue for the duration of the pandemic, for some period thereafter. COVID- 19 and the resulting economic dislocations have had adverse consequences for the business operations and financial performance of some of our portfolio companies, which may, in turn, impact the valuation of our investments and have adversely affected, and threaten to continue to adversely affect, our operations. We are unable to predict the duration of these business and supply chain disruptions, the extent to which the economic conditions caused by COVID- 19 will negatively affect our portfolio companies' operating results or the impact that such disruptions may have on our results of operations and financial condition. With respect to loans to portfolio companies, the Company will be impacted if, among other things, (i) amendments and waivers are granted (or are required to be granted) to borrowers permitting deferral of loan payments or allowing for PIK interest payments, (ii) borrowers default on their loans, are unable to refinance their loans at maturity, or go out of business, or (iii) the value of loans held by the Company decreases as a result of such events and the uncertainty they cause. Portfolio companies may also be more likely to seek to draw on unfunded commitments we have made, and the risk of being unable to fund such commitments is heightened during such periods. Depending on the duration and extent of the disruption to the business operations of our portfolio companies, we expect some portfolio companies, particularly those in vulnerable industries, to experience financial distress and possibly to default on their financial obligations to us and / or their other capital providers. In addition, if such portfolio companies are subjected to prolonged and severe financial distress, we expect some of them to substantially curtail their operations, defer capital expenditures, and lay off workers. These developments would be likely to permanently impair their businesses and result in a reduction in the value of our investments in them. Any potential impact to our results of operations will depend, to a large extent, on future developments and new information that could emerge regarding the duration and severity of the COVID- 19 pandemic and the actions taken by authorities and other entities to contain the spread or treat its impact, all of which are beyond our control. These potential~~

~~impacts, while uncertain, could adversely affect our and our portfolio companies' operating results and financial condition~~ . Certain of our portfolio companies may be impacted by inflation, which may, in turn, impact the valuation of such portfolio companies. If such portfolio companies are unable to pass any increases in their costs along to their customers, it could adversely affect their results and their ability to pay interest and principal on our loans, particularly if interest rates ~~rise~~ **remain high** 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. Political, social and economic uncertainty creates and exacerbates risks. Social, political, economic and other conditions and events (such as natural disasters, epidemics and pandemics, terrorism, conflicts and social unrest) could occur, potentially creating uncertainty and significantly impacting issuers, industries, governments and other systems, including the financial markets, to which companies and their investments are exposed. As global systems, economies and financial markets are increasingly interconnected, events that once had only local impact are now more likely to have regional or even global effects. Events that occur in one country, region or financial market will, more frequently, adversely impact issuers in other countries, regions, or markets, including in established markets, such as the United States. These impacts can be exacerbated by failures of governments and societies to adequately respond to an emerging event or threat. Uncertainty can result in or coincide with other phenomena, including, 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); further social, economic, and political instability; nationalization of private enterprise; greater governmental involvement in the economy or in social factors that impact the economy; changes to governmental regulation and supervision of the loan, securities, derivatives and currency markets and market participants and decreased or revised monitoring of such markets by governments or self- regulatory organizations and reduced enforcement of regulations; limitations on the activities of investors in such markets; controls or restrictions on foreign investment, capital controls and limitations on repatriation of invested capital; the significant loss of liquidity and the inability to purchase, sell and otherwise fund investments or settle transactions (including, but not limited to, a market freeze); unavailability of currency hedging techniques; 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 as well as the economy as a whole; economic recessions or downturns; and difficulties in obtaining and / or enforcing legal judgments. Following the November 2022 elections in the United States, the Democratic Party controls the Presidency and the Senate, with the Republican Party controlling the House of Representatives. Despite political tensions and uncertainty in a divided legislature, changes in federal policy, including tax policies, and at regulatory agencies may occur over time through policy and personnel changes, which can lead to changes involving the level of oversight and regulation of the financial services industry as well as changes in tax rates. The nature, timing and economic and political effects of potential changes to the current legal and regulatory framework affecting financial institutions remain highly uncertain. Although it is impossible to predict the precise nature and consequences of these events, or of any political or policy decisions and regulatory changes occasioned by emerging events or uncertainty on applicable laws or regulations that impact us, our portfolio companies and our investments, it is clear that these types of events are impacting us and our portfolio companies and will, for at least some time, continue to impact us and our portfolio companies; further, in many instances, the impact will be adverse and profound. The effect of global climate change may impact the operations and valuation of our portfolio companies. Climate change creates physical and financial risk and some of our portfolio companies may be adversely affected by climate change. For example, the needs of customers of energy companies vary with weather conditions, primarily temperature and humidity. To the extent weather conditions are affected by climate change, energy use could increase or decrease depending on the duration and magnitude of any changes. Increases in the cost of energy could adversely affect the cost of operations of our portfolio companies if the use of energy products or services is material to their business. A decrease in energy use due to weather changes may affect some of our portfolio companies' financial condition through, for example, decreased revenues, which may, in turn, impact the valuation of such portfolio companies. Extreme weather conditions in general require more system backup, adding to costs, and can contribute to increased system stresses, including service interruptions. In December 2015, the United Nations adopted a climate accord (the " Paris Agreement "), which the United States rejoined in 2021, with the long- term goal of limiting global warming and the short- term goal of significantly reducing greenhouse gas emissions. Additionally, the Inflation Reduction Act of 2022 included several measures designed to combat climate change, including restrictions on methane emissions. As a result, some of our portfolio companies may become subject to new or strengthened regulations or legislation, which could increase their operating costs and / or decrease their revenues, which may, in turn, impact their ability to make payments on our investments. Environmental, social and governance factors may adversely affect our business or cause us to alter our business strategy. Our business faces increasing public scrutiny related to environmental, social and governance (" ESG ") activities. We risk damage to our brand and reputation if we fail to act responsibly in a number of areas, such as environmental stewardship, corporate governance and transparency. Adverse incidents with respect to ESG activities could impact the value of our brand, the cost of our operations and relationships with investors, all of which could adversely affect our business and results of operations. Additionally, new regulatory initiatives related to ESG could adversely affect our business. For example, **pending the outcome of ongoing legal challenges to the rules,** the SEC has announced that it ~~may~~ **will** require disclosure of **material climate- related risks and information about** certain **registrant' s emissions if such emissions are material to its business, and may require disclosure of additional** ESG- related matters **in** ~~. At this time, there is uncertainty regarding the scope of such proposals or when they~~ - **the future** ~~would become effective (if at all)~~ . 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 prospective portfolio companies conduct our businesses and adversely affect our profitability. Downgrades of the U. S. credit rating, automatic spending cuts, or another government shutdown could negatively impact our liquidity, financial condition, and results of operations. U. S. debt ceiling and budget deficit concerns have increased the possibility of credit- rating downgrades ~~,~~ or a recession in the ~~U~~ **United States** . ~~S. Although~~ U. S. lawmakers have passed legislation to raise the federal debt ceiling on multiple occasions, including **, most recently,** in ~~December~~ **June** ~~2021~~ **2023 , which suspended the debt ceiling through early 2025 unless Congress takes legislative action to further extend or defer it. Despite taking action to suspend the debt ceiling** , ratings agencies have threatened to lower the long- term sovereign credit rating on the United States **, including Fitch downgrading the U. S. government' s long- term rating from AAA to AA in August 2023 and Moody' s lowering the U. S. government' s credit rating outlook from " stable " to " negative " in November 2023** . The impact of the increased debt ceiling and / or downgrades to the U. S. government' s sovereign credit rating or its perceived creditworthiness could adversely affect the U. S. and global financial markets and economic conditions. Absent further quantitative easing by the Federal Reserve, these developments could cause interest rates and borrowing costs to rise, which may negatively impact our ability to access the debt markets on favorable terms. In addition, disagreement over the federal budget has caused the U. S. federal government to shut down for periods of time resulting in, among other things, inadequate funding for and / or the shutdown of certain government agencies, including the SEC and the SBA, on which the operation of our business may rely. Inadequate funding for and / or the shutdown of these or other government agencies prevents them from performing their normal business functions, which could impact, among other things ~~,~~ **:** (i) our and our portfolio companies' ability to access the public markets and obtain necessary capital in order to, among other things, properly capitalize, continue or expand operations, or, in the case of portfolio investments held by us, liquidate such investments; (ii) the ability for SBIC I to originate loans; and (iii) the ability of other governmental agencies to timely review and process regulatory submissions of our portfolio companies, as applicable. Continued adverse political and economic conditions, including a prolonged U. S. federal government shutdown, could have a material adverse effect on our business, financial condition and results of operations. Our business is dependent on bank relationships and recent strain on the banking system may adversely impact us. The financial markets recently have encountered volatility associated with concerns about the balance sheets of banks, especially small and regional banks that may have significant losses associated with investments that make it difficult to fund demands to withdraw deposits and other liquidity needs. Although the federal government has announced measures to assist these banks and protect depositors, some banks have already been impacted and others may be materially and adversely impacted. Our business is dependent on bank relationships, including small and regional banks, and we are proactively monitoring the financial health of banks with which we (or our portfolio companies) do or may in the future do business. To the extent that our portfolio companies work with banks that are negatively impacted by the foregoing, such portfolio companies' ability to access their own cash, cash equivalents and investments may be threatened. In addition, such affected portfolio companies may not be able to enter into new banking arrangements or credit facilities or receive the benefits of their existing banking arrangements or credit facilities. Any such developments could harm our business, financial condition, and operating results, and prevent us from fully implementing our investment plan. Continued strain on the banking system may adversely impact our business, financial condition and results of operations. Changes in the laws or regulations governing our business or the operations of our portfolio companies, changes in the interpretations thereof or of newly enacted laws or regulations, and any failure by us to comply with these laws or regulations could require changes to certain business practices of us or our portfolio companies, negatively affect the profitability of the operations, cash flows or financial condition of us or our portfolio companies, impose additional costs on us or our portfolio companies or otherwise adversely affect our business or the business of our portfolio companies. We are subject to federal, state and local laws and regulations and are subject to judicial and administrative decisions that affect our operations, including our loan originations, maximum interest rates, fees and other charges, disclosures to portfolio companies, the terms of secured transactions, collection and foreclosure procedures and other trade practices. These laws and regulations, as well as their interpretation, may be changed from time to time, and new laws and regulations may be enacted. Any change in the laws or regulations, the interpretations of such laws and regulations, or newly enacted laws or regulations could require changes to certain business practices used by us or our portfolio companies, negatively impact the operations, cash flows or financial condition of us or our portfolio companies, impose additional costs on us or our portfolio companies or otherwise adversely affect our business or the business of our portfolio companies. In addition, if we do not comply with applicable laws, regulations and decisions, we may lose licenses needed for the conduct of our business and / or be subject to civil fines and criminal penalties, any of which could have a material adverse effect upon our business, results of operations or financial condition. We compete for attractive investment opportunities with other financial institutions, including BDCs, junior capital lenders, and banks. Some of these competitors are substantially larger and have greater financial, technical and marketing resources, and some are subject to different, and frequently less stringent, regulations. Our competitors may have a lower cost of funds and may have access to funding sources that are not available to us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a BDC and the Code imposes on us as a RIC. As a result of this competition, we may not be able to take advantage of attractive investment opportunities from time to time, and there can be no assurance that we will be able to identify and make investments that satisfy our objectives. A significant increase in the number and / or size of our competitors in our target market could force us to accept less attractive investment terms, which may impact our return on these investments. We cannot assure you that the competitive pressures we face will not have a materially adverse effect on our business, financial condition and results of operation. Sourcing, selecting, structuring and closing our investments depends upon the diligence and skill of our management. Our management' s capabilities may significantly impact our results of operations. Our success requires that we retain investment and operations personnel in a competitive environment. Our ability to attract and retain personnel with the requisite credentials, experience and skills depends on several factors, including, but not limited to, our ability to offer competitive wages, benefits and professional growth opportunities. Many of the entities, including investment funds (such as private equity funds and debt funds) and traditional financial services companies, with which we compete for experienced personnel have greater resources than we have. The competitive environment for qualified personnel may require us to take certain measures to ensure that we are able to attract and retain experienced personnel. Such measures may include increasing the attractiveness of our overall compensation packages, altering the structure of our compensation packages through the use of additional forms of compensation or other steps. The inability to attract and retain experienced personnel could potentially have an adverse effect on our business. Effective April 25, 2019, our asset coverage requirement was reduced from 200 % to 150 %, which could increase the risk of investing in the Company. The 1940 Act generally prohibits BDCs from incurring indebtedness unless immediately after such borrowing it has 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~~ **or** ~~total assets). However, on March 23, 2018, the SBCAA was signed into law, which included various changes to regulations under the federal securities laws that impact BDCs. The SBCAA included changes to the 1940 Act to allow BDCs to decrease their asset coverage requirement from 200 % to~~ 150 %, if certain requirements are met. On April 25, 2018, the Board of Directors, including a " required majority " (as such term is defined in Section 57 (o) of the 1940 Act) of the Board of Directors, approved the application of the modified asset coverage requirements set forth in Section 61 (a) (2) of the 1940 Act. As a result, the minimum asset coverage ratio applicable to the Company was decreased from 200 % to 150 %, which became effective April 25, 2019. Additionally, the Board of Directors also approved a resolution that limits the Company' s issuance of senior securities such that the asset coverage ratio, taking into account such issuance, would not be less than 166 %, at any time after the effective date. We are required to make certain disclosures on our website and in SEC filings regarding, among other things, the receipt of approval to reduce its asset coverage requirement to 150 %, its leverage capacity and usage, and risks related to leverage. In addition, on August 11, 2021, we received an exemptive order from the SEC to permit us to exclude the senior securities issued by SBIC I or any future SBIC subsidiary of the Company from the definition of senior securities in the asset coverage requirement applicable to the Company under the 1940 Act. Leverage is generally considered a speculative investment technique and increases the risk of investing in our securities. Leverage magnifies the potential for loss on investments in our indebtedness and on invested equity capital. 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 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 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 dividends, scheduled debt payments or other payments related to our securities. If we incur additional leverage, you will experience increased risks of investing in our common stock. We expend significant financial and other resources to comply with the requirements of being a public company. As a public entity, we are subject to the reporting requirements of the Exchange Act and requirements of the Sarbanes- Oxley Act and the related rules and regulations promulgated by the SEC. The Exchange Act requires that we file annual, quarterly and current reports with respect to our business and financial condition. The Sarbanes- Oxley Act requires that we maintain effective disclosure controls and procedures and internal controls over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal controls, significant resources and management oversight are required. We have implemented procedures, processes, policies and practices for the purpose of addressing the standards and requirements applicable to public companies. These activities may divert management' s time and attention from other business concerns, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. 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 our independent directors and, in some cases, the SEC. Any person that owns, directly or indirectly, 5 % or more of our outstanding voting securities is our affiliate for purposes of the 1940 Act, and we generally are prohibited from buying or selling any security from or to an affiliate, absent the prior approval of our independent 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 different times), without prior approval of our independent directors and, in some cases, the SEC. If a person acquires more than 25 % of our voting securities, we are prohibited from buying or selling any security from or to that person or certain of that person' s affiliates, or entering into prohibited joint transactions with that person, absent the prior approval of the SEC. Similar restrictions limit our ability to transact business with our officers or directors or their affiliates. Regulations governing our operation as a BDC will affect our ability to, and the way in which we, raise additional capital. Our business requires capital to operate and grow. We may acquire such additional capital from the following sources: Senior Securities. We may issue debt securities, preferred stock and / or borrow money from banks or other financial institutions, which we refer to collectively as senior securities. As a result of issuing senior securities, we will be exposed to additional risks, including the following: • Under the provisions of the 1940 Act and effective April 25, 2019, we are permitted, as a BDC, to issue senior securities only in amounts such that our asset coverage, as defined in the 1940 Act, equals at least 150 % immediately after each issuance of senior securities. The Board also approved a resolution that limits the Company' s issuance of senior securities such that the asset coverage ratio, taking into account such issuance, would not be less than 166 %, at any time after the effective date. In addition, on August 11, 2021, we received an exemptive order from the SEC to permit us to exclude the senior securities issued by SBIC I or any future SBIC subsidiary of the Company from the definition of senior securities in the asset coverage requirement applicable to the Company under the 1940 Act. If the value of our assets declines, we may be unable to satisfy this requirement. If that happens, we will be prohibited from issuing debt securities and / or borrowing money from banks or other financial institutions and may not be permitted to declare a dividend or make any distribution to shareholders or repurchase shares until such time as we satisfy this test. • Any amounts that we use to service our debt will not be available for dividends to our common shareholders. • It is likely that any senior securities or other indebtedness we issue will be governed by an indenture or other instrument containing covenants restricting our operating flexibility. Additionally, some of these securities or other indebtedness may be rated by rating agencies, and in obtaining a rating for such securities and other indebtedness, we may be required to abide by operating and investment guidelines that further restrict operating and financial flexibility. • We and, indirectly, our shareholders will bear the cost of issuing and servicing such securities and other indebtedness. • Any unsecured debt issued by us would rank (1) pari passu with our future unsecured indebtedness and effectively subordinated to all of our existing and future secured indebtedness, to the extent of the value of the assets securing such indebtedness **(such as the Corporate Credit Facility)** , and (2) structurally subordinated to all existing and future indebtedness and other obligations of any of our subsidiaries **(such as our SBA-guaranteed debentures and the SPV Credit Facility).** • Upon a liquidation of the Company, holders of our debt securities and lenders with respect to other borrowings would receive a distribution of our available assets prior to the holders of our common stock. Future offerings of additional debt securities, which would be senior to our common stock upon liquidation, or equity securities, which could dilute our existing shareholders, may harm the value of our common stock. Additional Common Stock. The 1940 Act prohibits us from selling shares of our common stock at a price below the current NAV per share of such stock, with certain exceptions. One such exception is prior shareholder approval of issuances below current NAV per share provided that our Board of Directors determines that such sale is in the best interests of the Company and its shareholders. We do not intend to seek shareholder authorization to sell shares of our common stock below the then current NAV per share of our common stock at our ~~2023~~ **2024** annual meeting of shareholders. However, in the event we change our position, we will seek requisite approval of our shareholders. See "- Shareholders may incur dilution if we sell shares of our common stock in one or more offerings at prices below the then current NAV per share of our common stock or issue securities that are convertible to shares of our common stock " for a discussion of the risks related to us issuing shares of our common stock below NAV. If we raise additional funds by issuing more common stock or senior securities convertible into, or exchangeable for, our common stock, the percentage ownership of our shareholders at that time would decrease, and they may experience dilution. Moreover, we can offer no assurance that we will be able to issue and sell additional equity securities in the future, on favorable terms or at all. On April 20, 2021, SBIC I received a license from the SBA to operate as an SBIC under Section 301 (c) of the Small Business Investment Act of 1958, as amended, and is regulated by the SBA. The SBA places certain limitations on the financing terms of investments by SBICs in portfolio companies, regulates the types of financing, prohibits investing in small businesses with certain characteristics or in certain industries and requires capitalization thresholds that limit distributions to us. Accordingly, compliance with SBIC requirements may cause SBIC I to forego attractive investment opportunities that are not permitted under SBA regulations and / or to invest at less competitive rates in order to find investments that qualify under the SBA regulations. Further, SBA regulations require that an SBIC be periodically examined and audited by the SBA to determine its compliance with the relevant SBA regulations. If SBIC I fails to comply with applicable regulations, the SBA could, depending on the severity of the violation, limit or prohibit SBIC I' s use of the debentures, declare outstanding debentures immediately due and payable, and / or limit SBIC I from making new investments. In addition, the SBA could revoke or suspend SBIC I' s license for willful or repeated violation of, or willful or repeated failure to observe, any provision of the Small Business Investment Act of 1958, as amended, or any rule or regulation promulgated thereunder. These actions by the SBA would, in turn, negatively affect our operations because SBIC I is our wholly owned subsidiary. ~~We do not have any prior experience managing an SBIC. Our lack of experience in complying with SBA regulations may hinder our ability to take advantage of SBIC I' s access to SBA- guaranteed debentures.~~ Shareholders may incur dilution if we sell shares of our common stock in one or more offerings at prices below the then current NAV per share of our common stock or issue securities that are convertible to shares of our common stock. The 1940 Act prohibits us from selling shares of our common stock at a price below the current NAV per share of such stock, with certain exceptions. One such exception is prior shareholder approval of issuances below NAV provided that our Board of Directors determines that such sale is in the best interests of the Company and its shareholders. We do not intend to seek shareholder authorization to sell shares of our common stock below the then current NAV per share of our common stock at our ~~2023~~ **2024** annual meeting of shareholders. However, in the event we change our position, we will seek the requisite approval of our shareholders. If we were to sell shares of our common stock below NAV per share, such sales would result in an immediate dilution to the NAV per share. This dilution would occur as a result of the sale of shares at a price below the then current NAV per share of our common stock and 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 shares of common stock that could be so issued and the timing of any issuance is not currently known, the actual dilutive effect cannot be predicted. Notwithstanding the foregoing, the example below illustrates the effect of dilution to existing shareholders resulting from the sale of common stock at prices below the NAV of such shares. In addition, if we issue securities that are convertible to shares of common stock, the exercise or conversion of such securities would increase the number of outstanding shares of our common stock. Any such exercise would be dilutive on the voting power of existing shareholders, and could be dilutive with regard to dividends and our NAV, and other economic aspects of the common stock. Illustration: Example of Dilutive Effect of the Issuance of Shares Below NAV. Assume that Company XYZ has 1, 000, 000 total shares outstanding, $ 15, 000, 000 in total assets and $ 5, 000, 000 in total liabilities. The NAV per share of the common stock of Company XYZ is $ 10. 00. The following table illustrates the reduction NAV and the dilution experienced by shareholder A following the sale of 100, 000 shares of the common stock of Company XYZ at $ 9. 00 per share, a price below its NAV per share. Prior to Sale Below NAVFollowing Sale Below NAVPercentage ChangeReduction to NAVTotal Shares Outstanding1, 000, 000 1, 100, 000 10. 00 % NAV per share $ 10. 00 $ 9. 91 (0. 91) % Dilution to Existing ShareholderShares held by Shareholder A10, 000 10, 000 (1) — % Percentage Held by Shareholder A1. 00 % 0. 91 % (9. 09) % Total Interest of Shareholder A in NAV $ 100, 000 $ 99, 091 (0. 91) % (1) Assumes that Shareholder A does not purchase additional shares in the sale of shares below NAV. Legislative or other actions relating to taxes could have a negative effect on us. Legislative or other actions relating to taxes could have a negative effect on us. The rules governing U. S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U. S. Department of the Treasury. We cannot predict with certainty how any changes in the tax laws might affect us, our shareholders, or our portfolio investments. New legislation and any U. S. Treasury regulations, administrative interpretations or court decisions interpreting such legislation or regulations could significantly and negatively affect our ability to qualify for tax treatment as a RIC or the U. S. federal income tax consequences to us and our shareholders of such qualification, or could have other adverse consequences. Shareholders are urged to consult with their tax advisor regarding tax legislative, regulatory, or administrative developments and proposals and their potential effect on an investment in our securities. We are highly dependent on information systems and systems failures could significantly disrupt our business, which may, in turn, have a material adverse effect on our operating results and negatively affect the market price of our common stock and our ability to pay dividends to our shareholders. Our business is highly dependent on our and third parties' communications and information systems. Any failure or interruption of those systems, including as a result of the termination of an agreement with any third- party service providers, could cause delays or other problems in our activities. Our financial, accounting, data processing, backup or other operating systems and facilities may fail to operate properly or become disabled or damaged as a result of a number of factors, including events that are wholly or partially beyond our control and adversely affect our business. There could be: • sudden electrical or telecommunications outages; • natural disasters such as earthquakes, tornadoes and hurricanes; • disease pandemics ~~(including the COVID- 19 pandemic)~~ ; • events arising from local or larger scale political or social matters, including terrorist acts; and • cyber- attacks. These events, in turn, could have a material adverse effect on our operating results and negatively affect the market price of our common stock and our ability to pay dividends to our shareholders. A failure of cybersecurity systems, as well as the occurrence of events unanticipated in our disaster recovery systems and management continuity planning **,** could impair our ability to conduct business effectively. **We** ~~The occurrence of a disaster~~ , ~~such as a~~ **and others in our industry, are the targets of malicious cyber activity. A successful** cyber- attack **, whether perpetrated by criminal or state- sponsored actors,** against us or ~~against a third~~ **our service providers, or an accidental disclosure of non** - **public information** ~~party that has access to our data or networks, a natural catastrophe, an industrial accident, a terrorist attack or war, events unanticipated in our disaster recovery systems, or consequential employee error~~ could have an adverse effect on our ability to communicate or conduct business, negatively impacting our operations and financial condition. This adverse effect can become particularly acute if those events affect our electronic data processing, transmission, storage, and retrieval systems, or impact the availability, integrity, or confidentiality of our data **, especially personal and other confidential information** . If a significant number of our employees were unavailable in the event of a disaster, our ability to effectively conduct our business could be severely compromised. We, and the third- party service providers with which we do business, depend heavily upon computer systems to perform necessary business functions. Despite our implementation of a variety of security measures, our computer systems, networks, and data, like those of other companies, could be subject to ~~cyber- attacks and~~ unauthorized access, **acquisition,** use, alteration **, disruption** , or destruction, such as from **the insertion of malware (including ransomware),** physical and electronic break- ins or unauthorized tampering. We may experience threats to our data and systems, including malware and computer virus attacks, unauthorized access, or system failures and disruptions ~~. If one or more of these events occurs, it could potentially jeopardize the confidential, proprietary, and other information processed, stored in, and transmitted through our computer systems and networks~~ . Such an attack could cause interruptions or malfunctions in our operations, **misstated or unreliable financial data, misappropriation of assets, loss of personal information, or liability for stolen information, any of** which could result in financial losses, litigation, regulatory **enforcement action and** penalties, client dissatisfaction or loss, reputational damage, and increased costs associated with mitigation of damages and remediation. **We may have to make a significant investment to fix or replace any inoperable or compromised systems or to modify or enhance its cybersecurity controls, procedures and measures. Similarly, the public perception that we or our affiliates may have been the target of a cybersecurity threat, whether successful or not, also could have a material adverse effect on our reputation and lead to financial losses from loss of business, depending on the nature and severity of the threat.** Third parties with which we do business **are** ~~may also be~~ sources of cybersecurity or other technological risks. We outsource certain functions, and these relationships allow for the storage and processing of our information, as well as counterparty, employee and borrower information. Cybersecurity failures or breaches ~~by~~ **to** service providers (including, but not limited to, ~~accountants,~~ transfer agents ~~,~~ and custodians), and the issuers of securities in which we invest, also have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with our ability to calculate its NAV, impediments to trading, the inability of our stockholders to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputation damages, reimbursement of other compensation costs, or additional compliance costs. While we engage in actions to reduce our exposure resulting from outsourcing, ongoing threats may result in unauthorized access, loss, exposure or destruction of data, or other cybersecurity incidents with increased costs and other consequences, including those as described above. In addition, substantial costs may be incurred ~~in order~~ to prevent any cyber **-** incidents in the future **The Company does not control the cybersecurity measures put in place by third parties, and such third parties could have limited indemnification obligations to the Company and its affiliates. If such a third party fails to adopt or adhere to adequate cybersecurity procedures, or if despite such procedures its networks or systems are breached, information relating to investor transactions and / or personal information of investors may be lost or improperly accessed, used or disclosed** . Privacy and information security laws and ~~regulation~~ - **regulatory** changes, and compliance with those changes, may result in cost increases due to system changes and the development of new administrative processes. In addition, we may be required to expend significant additional resources to modify our protective measures and to investigate and remediate vulnerabilities or other exposures arising from operational and security risks ~~. Our service providers may be impacted by operating restrictions, which may include requiring employees to continue to work from remote locations. Policies of extended periods of remote~~

~~working 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 that seek to exploit weaknesses in a remote work environment. Accordingly, the risks described above are heightened under current conditions, which may continue for an unknown duration~~ . Terrorist attacks, acts of war or natural disasters may affect any market for our common stock, impact the businesses in which we invest and harm our business, operating results and financial condition. Terrorist attacks, acts of war or natural disasters may disrupt our operations, as well as the operations of the businesses in which we invest. These events have created, and continue to create, economic and political uncertainties and have contributed to global economic instability. Future terrorist activities, military or security operations, or natural disasters could further weaken the domestic or global economy. These events could create additional uncertainties, which may negatively affect 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 and natural disasters are generally uninsurable. The continued threat of global terrorism and the impact of military and other action will likely continue to cause volatility in the economies of certain countries, contribute to increased market volatility and economic uncertainties or deterioration in the United States and worldwide and various aspects thereof, including in prices of commodities. Our portfolio investments may involve significant strategic assets having a national or regional profile. The nature of these assets could expose them to a greater risk of being the subject of a terrorist attack than other assets or businesses. In late February 2022, Russia launched a large scale military attack on Ukraine. The invasion significantly amplified already existing geopolitical tensions among Russia, Ukraine, Europe, NATO and the West, including the United States. In response to the ongoing military action by Russia, various countries, including the United States, the United Kingdom, and European Union issued broad-ranging economic sanctions against Russia. Such sanctions included, among other things, 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 (" SWIFT "), the electronic banking network that connects banks globally; and restrictive measures to prevent the Russian Central Bank from undermining the impact of the sanctions. Additional sanctions may be imposed in the future. Such sanctions (and any future sanctions) and other actions against Russia may adversely impact, among other things, the Russian economy and various sectors of the economy, including but not limited to, financials, energy, metals and mining, engineering and defense and defense- related materials sectors; result in a decline in the value and liquidity of Russian securities; result in boycotts, tariffs, and purchasing and financing restrictions on Russia' s government, companies and certain individuals; weaken the value of the ruble; downgrade the country' s credit rating; freeze Russian securities and / or funds invested in prohibited assets and impair the ability to trade in Russian securities and / or other assets; and have other adverse consequences on the Russian government, economy, companies and region. **In addition, the recent outbreak of hostilities in the Middle East and escalating tensions in the region may create volatility and disruption of global markets.** The ramifications of the hostilities and sanctions, however, may not be limited to Russia and **the Middle East and** Russian **and Middle Eastern** companies **, respectively,** but may spill over to and negatively impact other regional and global economic markets (including Europe and the United States), companies in other countries (particularly those that have done business with Russia) and on various sectors, industries and markets for securities and commodities globally, such as oil and natural gas. Accordingly, the actions discussed above and the potential for a wider conflict could increase financial market volatility, cause severe negative effects on regional and global economic markets, industries, and companies and have a negative effect on the Company' s investments and performance, which may, in turn, impact the valuation of such portfolio companies. In addition, ~~Russia~~ **parties in such conflicts** may take retaliatory actions and other countermeasures, including cyberattacks and espionage against other countries and companies around the world, which may negatively impact such countries and the companies in which the Company invests. The extent and duration of the military action or future escalation of such hostilities, the extent and impact of existing and future sanctions, market disruptions and volatility, and the result of any diplomatic negotiations cannot be predicted. These and any related events could have a significant impact on the Company' s performance and the value of an investment in the Company. Our business and operations may be negatively affected if we become subject to securities litigation or shareholder activism, which could cause us to incur significant expense, hinder execution of our investment strategy and impact our stock price. 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. Shareholder activism, which could take many forms or arise in a variety of situations, has been increasing in the BDC space. While we are currently not subject to any securities litigation or shareholder activism, due to the potential volatility of our stock price and for a variety of other reasons, we may in the future become the target of securities litigation or shareholder activism. Securities litigation and shareholder activism, including potential proxy contests, could result in substantial costs and divert management' s and our Board of Directors' attention and resources from our business. Additionally, such securities litigation and shareholder activism could give rise to perceived uncertainties as to our future, adversely affect our relationships with service providers and make it more difficult to attract and retain qualified personnel. Also, we may be required to incur significant legal fees and other expenses related to any securities litigation and activist shareholder matters. Further, our stock price could be subject to significant fluctuation or otherwise be adversely affected by the events, risks and uncertainties of any securities litigation and shareholder activism. RISKS RELATED TO OUR INVESTMENTS We primarily invest in privately held U. S. middle market companies. Investments in privately held middle market companies involve a number of significant risks, including the following: • These companies are more likely to depend on the management talents and efforts of a small group of key employees. Therefore, the death, disability, resignation, termination, or significant under- performance of one or more of these persons could have a material adverse impact on our portfolio company and, in turn, on us. • These companies may have unpredictable operating results, could become 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. • Private companies generally have less publicly available information about their businesses, operations and financial condition. Consequently, we rely on the ability of our management team and investment professionals to obtain adequate information to evaluate the potential returns from making investments in these portfolio companies. If we are unable to uncover all material information about the portfolio company, we may not make a fully informed investment decision and may lose all or part of our investment. • These companies may have shorter operating histories, narrower product lines, smaller market shares and / or more significant customer concentration than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns. • These companies may have limited financial resources and may be unable to meet their obligations under their debt instruments 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 any guarantees from subsidiaries or affiliates of our portfolio companies that we may have obtained in connection with our investment, as well as a corresponding decrease in the value of the equity components of our investments. In addition, in the course of providing significant managerial assistance to certain of our portfolio companies, certain of our officers and directors may serve as directors on the boards of these companies. To the extent that litigation arises out of our investments in these companies, our officers and directors may be named as defendants in such litigation, which could result in an expenditure of funds for claims in excess of our directors' and officers' insurance coverage (through our indemnification of our officers and directors) and the diversion of management' s time and resources. We **are subject to risks associated with our investments in senior loans. We invest in senior loans, which are usually rated below investment grade or also may be unrated. As a result, the risks associated with senior loans may be considered by credit rating agencies to be similar to the risks of below investment grade fixed- income instruments. Investment in senior loans rated below investment grade is considered speculative because of the credit risk of the company incurring the indebtedness. Such companies are more likely than investment grade issuers to default on their payments of interest and principal owed to us, and such defaults could have a material adverse effect on our performance. An economic downturn would generally lead to a higher non- payment rate, and a senior loan may lose significant market value before a default occurs. Moreover, any specific collateral used to secure a senior loans may decline in value or become illiquid, which would adversely affect the senior loan' s value. There may be less readily available and reliable information about most senior loans than is the case for many other types of securities, including securities issued in transactions registered under the Securities Act or registered under the Exchange Act. As a result, we will rely primarily on our own evaluation of a borrower' s credit quality rather than on any available independent sources. In general, the secondary trading market for senior secured loans is not well developed. No active trading market may exist for certain senior loans, which may make it difficult to value them. Illiquidity and adverse market conditions may mean that we may not be able to sell senior loans quickly or at a fair price. To the extent that a secondary market does exist for certain senior loans, the market for them may be subject to irregular trading activity, wide bid / ask spreads and extended trade settlement periods. We** invest, and will continue to invest, in portfolio companies whose securities are not publicly traded. These securities generally are subject to legal and other restrictions on resale or will otherwise be less liquid than publicly traded securities. As a result, we do not expect to achieve liquidity in our investments in the near- term. The illiquidity of these 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 and, as a result, we may suffer losses **. We may be subject to risks associated with " covenant- lite " loans. We may invest in " covenant- lite " loans, which generally refers to loans that do not have a complete set of financial maintenance covenants. Generally, " covenant- lite " loans provide borrower companies more freedom to negatively impact lenders because their covenants are incurrence- based, which means they are only tested and can only be breached following an affirmative action of the borrower, rather than by a deterioration in the borrower' s financial condition. Accordingly, to the extent we are exposed to " covenant- lite " loans, we may have a greater risk of loss on such investments as compared to investments in or exposure to loans with financial maintenance covenants. Our business is at risk if one of our borrowers defaults** . Portfolio companies may fail to satisfy financial, operating or other covenants imposed by us or other lenders, which could lead to non- payment of interest and other defaults and, potentially, acceleration of its loans and foreclosure on its secured assets. These events could trigger cross- defaults under other agreements and jeopardize the portfolio company' s ability to meet its obligations, including under the debt or equity securities we hold. We may also incur expenses to the extent necessary to recover upon a default or to negotiate new terms, which may include the waiver of certain financial covenants, with the defaulting portfolio company. We may not realize gains from our equity investments. We may purchase common stock and other equity securities, including warrants, alongside our debt investments. Although equity securities have historically generated higher average total returns than fixed- income securities over the long term, equity securities have also experienced significantly more volatility in those returns. The equity securities we acquire may fail to appreciate and may decline in value or become worthless, and our ability to recover our investment depends on our portfolio company' s success. Investments in equity securities involve a number of significant risks, including the risk of further dilution as a result of additional issuances, inability to access additional capital and failure to pay current distributions. Investments in preferred securities involve special risks, such as the risk of deferred distributions, credit risk, illiquidity and limited voting rights. In addition, we may from time to time make non- control, equity investments in portfolio companies. Our goal is ultimately to realize gains upon our disposition of these 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 often seek puts or similar rights to give us the right to sell our equity securities back to the portfolio company issuer; however, we may be unable to exercise these put rights for the consideration provided in our investment documents if the issuer is in financial distress. 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 debt investments we make in our portfolio companies may be prepaid prior to maturity, the specific timing of which we do not control. 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 could negatively impact our return on equity, which could result in a decline in the market price of our securities. **The loans we make in portfolio companies may become non- performing. A loan or debt obligation may become non- performing for a variety of reasons. Such non-performing loans may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate, a substantial write- down of the principal amount of the loan and / or the deferral of payments. In addition, such negotiations or restructuring may be quite extensive and protracted over time, and therefore may result in substantial uncertainty with respect to the ultimate recovery. We also may incur additional expenses to the extent that it is required to seek recovery upon a default on a loan or participate in the restructuring of such obligation. The liquidity for defaulted loans may be limited, and, to the extent that defaulted loans are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon. In connection with any such defaults, workouts or restructuring, although we exercise voting rights with respect to an individual loan, we may not be able to exercise votes in respect of a sufficient percentage of voting rights with respect to such loan to determine the outcome of such vote.** We are exposed to risks associated with changes in interest rates. Because we have borrowed and intend to continue to borrow money to make investments, our net investment income depends, 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 response to market indicators showing a rise in inflation, since March 2022, the Federal Reserve has been rapidly increasing interest rates and has indicated that it ~~would~~ **may** consider additional rate hikes in response to ongoing inflation concerns. ~~An increase in interest~~ **Although the Federal Reserve left its benchmark** rates ~~could decrease~~ **steady in** the ~~value~~ **first quarter** of **2024, it has indicated that additional** ~~any investments we hold which earn fixed interest rates~~ - **rate** ~~and also could increase~~ **increases** ~~our interest expense,~~ **in the future may be necessary to mitigate inflationary pressures and** ~~thereby~~ -- **there** ~~decreasing our net income. Also, an~~ **can** ~~increase in interest rates available to investors could~~ **be no assurance that the Federal Reserve will not** make **upwards adjustments** ~~an investment in shares of our common stock less attractive if we are not able~~ to ~~increase our distribution~~ **the federal funds** rate ~~, which could reduce the value of our common stock. Further, rising interest rates could also adversely affect our performance if such increases cause our borrowing costs to rise at a rate~~ in ~~excess of~~ the **future** ~~rate that our investments yield~~ . It is possible that the Federal Reserve' s tightening cycle could also result in a recession in the United States. **.** If interest rates **continue to** rise,there is **also** a risk that portfolio companies in which we hold floating rate loans will be unable to pay escalating interest amounts,which could increase the risk of payment defaults and cause the portfolio companies to defer or cancel needed investment.Any failure of one or more portfolio companies to repay or refinance its debt at or prior to maturity or the inability of one or more portfolio companies to make ongoing payments following an increase in contractual interest rates could have a material adverse effect on our business,financial condition,results of operations and cash flows.The value of our securities could also be reduced from an increase in market credit spreads as rates available to investors could make an investment in our securities less attractive than alternative investments ~~.Further,rising~~ In the current and any future periods of rising interest rates, to the extent we borrow money subject to a floating interest rate (such as under the **Corporate Credit Facility and the SPV** Credit Facility), our cost of funds would increase, which could reduce our net investment income if there is not a corresponding increase in interest income generated by our investment portfolio. ~~Further~~ **Conversely, if interest rates decline, there will be a decrease in investment income generated by our portfolio companies partially offset by a decrease in interest expense on our Credit Facilities, thereby decreasing our net investment income. Additionally** , rising interest rates could ~~also~~ adversely affect our performance if we hold investments with floating interest rates, subject to specified minimum (or " floor ") interest rates, while at the same time engaging in borrowings subject to floating interest rates not subject to such minimums. In such a scenario **when interest rates are below the floor set for the investments we hold** , rising interest rates may temporarily increase our interest expense, even though our interest income from investments is not increasing in a corresponding manner if market rates remain lower than the existing floor rate . If interest rates continue to rise...... our securities less attractive than alternative investments . There may be circumstances in which our debt investments could be subordinated to claims of other creditors or we could be subject to lender liability claims. Even though we may have structured our investments as secured debt, if one of our portfolio companies were to go bankrupt, depending on the facts and circumstances, and based upon principles of equitable subordination, a bankruptcy court could subordinate all or a portion of our claim to that of other creditors and transfer any lien securing our subordinated claim to the bankruptcy estate. The principles of equitable subordination based on case law generally provide that a claim may be subordinated only if its holder is guilty of misconduct or where the secured debt is re- characterized as an equity investment and the senior lender has actually provided significant managerial assistance to the bankrupt debtor. 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. It is possible that we could become subject to a lender' s liability claim, including as a result of actions taken in rendering significant managerial assistance or actions to compel and collect payments from the borrower outside the ordinary course of business. As a RIC, we may have certain regulatory restrictions that could preclude us from making additional investments in our portfolio companies. We may not have the ability to make additional investments in our portfolio companies. After our initial investment in a portfolio company, we may be called upon from time to time to provide additional funds to that company or have the opportunity to increase our investment or 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. The ~~interest~~ **alternative reference** rates **that have replaced** ~~of our loans to our portfolio companies, any~~ LIBOR ~~- linked securities,~~ **in our credit arrangements** and other financial **instruments may not yield** ~~obligations that extend beyond 2021 might be subject to change based on recent regulatory changes, including~~ the ~~decommissioning of~~ **same or similar economic results as** LIBOR **over the life of such transactions** . The London Interbank Offered Rate (" LIBOR ") is an index rate that historically **was** ~~has been~~ widely used in lending transactions and ~~remains~~ **was** a common reference rate for setting the floating interest rate on private loans. LIBOR **was** typically ~~has been~~ the reference rate used in floating- rate loans extended to our portfolio companies ~~and, to some degree,~~ **. The ICE Benchmark Administration (" IBA ") (the entity that** is ~~expected to continue to be used as a reference rate until such time that private markets have fully transitioned to~~ **responsible for calculating LIBOR) ceased providing overnight, one, three, six and twelve months USD LIBOR tenors on June 30, 2023. In addition, the United Kingdom' s Financial Conduct Authority (" FCA "), which oversees the IBA, now prohibits entities supervised by the FCA from** using **LIBORs, including USD LIBOR, except in very limited circumstances. In the United States,** the Secured Overnight Financing Rate (" SOFR ") ~~, or other alternative reference rates recommended by applicable market regulators. Uncertainty relating to the LIBOR calculation process, the valuation of LIBOR alternatives, and other economic consequences from the phasing out of LIBOR may adversely affect our results of operations, financial condition and liquidity. On March 5, 2021, the United Kingdom' s Financial Conduct Authority (the" FCA"), which regulates LIBOR, announced that the ICE Benchmark Administration (" IBA") (the entity regulated by the FCA that~~ is ~~responsible for calculating LIBOR) had notified the FCA of its intent, among other~~ -- **the** ~~things, to cease providing overnight, 1, 3, 6 and 12 months USD LIBOR tenors after June 30, 2023 and all other tenors after December 31, 2021. On November 16, 2021, the FCA issued a statement confirming that starting January 1, 2022, entities supervised by the FCA will be prohibited from using LIBORs, including USD LIBOR, that will be discontinued as of December 31, 2021 as well as, except in very limited circumstances, those tenors of USD LIBOR that will be discontinued or declared non- representative after June 30, 2023. While LIBOR will cease to exist or be declared non- representative, there continues to be uncertainty regarding the nature of potential changes to specific USD LIBOR tenors, the development and acceptance of alternative reference rates and other reforms. Central banks and regulators in a number of major jurisdictions (for example, United States, United Kingdom, European Union, Switzerland and Japan) have convened working groups to find, and implement the transition to, suitable replacements for LIBORs and other interbank offered rates (" IBORs"). To identify a successor rate for USD LIBOR, the Alternative Reference Rates Committee (" ARRC "), U. S.- based group convened by the U. S. Federal Reserve Board and the Federal Reserve Bank of New York, was formed. The ARRC has identified SOFR as its~~ preferred alternative rate for LIBOR. SOFR is a measure of the cost of borrowing cash overnight, collateralized by U. S. Treasury securities, and is based on directly observable U. S. Treasury- backed repurchase transactions. ~~On July 29, 2021, the ARRC formally recommended~~ SOFR ~~as its~~ - **is** ~~preferred alternative replacement rate for LIBOR. On July 29, 2021, the ARRC also recommended a forward- looking term rate based on SOFR~~ published by ~~CME Group. Although SOFR appears to be~~ the ~~preferred replacement rate~~ **Federal Reserve Bank of New York each U. S. Government Securities Business Day,** for **transactions made on the immediately preceding** U. S. **Government Securities Business Day** ~~dollar LIBOR, at this time, it is not possible to predict the effect of any such changes, any establishment of alternative reference rates or other reforms to LIBOR that may be enacted in the United States, United Kingdom or elsewhere~~ . Alternative reference rates that may replace LIBOR, including SOFR for USD transactions, may not yield the same or similar economic results as LIBOR over the lives of such transactions. ~~There~~ **All of our loans that referenced LIBOR have been amended to reference the forward- looking term rate published by CME Group Benchmark Administration Limited based on the secured overnight financing rate (" CME Term SOFR "). CME Term SOFR rates are forward- looking rates that are derived by compounding projected overnight SOFR rates over one, three, and six months taking into account the values of multiple consecutive, executed, one- month and three- month CME Group traded SOFR futures contracts and, in some cases, over- the- counter SOFR Overnight Indexed Swaps as** ~~can~~ - **an indicator of CME Term SOFR reference rate values. CME Term SOFR and the inputs on which it is based are derived from SOFR. Since CME Term SOFR is a relatively new market rate, there will likely** be no ~~guarantee that~~ **established trading market for credit agreements or other financial instruments when they are issued, and an established market may never develop or may not be liquid. Market terms for instruments referencing CME Term** SOFR **rates may be lower** ~~will become the dominant alternative to USD LIBOR or that~~ **than those of later- issued CME Term** SOFR ~~will~~ **indexed instruments. Similarly, if CME Term SOFR does not prove to** be widely used ~~and~~ **,** ~~other~~ -- **the** ~~alternatives~~ **trading price of instruments referencing CME Term SOFR** may ~~or may not~~ be **lower than those of** ~~developed and adopted with additional consequences. New York and several other states have passed laws intended to apply to U. S. dollar LIBOR- based contracts, securities, and~~ instruments **indexed** ~~governed by those states' laws. These laws established fallbacks for LIBOR when there is no or insufficient fallback rates in these contracts. The federal Adjustable Interest Rate (LIBOR) Act (the " LIBOR Act ") was signed into law on March 15, 2022. The federal legislation provides a statutory fallback mechanism on a nation- wide basis~~ to **indices** ~~replace U. S. dollar LIBOR with a benchmark rate, selected by the Federal Reserve Board and based on SOFR, for certain contracts~~ that **are more widely** ~~reference U. S. dollar LIBOR and contain no or insufficient fallback provisions. The New York and other state laws were superseded by the LIBOR Act. On December 16, 2022, the Federal Reserve Board adopted a final rule implementing certain provisions of the LIBOR Act (" Regulation ZZ "). Regulation ZZ specifies that on the LIBOR~~

~~replacement date, which is the first London banking day after June 30, 2023, the Federal Reserve Board- selected benchmark replacement, based on SOFR and including any tenor spread adjustment as provided by Regulation ZZ, will replace references to overnight, 1, 3, 6, and 12- month LIBOR in certain contracts that do not mature before the LIBOR replacement date and that do not contain adequate fallback language. Regulation ZZ could apply to certain of our investments that reference LIBOR to the extent that they do not have fallback provisions or adequate fallback provisions. The elimination of LIBOR or any other changes or reforms to the determination or supervision of LIBOR could have an adverse impact on the market value of and / or transferability of any LIBOR- linked securities, loans, and other financial obligations or extensions of credit held by or due to us, valuation measurements~~ used ~~by us that include LIBOR as an input, our operational processes or our overall financial condition or results of operations. For instance, if the LIBOR reference rate of our LIBOR- linked securities, loans, and other financial obligations is higher than an alternative reference rate, such as SOFR, on our alternative reference rate- linked portfolio investments, the difference between the total interest income earned on interest earning assets and the total interest expense incurred on interest bearing liabilities may be compressed, reducing our net interest income and potentially adversely affecting our operating results. In addition, while the majority of our LIBOR- linked loans contemplate that LIBOR may cease to exist and allow for amendment to a new alternative reference rate without the approval of 100 % of the lenders, if LIBOR ceases to exist, we could be required, in such situations, to negotiate modifications to credit agreements governing such instruments, in order to replace LIBOR with such alternative reference rate and to incorporate any conforming changes to applicable credit spreads or margins. Following the replacement of LIBOR, some or all of these credit agreements may bear interest at a lower interest rate, which could have an adverse impact on the value and liquidity of our investment in these portfolio companies and, as a result, on our results of operations. Such adverse impacts and the uncertainty of the transition could result in disputes and litigation with counterparties and borrowers regarding the implementation of alternative reference rates~~ . We do not, and 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 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 their 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 of our investments in private 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. Second priority liens on collateral securing loans that we make to our portfolio companies may be subject to control by senior creditors with first priority liens. Further, in cases where we invest in unsecured subordinated debt, we would not have any lien on the collateral. In each of these cases, 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 loans that we make are either secured by a second priority security interest in the same collateral pledged by a portfolio company to secure senior debt owed by the portfolio company to commercial banks or other traditional lenders, or in the case of unsecured subordinated debt, we have no lien at all on the assets. Often the senior lender has procured covenants from the portfolio company prohibiting the incurrence of additional secured debt without the senior lender' s consent. Prior to and as a condition of permitting the portfolio company to borrow money from us secured by the same collateral pledged to the senior lender, or in the case where we invest in unsecured subordinated debt, the senior lender will require assurances that it will control the disposition of any collateral in the event of bankruptcy or other default. In many cases, the senior lender will require us to enter into an " intercreditor agreement " prior to permitting the portfolio company to borrow from us. Typically, the intercreditor agreements we are requested to execute expressly subordinate our debt instruments to those held by the senior lender and further provide that the senior lender will control: (1) the commencement of foreclosure or other proceedings to liquidate and collect on the collateral, subject to a negotiated " standstill period " after which we can initiate; (2) the nature, timing and conduct of foreclosure or other collection proceedings, subject to a negotiated " standstill period " after which we can initiate; (3) the amendment of any collateral document; (4) the release of the security interests in respect of any collateral; and (5) the waiver of defaults under any security agreement. Because of the control we may cede to senior lenders under intercreditor agreements we may enter, we may be unable to realize the proceeds of any collateral securing some of our loans. Our portfolio companies may incur debt that ranks equally with, or senior to, our investments in those companies. We invest primarily in the secured term debt of middle market companies and equity issued by 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, these 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 distribution. After repaying its senior creditors, the 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 distributions with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company. Changes in healthcare laws and other regulations, or the enforcement or interpretation of such laws or regulations, applicable to some of our portfolio companies' businesses may constrain their ability to offer their products and services. Our investments in the healthcare sector are subject to substantial risk. ~~Changes in~~ **The laws and rules governing the business of** healthcare ~~or other~~ **companies and interpretations of those** laws and **rules are subject to frequent change. Broad latitude is given to the agencies administering those** regulations ~~,~~ **. Existing** or **future** ~~the enforcement or interpretation of such~~ laws **and rules could force** ~~or regulations, applicable to the businesses of some of~~ our portfolio companies ~~may occur that could~~ **engaged in healthcare to change how they do business, restrict revenue,** increase ~~their compliance and other~~ costs ~~of doing~~ **, change reserve levels and change** business **practice** , require significant systems enhancements, or render their products or services less profitable or obsolete, any of which could have a material adverse effect on their results of operations. Healthcare companies often must obtain and maintain regulatory approvals to market many of their products, change prices for certain regulated products and consummate some of their acquisitions and divestitures. Delays in obtaining or failing to obtain or maintain these approvals could reduce revenue or increase costs. There has also been an increased political and regulatory focus on healthcare laws in recent years, and new legislation could have a material effect on the business and operations of some of our portfolio companies. Additionally, because of the possibility of additional changes to healthcare laws and regulations under the current U. S. presidential administration, we cannot quantify or predict with any certainty the likely impact on our portfolio companies, our business model, prospects, financial condition or results of operations. We also anticipate that Congress, state legislatures, and third- party payors may continue to review and assess alternative healthcare delivery and payment systems and may in the future propose and adopt legislation or policy changes or implementations effecting additional fundamental changes in the healthcare delivery system. We cannot assure you as to the ultimate content, timing, or effect of changes, nor is it possible at this time to estimate the impact of any such potential legislation on certain of our portfolio companies, our business model, prospects, financial condition or **results of operations. We may be subject to risks associated with our investments in the business services industry. Portfolio companies in the business services sector are subject to many risks, including the negative impact of regulation, changing technology, a competitive marketplace and difficulty in obtaining financing. Portfolio companies in the business services industry must respond quickly to technological changes and understand the impact of these changes on customers' preferences. Adverse economic, business, or regulatory developments affecting the business services sector could have a negative impact on the value of our investments in portfolio companies operating in this industry, and therefore could negatively impact our business and** results of operations. RISKS RELATED TO OUR SECURITIES The market price of our common stock may fluctuate significantly. The market price of our common stock will fluctuate with market conditions and other factors. Our common stock is intended for long- term investors and should not be treated as a trading vehicle. The market price and liquidity 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: • significant volatility in the market price and trading volume of securities of BDCs or other companies in our sector, which is not necessarily related to the operating performance of these companies; • exclusion of our common stock from certain market indices, such as the Russell 2000 Financial Services Index, which could reduce the ability of certain investment funds to own our common stock and put short-term selling pressure on our common stock; • changes in regulatory policies, accounting pronouncements or tax guidelines, particularly with respect to BDCs or RICs; • failure to qualify for RIC tax treatment; • our origination activity, including the pace of, and competition for, new investment opportunities; • changes or perceived changes in earnings or variations of operating results; • changes or perceived changes in the value of our portfolio of investments; • any shortfall in our investment income or net investment income or any increase in losses from levels expected by investors or securities analysts; • proposed, or completed, offerings of our securities, including securities other than our common stock; • departure of our key personnel; • operating performance of companies comparable to us; • credit market changes; • general economic trends and other external factors; and • loss of a major funding source. The investments we make in accordance with our investment objectives may result in a higher amount of risk, volatility or loss of principal than alternative investment options. Our investments in portfolio companies may be highly speculative, and therefore, an investment in our common stock may not be suitable for investors with lower risk tolerance. Our common stock is listed on The Nasdaq Global Select Market. Shareholders desiring liquidity may sell their shares on The Nasdaq Global Select Market at current market value, which could be below NAV. Shares of closed- end investment companies frequently trade at discounts from NAV, which is a risk separate and distinct from the risk that a fund' s performance will cause its NAV to decrease. We cannot predict whether our common stock will trade at, above or below NAV. In addition, if our common stock trades below our NAV per share, we will generally not be able to issue additional common stock at the market price unless our shareholders approve such a sale and our Board of Directors make certain determinations. See " Shareholders may incur dilution if we sell shares of our common stock in one or more offerings at prices below the then current NAV per share of our common stock or issue securities that are convertible to shares of our common stock " for a discussion of the risks related to us issuing shares of our common stock below NAV. Each of the January 2026 Notes ~~and~~ **,** the October 2026 **Notes, and the August 2028** Notes (collectively, the " Notes ") are not secured by any of our assets or any of the assets of any of our subsidiaries. As a result, the Notes are effectively subordinated to any secured indebtedness we or our subsidiaries have currently incurred (including our **Corporate** Credit Facility) or may incur in the future (or any indebtedness that is initially unsecured as to which we subsequently grant a security interest) 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 secured indebtedness or 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 Notes. As of March 31, ~~2023~~ **2024** , we had $ ~~235~~ **265** . 0 million in outstanding indebtedness under our **Corporate** Credit Facility, which is secured by (1) ~~substantially~~ all of the present and future property and assets of the Company and the guarantors and (2) 100. 0 % of the equity interests in the Company' s wholly owned subsidiaries (except for the assets held in SBIC I **and SPV**). The **Notes are obligations exclusively of the Company, and not of any of our subsidiaries. None of our subsidiaries are a guarantor of the Notes, and the Notes are not required to be guaranteed by any subsidiary we may acquire or create in the future. Any assets of our subsidiaries will not be directly available to satisfy the claims of our creditors, including holders of the Notes. Except to the extent we are a creditor with recognized claims against our subsidiaries, all claims of creditors of our subsidiaries will have priority over our equity interests in such entities (and therefore the claims of our creditors, including holders of the Notes) with respect to the assets of such entities. Even if we are recognized as a creditor of one or more of these entities, our claims would still be effectively subordinated to any**

security interests in the assets of any such entity and to any indebtedness or other liabilities of any such entity senior to our claims. Consequently, the Notes will be structurally subordinated to all indebtedness and other liabilities, including trade payables, of any of our existing or future subsidiaries (including the SBA- guaranteed debentures and the SPV Credit Facility). As of March 31, 2024, we had $ 153. 0 million in SBA- guaranteed debentures outstanding, and we had no outstanding indebtedness under our SPV Credit Facility, which is secured by all of SPV' s assets. The respective ~~indenture~~ **indentures** under which the January 2026 Notes ~~and~~ **,** the October 2026 **Notes, and the August 2028** Notes were issued contain limited protection for holders of the January 2026 Notes ~~and~~ **,** the October 2026 **Notes, and the August 2028** Notes. The respective indenture under which **each of** the ~~January 2026 Notes and the October 2026~~ Notes were issued offer limited protection to holders of the ~~January 2026 Notes and the October 2026~~ Notes. The terms of the respective indenture and the ~~January 2026 Notes and the October 2026~~ Notes do not restrict our or any of our subsidiaries' ability to engage in, or otherwise be a party to, a variety of corporate transactions, circumstances or events that could have a material adverse impact on the investment of the holders of the ~~January 2026 Notes and the October 2026~~ Notes, respectively. In particular, the terms of the respective indenture and the ~~January 2026 Notes and the October 2026~~ Notes will not place any restrictions on our or our subsidiaries' ability to: • issue securities or otherwise incur additional indebtedness or other obligations, including (1) any indebtedness or other obligations that would be equal in right of payment to the Notes, (2) any indebtedness or other obligations that would be secured and therefore rank effectively senior in right of payment to the Notes to the extent of the values of the assets securing such debt, (3) indebtedness of ours that is guaranteed by one or more of our subsidiaries and which therefore is structurally senior to the Notes and (4) securities, indebtedness or obligations issued or incurred by our subsidiaries that would be senior to our equity interests in those entities and therefore rank structurally senior to the Notes with respect to the assets of our subsidiaries, in each case other than an incurrence of indebtedness or other obligation that would cause a violation of Section 18 (a) (1) (A) as modified by Section 61 (a) (2) of the 1940 Act or any successor provisions, whether or not we continue to be subject to such provisions of the 1940 Act, but giving effect, in each case, to any exemptive relief granted to us by the SEC. Currently, these provisions generally prohibit us from incurring additional borrowings, including through the issuance of additional debt securities, unless our asset coverage, as defined in the 1940 Act, equals at least 150 % after such borrowings; • pay dividends on, or purchase or redeem or make any payments in respect of, capital stock or other securities ranking junior in right of payment to the Notes, including subordinated indebtedness, except that we have agreed that, for the period of time during which the Notes are outstanding, we will not violate Section 18 (a) (1) (B) as modified by (i) Section 61 (a) (2) of the 1940 Act or any successor provisions and after giving effect to any exemptive relief granted to us by the SEC and (ii) the following two exceptions: (A) we will be permitted to declare a cash dividend or distribution notwithstanding the prohibition contained in Section 18 (a) (1) (B) as modified by Section 61 (a) (2) of the 1940 Act or any successor provisions, but only up to such amount as is necessary for us to maintain our status as a RIC under Subchapter M of the Code; and (B) this restriction will not be triggered unless and until such time as our asset coverage has not been in compliance with the minimum asset coverage required by Section 18 (a) (1) (B) as modified by Section 61 (a) (2) of the 1940 Act or any successor provisions (after giving effect to any exemptive relief granted to us by the SEC) for more than six consecutive months. If Section 18 (a) (1) (B) as modified by Section 61 (a) (2) of the 1940 Act were currently applicable to us in connection with this offering, these provisions would generally prohibit us from declaring any cash dividend or distribution upon any class of our capital stock, or purchasing any such capital stock if our asset coverage, as defined in the 1940 Act, were below 150 % at the time of the declaration of the dividend or distribution or the purchase and after deducting the amount of such dividend, distribution or purchase; • sell assets (other than certain limited restrictions on our ability to consolidate, merge or sell all or substantially all of our assets); • enter into transactions with affiliates; • create liens (including liens on the shares of our subsidiaries) or enter into sale and leaseback transactions; • make investments; or • create restrictions on the payment of dividends or other amounts to us from our subsidiaries. In addition, the respective indenture governing the January 2026 Notes and the October 2026 Notes will require us to make an offer to purchase the January 2026 Notes and the October 2026 Notes in connection with a change of control or any other event, respectively. ~~Furthermore, the terms of the respective indenture and~~ **See" We may not be able to repurchase** the January 2026 Notes and the October 2026 **Notes upon a Change of Control Repurchase Event" for more information. Furthermore, the terms of the respective indenture and the** Notes do not protect holders of the ~~January 2026 Notes and the October 2026~~ Notes, respectively, in the event that we experience changes (including significant adverse changes) in our financial condition, results of operations or credit ratings, if any, as they do not require that we or our subsidiaries adhere to any financial tests or ratios or specified levels of net worth, revenues, income, cash flow, or liquidity. Our ability to recapitalize, incur additional debt (including additional debt that matures prior to the maturity of the ~~January 2026 Notes and the October 2026~~ Notes), and take a number of other actions that are not limited by the terms of each of the ~~January 2026 Notes and the October 2026~~ Notes may have important consequences for you as a holder of the ~~January 2026 Notes and the October 2026~~ Notes, including making it more difficult for us to satisfy our obligations with respect to the ~~January 2026 Notes and the October 2026~~ Notes or negatively affecting the market value of the ~~January 2026 Notes and the October 2026~~ Notes. Other debt we issue or incur in the future could contain more protections for its holders than the respective indenture and the ~~January 2026 Notes and the October 2026~~ Notes, including additional covenants and events of default. The issuance or incurrence of any such debt with incremental protections could affect the market for, trading levels, and prices of the ~~January 2026 Notes and the October 2026~~ Notes. Upon a Change of Control Repurchase Event (as defined in the relevant indenture), holders of the January 2026 Notes and the October 2026 Notes may require us to repurchase for cash some or all of the January 2026 Notes and the October 2026 Notes, respectively, at a repurchase price equal to 100 % of the aggregate principal amount of the January 2026 Notes and the October 2026 Notes, respectively, being repurchased, plus their respective accrued and unpaid interest to, but not including, the repurchase date. We may not be able to repurchase the January 2026 Notes and / or the October 2026 Notes upon a Change of Control Repurchase Event because we may not have sufficient funds. Before making any such repurchase of the

January 2026 Notes or the October 2026 Notes, we would also have to comply with certain requirements under our **Corporate** Credit Facility, to the extent such requirements remain in effect at such time, or otherwise obtain consent from the lenders under our **Corporate** Credit Facility. The terms of our **Corporate Credit Facility and our SPV** Credit Facility also provide that certain change of control events will constitute an event of default thereunder entitling the **respective** lenders to accelerate any indebtedness outstanding under ~~our~~ **such** ~~Credit~~ **credit** ~~Facility~~ **facilities** at that time and to terminate ~~our~~ **such** ~~Credit~~ **credit** ~~Facility~~ **facilities** . In addition, the occurrence of a Change of Control Repurchase Event enabling the holders of the January 2026 Notes and / or the October 2026 Notes to require the mandatory purchase of the January 2026 Notes and / or the October 2026 Notes, respectively, would likely constitute an event of default under our **Corporate** Credit Facility **and our SPV Credit Facility** , entitling the **respective** lenders **under such credit facilities** to accelerate any indebtedness outstanding under ~~our~~ **such** ~~Credit~~ **credit** ~~Facility~~ **facilities** at that time and to terminate ~~our~~ **such** ~~Credit~~ **credit** ~~Facility~~ **facilities** . Our and our subsidiaries' future financing facilities may contain similar restrictions and provisions. Our failure to purchase such tendered January 2026 Notes or the October 2026 Notes upon the occurrence of such Change of Control Repurchase Event would cause an event of default under the respective indenture governing the January 2026 Notes or the October 2026 Notes, respectively, and a cross- default under the agreements governing certain of our other indebtedness, including under the agreements governing our **Corporate Credit Facility and likely under the agreements governing our SPV** Credit Facility, which may result in the acceleration of such indebtedness requiring us to repay ~~that~~ **such** indebtedness immediately. If the holders of the January 2026 Notes or the October 2026 Notes exercise their respective right to require us to repurchase the January 2026 Notes or the October 2026 Notes, respectively, upon a Change of Control Repurchase Event, the financial effect of any such repurchase could cause a default under our current and future debt instruments, even if the Change of Control Repurchase Event itself would not cause a default. If a Change of Control Repurchase Event were to occur, we may not have sufficient funds to repay any such accelerated indebtedness. While a trading market developed after issuing the January 2026 Notes ~~and~~ **,** the October 2026 **Notes, and the August 2028** Notes, we cannot assure you that an active trading market for the January 2026 Notes ~~and~~ **,** the October 2026 **Notes, and the August 2028** Notes will be maintained. While a trading market developed after issuing the ~~January 2026 Notes and the October 2026~~ Notes, we cannot assure you that an active and liquid market for the ~~January 2026 Notes and the October 2026~~ Notes will be maintained. We do not intend to list the January 2026 Notes or the October 2026 Notes on any securities exchange or for quotation of the January 2026 Notes or the October 2026 Notes on any automated dealer quotation system. If the January 2026 Notes or ~~the~~ October 2026 Notes are traded after their initial issuance, they may trade at a discount to their public offering price depending on prevailing interest rates, the market for similar securities, our credit ratings, our financial condition, performance and prospects, general economic conditions ~~, including~~ **. Although** the ~~impact of COVID- 19~~ **August 2028 Notes are listed on the Nasdaq Global Select Market under the trading symbol" CSWCZ , " we cannot assure you that an active and liquid trading market will be maintained** ~~or~~ **for the August 2028 Notes or that holders will be able to sell their August 2028 Notes. In addition, the August 2028 Notes may trade at a discount from their initial offering price depending on prevailing interest rates, the market for similar securities, our credit rating, general economic conditions, our financial condition, performance and prospects and** other ~~relevant~~ factors. The **respective** underwriters may discontinue ~~any~~ market- making in the ~~January 2026 Notes or the October 2026~~ Notes at any time at their sole discretion. In addition, any market- making activity will be subject to limits imposed by law. **If** ~~Accordingly,~~ we ~~cannot assure you that a liquid trading market will~~ **default on our obligations to pay our other indebtedness, we may not** be ~~maintained for~~ **able to make payments on** the January 2026 Notes ~~and~~ **,** the October 2026 Notes, **and** ~~that holders will be able to sell their~~ -- **the August** ~~respective January 2026~~ **2028** Notes ~~or October 2026 Notes at a particular time or that the price the holder receive when he or she sell will be favorable. To the extent an active trading market is not maintained, the liquidity and trading price for the January 2026 Notes and the October 2026 Notes may be adversely affected~~ . Any default under the agreements governing our indebtedness, including a default under our **Corporate Credit Facility, our SPV** Credit Facility, the respective indenture governing the ~~January 2026 Notes and the October 2026~~ Notes, or other indebtedness to which we may be a party that is not waived by the required lenders or holders, and the remedies sought by lenders or the holders of such indebtedness could make us unable to pay principal, premium, if any, and interest on the ~~January 2026 Notes and the October 2026~~ Notes and substantially decrease the market value of the Notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing our indebtedness (including the **Corporate** Credit Facility, the ~~January 2026 Notes~~ **SPV Credit Facility** and the ~~October 2026~~ Notes), we could be in default under the terms of the agreements governing such indebtedness, including the Notes. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, the lenders under the **Corporate Credit Facility, the SPV** Credit Facility or other debt we may incur in the future could elect to terminate their commitment, cease making further loans and institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or liquidation. Our ability to generate sufficient cash flow in the future is, to some extent, subject to general economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond our control. We cannot assure you that our business will generate cash flow from operations, or that future borrowings will be available to us under the **Corporate Credit Facility, the SPV** Credit Facility or otherwise, in an amount sufficient to enable us to meet our payment obligations under the Notes, our other debt, and to fund other liquidity needs. If our operating performance declines and we are not able to generate sufficient cash flow to service our debt obligations, we may in the future need to refinance or restructure our debt, including the Notes, sell assets, reduce or delay capital investments, seek to raise additional capital or seek to obtain waivers from the lenders under the **Corporate Credit Facility, the SPV** Credit Facility, the holders of the Notes, or other debt that we may incur in the future to avoid being in default. If we are unable to implement one or more of these alternatives, we may not be able to meet our payment obligations under the Notes and our other debt. If we breach our covenants under the **Corporate Credit Facility, the SPV** Credit Facility, the respective indenture governing the ~~January 2026 Notes and the October 2026~~ Notes, or any of our other debt and seek a waiver, we may not be able to obtain a waiver from the required lenders or holders thereof. If this occurs, we would be in default under the **Corporate Credit Facility, the SPV** Credit Facility, the Notes, the respective indenture governing the ~~January 2026 Notes and the October 2026~~ Notes, or other debt, the lenders or holders could exercise rights as described above, and we could be forced into bankruptcy or liquidation. If we are unable to repay debt, lenders having secured obligations could proceed against the collateral securing the debt. Because **each of** the **Corporate Credit Facility and the SPV** Credit Facility has, and any future credit facilities will likely have, customary cross- default provisions, if the indebtedness under the ~~January 2026~~ Notes ~~and the October 2026 Notes~~ , the **Corporate Credit Facility, the SPV** Credit Facility or under any future credit facility is accelerated, we may be unable to repay or finance the amounts due. Terms relating to redemption may materially adversely affect the return on our debt securities. The January 2026 Notes are redeemable, in whole or in part, at any time at our option prior to October 31, 2025, at par plus a" make- whole" premium, and thereafter at par. The October 2026 Notes are redeemable, in whole or in part, at any time at our option prior to July 1, 2026 at par plus a" make- whole" premium, and thereafter at par. **The August 2028 Notes are redeemable, in whole or in part, at any time at our option after August 1, 2025, at par plus accrued and unpaid interest.** We may choose to redeem the ~~January 2026 Notes or the October 2026~~ Notes at times when prevailing interest rates are lower than the interest rate paid on the ~~January 2026 Notes or the October 2026~~ Notes. We currently intend to pay quarterly dividends. However, in the future we may not pay any dividends depending on a variety of factors. While we intend to pay dividends to our shareholders out of taxable income available for distribution, there can be no assurance that we will do so. Any dividends that we do pay may be payable in cash, in our common stock, or in stock in any of our holdings or in a combination of all three. All dividends will be paid at the discretion of our Board of Directors and will depend upon our financial condition, maintenance of our RIC tax treatment, and compliance with applicable BDC regulations. We currently pay dividends in cash. However, in the future we may choose to pay dividends in our own stock, in which case you may be required to pay tax in excess of the cash you receive. We may distribute taxable dividends that are payable in part in our common stock. Under certain applicable provisions of the Code and the Treasury regulations, distributions payable by us in cash or in shares of stock (at the shareholders election) would satisfy the annual distribution requirement for a RIC. The IRS has issued a revenue procedure providing that a dividend payable in stock or in cash at the election of the shareholders will be treated as a taxable dividend eligible for the dividends paid deduction provided that at least 20 % of the total dividend is payable in cash and certain other requirements are satisfied. Taxable shareholders receiving such dividends will be required to include the full amount of the dividend as ordinary income (or as long- term capital gain to the extent such dividend is properly reported as a capital gain dividend) to the extent of our current and accumulated earnings and profits for U. S. federal income tax purposes. As a result, a U. S. shareholder may be required to pay tax with respect to such dividends in excess of any cash received. If a U. S. shareholder sells the stock it receives as a dividend in order to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our common stock at the time of the sale. Furthermore, with respect to non- U. S. shareholders, we may be required to withhold U. S. tax with respect to such dividends, including in respect of all or a portion of such dividends payable in stock. If a significant number of our shareholders determine to sell shares of our common stock in order to pay taxes owed on dividends, it may put downward pressure on the trading price of our common stock. We may not be able to invest a significant portion of the net proceeds from future capital raises on acceptable terms, which could harm our financial condition and operating results. Delays in investing the net proceeds raised in an offering may cause our performance to be worse than that of other fully invested BDCs or other lenders or investors pursuing comparable investment strategies. We cannot assure you that we will be able to identify any investments that meet our investment objective or that any investment that we make will produce a positive return. We may be unable to invest the net proceeds of any offering on acceptable terms within the time period that we anticipate or at all, which could harm our financial condition and operating results. In the event that we cannot invest our net proceeds as desired we will invest the net proceeds from any offering primarily in cash, cash equivalents, U. S. Government securities and other high-quality debt investments that mature in one year or less from the time of investment. These securities may have lower yields than our other investments and accordingly may result in lower distributions, if any, during such period. Provisions of Texas law and our charter could deter takeover attempts and have an adverse impact on the price of our common stock. Texas law and our charter contain provisions that may have the effect of discouraging, delaying or making difficult a change in control. The existence of these provisions, among others, may have a negative impact on the price of our common stock and may discourage third- party bids for ownership of the Company. These provisions may prevent any premiums being offered to you for our common stock.