Risk Factors Comparison 2024-02-21 to 2023-02-22 Form: 10-K

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

~~Risks resulting from~~ **A failure on our part to maintain our status as a BDC may significantly reduce our operating flexibility. If we fail to maintain our status as a BDC, we might be regulated as a closed- end investment company that is required to register under the 1940 Act, which would subject us to additional regulatory restrictions and significantly decrease our operating flexibility. In addition,** any **such failure** ~~future debt or other economic crisis~~ could **cause** ~~also have a detrimental impact on the global economy, the financial condition of financial institutions and~~ - **an event** ~~our business, financial condition and results~~ of ~~operation. Market and economic disruptions have affected, and may in the future affect, consumer confidence levels and spending, personal bankruptcy rates, levels of incurrence and~~ default **under** ~~on consumer debt and home prices, among other factors. To the extent uncertainty regarding the U. S. or~~ **our outstanding indebtedness** ~~global economy negatively impacts consumer confidence and consumer credit factors~~ , **which** ~~our business, financial condition and results of operations could be significantly and adversely affected. Downgrades to the credit ratings of major banks could result in increased borrowing costs for such banks and negatively affect the broader economy. Moreover, Federal Reserve policy, including with respect to certain interest rates, may also adversely affect the value, volatility and liquidity of dividend- and interest- paying securities. Market volatility, rising interest rates and / or a return to unfavorable economic conditions could impair the Company' s ability to achieve its investment objective. The occurrence of events similar to those in recent years, such as localized wars, instability, new and ongoing pandemics (such as COVID- 19), epidemics or outbreaks of infectious diseases in certain parts of the world, negative effects of climate crisis and catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes and global health epidemics, terrorist attacks in the United States and around the world, social and political discord, debt crises sovereign debt downgrades, increasingly strained relations between the United States and a number of foreign countries, new and continued political unrest in various countries, the exit or potential exit of one or more countries from the EU or the EMU, continued changes in the balance of political power among and within the branches of the U. S. government, government shutdowns, among others, may result in market volatility, may have long term effects on the U. S. and worldwide financial markets, and may cause further economic uncertainties in the United States and worldwide. In particular, the consequences of the Russian military invasion of Ukraine, the impact on inflation and increased disruption to supply chains and energy resources may impact our portfolio companies, result in an economic downturn or recession either globally or locally in the United States or other economies, reduce business activity, spawn additional conflicts (whether in the form of traditional military action, reignited" cold" wars or in the form of virtual warfare such as cyberattacks) with similar and perhaps wider ranging impacts and consequences and have an adverse impact on the Company' s returns and net asset value. In response to the conflict between Russia and Ukraine, the United States and other countries have imposed sanctions or other restrictive actions against Russia, Russian- backed separatist regions in Ukraine, and certain banks, companies, government officials and other individuals in Russia and Belarus. Any of the above factors, including sanctions, export controls, tariffs, trade wars and other governmental actions,~~ could have a material adverse effect on our business, financial condition **or** ~~, cash flows and~~ results of operations ~~and could cause the market value of our common shares and / or debt securities to decline~~ . We ~~have no way to predict the duration or outcome of the situation, as the conflict~~ and ~~government reactions~~ **the Adviser** are ~~rapidly developing~~ **subject to regulations** and ~~beyond~~ **SEC oversight. If we** ~~our~~ - **or** ~~control. Prolonged unrest~~ **the Adviser fail to comply with applicable requirements** , **it may** ~~military activities, or broad- based sanctions could have a material adverse~~ **adversely** ~~effect on our portfolio companies. Such consequences also may increase our funding cost or limit our access to the capital markets. The current political climate has intensified concerns about a potential trade war between China and the United States, as each country has imposed tariffs on the other country' s products. These actions may trigger a significant reduction in international trade, the oversupply of certain manufactured goods, substantial price reductions of goods and possible failure of individual companies and / or large segments of China' s export industry, which could have a negative~~ impact ~~on~~ our **results relative to** ~~performance. U. S.~~ companies that ~~source material and goods from China and~~ **are not subject to such regulations. As a BDC, we are subject to a portion of** ~~those~~ -- **the 1940 Act. In addition, we have elected to be treated, and intend to operate in a manner so as to continuously qualify, as a RIC in accordance with the requirements of Subchapter M of the Code. The 1940 Act and the Code impose various restrictions on the management of a BDC, including related to portfolio construction, asset selection, and tax. These restrictions may reduce the chances** that ~~make large amounts of sales in China~~ **we will achieve the same results as other vehicles managed by Crescent and / or the Adviser. However, if we do not maintain our status as a BDC, we** would be **subject** ~~particularly vulnerable~~ to **regulation** ~~an escalation of trade tensions. Uncertainty regarding the outcome of the trade tensions and the potential for a trade war could cause the U. S. dollar to decline against safe haven currencies, such~~ as ~~the Japanese yen and the euro. Events such as these and their consequences are difficult to predict and it is unclear whether further tariffs may be imposed or other escalating actions may be taken in the future. Any of these effects could have~~ a **registered closed- end** ~~material adverse effect on our business, financial condition and results of operations. The effects described above on our portfolio companies could impact their ability to make payments on their loans on a timely basis and may impact their ability to continue making their loan payments on a timely basis or meeting their loan covenants. The inability of portfolio companies to make timely payments or meet loan covenants may in the future require us to undertake amendment actions with respect to our investments~~ - **investment** ~~or to restructure our investments, which may include the need for us to make additional investments in our portfolio companies (including debt or equity investments) beyond any existing commitments, exchange debt for equity, or change the payment terms of our investments to permit a portfolio~~ company

~~to pay~~ **under the 1940 Act. As** a **registered closed** ~~portion of its interest through payment~~ - ~~in- kind~~ **end investment company**, **we would be subject to substantially more regulatory restrictions under the 1940 Act** which would **significantly decrease** ~~defer the cash collection of such interest and add it to the principal balance, which would generally be due upon repayment of the outstanding principal. Economic recessions or downturns could impair our portfolio companies and harm~~ our operating **flexibility** ~~results. Many of our portfolio companies may be susceptible to economic slowdowns or recessions and may be unable to repay our loans during these periods. Therefore, our non- performing assets may increase and the value of our portfolio may decrease during these periods as we are required to record the values of our investments. Adverse economic conditions also may decrease the value of collateral securing some of our loans and the value of our equity investments. Economic slowdowns or recessions could lead to financial losses in our portfolio and a decrease in revenues, net income and assets. Unfavorable economic conditions also could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. These events could prevent us from increasing investments and harm our operating results. A portfolio company' s failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, termination of its loans and foreclosure on its secured assets, which could trigger cross- defaults under other agreements and jeopardize our portfolio company' s ability to meet its obligations under the debt securities that we hold. We may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting portfolio company~~ . In addition ~~, if one of our portfolio companies were~~ to ~~go bankrupt~~ **these and other requirements applicable to us** , ~~even though we or~~ **our investment adviser is subject to regulatory oversight by** ~~one of our affiliates may have structured our interest in such portfolio company as senior debt, depending on~~ the **SEC. To** ~~facts and circumstances, including~~ the extent ~~to~~ **the SEC raises concerns or has negative findings concerning the manner in** which we ~~actually provided managerial assistance to that portfolio company, a bankruptcy court might re- characterize our~~ - **or** ~~debt holding as equity and subordinate all or~~ **our investment adviser** ~~a portion of our claim to claims of other creditors. Recently, central banks such as the Federal Reserve Bank have been increasing interest rates~~ **operates , it** ~~in an effort to slow the rate of inflation. There is a risk that increased interest rates may cause the economy to enter a recession. Any such recession would~~ **could adversely affect** ~~negatively impact the businesses in which we invest and~~ our business. ~~These impacts may include: • severe declines in the market price of our securities or net asset value; • inability of the Company to accurately or reliably value its portfolio; • inability of the Company to comply with certain asset coverage ratios that would prevent the Company from paying dividends to our stockholders and that could result breaches of covenants or events of default under our credit agreement or debt indentures; • inability of the Company to pay any dividends and distributions or service its debt; • inability of the Company to maintain its status as a RIC under the Code; • declines in the value of our investments; • increased risk of default or bankruptcy by the companies in which we invest; • increased risk of companies in which we invest being unable to weather an extended cessation of normal economic activity and thereby impairing their ability to continue functioning as a going concern; • limited availability of new investment opportunities; • inability for us to replace our existing leverage when it becomes due or replace it on terms as favorable as our existing leverage; and • general threats to the Company' s ability to continue investment operations and to operate successfully as a BDC. We are subject to risks related to inflation. Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as inflation decreases the value of money. Recently, inflation has increased to its highest level in decades, and the Federal Reserve has been raising the federal funds rate in response. Inflation rates may change frequently and significantly as a result of various factors, including unexpected shifts in the domestic or global economy and changes in economic policies, and the Company' s investments may not keep pace with inflation, which may result in losses to shareholders. As inflation increases, the real value of our shares and dividends therefore may decline. In addition, during any periods of rising inflation, interest rates of any debt securities issued by the Company would likely increase, which would tend to further reduce returns to shareholders. Inflation rates may change frequently and significantly as a result of various factors, including unexpected shifts in the domestic or global economy and changes in economic policies, and our investments may not keep pace with inflation, which may result in losses to our shareholders. This risk is greater for fixed-income instruments with longer maturities. Risks Relating to our Business and Structure~~ We are dependent upon key personnel of Crescent and the Adviser. We do not have any internal management capacity or employees. Our ability to achieve our investment ~~objective~~ **objectives** will depend on our ability to manage our business and to grow our investments and earnings. ~~We~~ **This will** depend **, in turn,** on the **diligence** ~~investment expertise~~ , skill and network of business contacts of **Crescent** ~~the senior personnel of our Adviser. Our Adviser evaluates, negotiates, structures, executes, monitors and services our investments. Key personnel of our Adviser have departed in the past and current key personnel could depart at any time. Our Adviser~~ ' s ~~capabilities in~~ **senior professionals. We expect that these senior professionals will evaluate, negotiate,** ~~structuring~~ **structure , close and monitor our investments in accordance with** the **terms of our Investment Advisory Agreement. We can offer no assurance, however, that Crescent' s senior professionals will continue to provide** investment **advice** ~~process, providing competent, attentive and efficient services~~ to us **. If** ~~, and facilitating access to financing on acceptable terms depend on the~~ **these individuals do not maintain their** employment **or other relationships with Crescent and do not develop new relationships with other sources** of **investment opportunities available to us, we may not be able to grow our investment portfolio. In addition, individuals with whom Crescent' s** investment professionals **have relationships are not obligated** ~~in adequate number and of adequate sophistication~~ to ~~match the corresponding flow of transactions~~ **provide us with investment opportunities. Therefore, we can offer no assurance that such relationships will generate investment opportunities for us** . The departure **or misconduct** of ~~key personnel~~ **any of these individuals,** or of a significant number of the investment professionals ~~or partners~~ of ~~our Adviser~~ **Crescent,** could have a material adverse effect on our ~~ability to achieve~~ **business, financial condition** ~~our~~ - **or results of** ~~investment objective. Our Adviser may need to hire, train, supervise and manage new investment professionals to participate in our investment selection and monitoring process and may not be able to find investment professionals in a timely manner or at all. In addition, our Adviser may resign on 60 days' notice. If we are unable to~~

~~quickly find a new investment adviser or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms, our~~ operations ~~are likely to experience a disruption and our ability to achieve our investment objective and pay distributions would likely be materially and adversely affected~~ . The Adviser is an affiliate of Crescent and ~~will depend~~ **depends** upon access to the investment professionals and Crescent' s other resources to fulfill its obligations to us under the Investment Advisory Agreement. The Adviser will also depend upon such investment professionals to obtain access to deal flow generated by Crescent. **In addition** ~~Under a Resource Sharing Agreement~~ , **we cannot assure you that an affiliate of** Crescent **will remain our investment** ~~has agreed to provide the Adviser~~ **adviser** ~~with the experienced~~ **or that we will continue to have access to Crescent' s** investment professionals **or** ~~necessary to fulfill~~ its ~~obligations~~ **information and deal flow. Crescent' s and the Adviser' s investment professionals, which are currently composed of the same personnel, have substantial responsibilities in connection with the management of other Crescent clients. Crescent' s personnel may be called upon to provide managerial assistance to our portfolio companies. These demands on their time, which may increase as the number of investments grow, may distract them or slow our rate of investment. The Adviser' s investment committee, which provides oversight over our investment activities, is provided to us by our investment adviser** under the Investment Advisory Agreement. The **loss of any member of** ~~Resource Sharing Agreement provides that Crescent will make available to~~ the Adviser ~~experienced~~ **' s** investment **committee or of** ~~professionals and access to~~ Crescent' s ~~resources~~ **other senior professionals would limit our ability to achieve our investment objectives and operate as we anticipate. This could have a material adverse effect on our financial condition, results of operations and cash flows. We will not provide key person life insurance** for ~~purposes~~ **any** of ~~evaluating, negotiating, structuring, closing and monitoring~~ our **key personnel** ~~investments. Our ability to achieve our investment objective will depend on our ability to manage our business and to grow our investments and earnings. This will depend, in turn, on Crescent' s ability to identify, invest in and monitor portfolio companies that meet our investment criteria~~ . Further, we depend upon Crescent to maintain its relationships with private equity sponsors, placement agents, investment banks, management groups and other financial institutions, and we expect to rely to a significant extent upon these relationships to provide us with potential investment opportunities **. If Crescent fails to maintain such relationships, or to develop new relationships with other sources of investment opportunities, we will not be able to grow our investment portfolio. In addition, individuals with whom Crescent' s senior professionals have relationships are not obligated to provide us with investment opportunities, and we can offer no assurance that these relationships will generate investment opportunities in the future. There can be no assurance that Crescent will replicate its historical ability to generate investment opportunities, and we caution you that our investment returns could be substantially lower than the returns achieved by other Crescent- managed funds. We may not replicate the historical performance achieved by Crescent. Our primary focus in making investments may differ from those of existing investment funds, accounts or other investment vehicles that are or have been managed by members of our investment adviser' s investment committee or by Crescent. Past performance should not be relied upon as an indication of future results. There can be no guarantee that we will replicate the historical performance of Crescent or the historical performance of investment funds, accounts or other investment vehicles that are or have been managed by members of the Adviser' s investment committee or by Crescent or its employees, and we caution investors that our investment returns could be substantially lower than the returns achieved by them in prior periods. We cannot assure you that we will be profitable in the future or that the Adviser will be able to continue to implement our investment objectives with the same degree of success that it has had in the past. Additionally, all or a portion of the prior results may have been achieved in particular market conditions which may never be repeated. Moreover, current or future market volatility and regulatory uncertainty may have an adverse impact on our future performance. We depend on Crescent to manage our business effectively. Our ability to achieve our investment objectives will depend on our ability to manage our business and to grow our investments and earnings. This will depend, in turn, on Crescent' s ability to identify, invest in and monitor portfolio companies that meet our investment criteria** . The achievement of our investment objectives on a cost- effective basis will depend upon Crescent' s execution of our investment process, its ability to provide competent, attentive and efficient services to us and, to a lesser extent, our access to financing on acceptable terms. ~~We may not replicate the historical results achieved by~~ Crescent ~~. Our primary focus in making investments may differ from those of existing investment funds, accounts or other investment vehicles that are or have been managed by members of the Adviser~~ ' s investment **professionals** ~~committee or by Crescent. Past performance should not be relied upon as an indication of future results. There can be no guarantee that we~~ will ~~replicate our own historical performance,~~ **have substantial responsibilities in connection with the management of** ~~the~~ **other** ~~historical success of Crescent or the historical performance of~~ investment funds, accounts **and** ~~or other~~ investment vehicles **. Crescent** ~~that are or have been managed by members of the Adviser~~ ' s **personnel may be called upon to provide managerial assistance to our portfolio companies. These activities may distract them from servicing new** investment ~~committee~~ **opportunities** ~~or~~ **for us** ~~by Crescent or its employees, and we caution investors that our~~ - **or slow our rate of** investment ~~returns~~ **. Any failure to manage our business and our future growth effectively** could ~~be substantially lower than the returns achieved by them in prior periods~~ **have a material adverse effect on our business, financial condition, results of operations and cash flows** . The Adviser, the investment committee of the Adviser, Crescent and their affiliates, officers, directors and employees may face certain conflicts of interest. As a result of our arrangements with Crescent, the Adviser and the Adviser' s investment committee, there may be times when the Adviser or such persons have interests that differ from those of our stockholders, giving rise to a conflict of interest. The members of the Adviser' s investment committee serve, or may serve, as officers, directors, members, or principals of entities that operate in the same or a related line of business as we do, or of investment funds, accounts, or investment vehicles managed by Crescent and / or its affiliates. Similarly, Crescent and its affiliates may have other clients with similar, different or competing investment objectives. In serving in these multiple capacities, they may have obligations to other clients or investors in those entities, the fulfillment of which may not be in the best interests of, or which may be adverse to the interests of, us or our stockholders. For example, Crescent has, and will continue to have management responsibilities for other investment funds, accounts and investment vehicles. There is a potential that we will compete with these funds, and other entities managed by Crescent and its affiliates, for capital and investment opportunities. As a result, members of the Adviser' s investment committee who are affiliated with Crescent will face conflicts in the allocation of investment opportunities among us, and other investment funds, accounts and investment vehicles managed by Crescent and its affiliates and may make certain investments that are appropriate for us but for which we receive a relatively small allocation or no allocation at all. Crescent intends to allocate investment opportunities among eligible investment funds, accounts and investment vehicles in a manner that is fair and equitable over time and consistent with its allocation policy. However, we can offer no assurance that such opportunities will be allocated to us fairly or equitably in the short- term or over time and we may not be given the opportunity to participate in investments made by investment funds managed by Crescent or its affiliates ~~. We expect that Crescent and the Adviser will agree with our Board that, subject to applicable law, allocations among us and other investment funds, accounts and investment vehicles managed by Crescent will generally be made based on capital available for investment in the asset class being allocated and the respective governing documents of such investment funds, accounts and investment vehicles. We expect that available capital for our investments will be determined based on the amount of cash on- hand~~ - **and** ~~, existing commitments and reserves, if any, the targeted leverage level, targeted asset mix and diversification requirements and other investment policies and restrictions set by our Board or as imposed by applicable laws, rules, regulations or interpretations. However,~~ there can be no assurance that we will be able to participate in all investment opportunities that are suitable to us. Further, to the extent permitted by applicable law, we and our affiliates may own investments at different levels of a portfolio company' s capital structure or otherwise own different classes of a portfolio company' s securities, which may give rise to conflicts of interest or perceived conflicts of interest. Conflicts may also arise because decisions regarding our portfolio may benefit our affiliates. Our affiliates may pursue or enforce rights with respect to one of its portfolio companies, and those activities may have an adverse effect on us. Conflicts may arise related to other arrangements with Crescent and the Adviser and other affiliates. We have entered into a license agreement with Crescent under which Crescent has agreed to grant us a non- exclusive, royalty- free license to use the name " Crescent Capital. " In addition, the Administration Agreement with the Administrator, an affiliate of Crescent, requires we pay to the Administrator our allocable portion of overhead and other expenses incurred by the Administrator in performing its obligations under the Administration Agreement, such as rent and our allocable portion of the cost of our chief financial officer and chief compliance officer and their respective staffs. In addition, the Adviser has entered into a Resource Sharing Agreement with Crescent pursuant to which Crescent provides the Adviser with the resources necessary to fulfill its obligations under the Investment Advisory Agreement. These agreements create conflicts of interest that the independent members of our Board will monitor. For example, under the terms of the license agreement, we will be unable to preclude Crescent from licensing or transferring the ownership of the " Crescent Capital " name to third parties, some of whom may compete against us. Consequently, it will be unable to prevent any damage to goodwill that may occur as a result of the activities of Crescent or others. Furthermore, in the event the license agreement is terminated, we will be required to change our name and cease using " Crescent Capital " as part of our name. Any of these events could disrupt our recognition in the market place, damage any goodwill it may have generated and otherwise harm its business. The Investment Advisory Agreement, and the Administration Agreement were negotiated between related parties. Consequently, their terms, including fees payable to the Adviser, may not be as favorable to us as if they had been negotiated exclusively with an unaffiliated third party. In addition, we may desire not to enforce, or to enforce less vigorously, its rights and remedies under these agreements because of our desire to maintain our ongoing relationship with the Adviser, the Administrator and their respective affiliates. Any such decision, however, could breach our fiduciary obligations to its stockholders. Crescent' s principals and employees, the Adviser or their affiliates may, from time to time, possess material non- public information, limiting our investment discretion. Crescent' s executive officers and directors, principals and other employees, including members of the Adviser' s investment committee, may serve as directors of, or in a similar capacity with, portfolio companies in which we invest, the securities of which are purchased or sold on our behalf and may come into possession of material non- public information with respect to issuers in which we may be considering making an investment. In the event that material non- public information is obtained with respect to such companies, or we become subject to trading restrictions under the internal trading policies of those companies, Crescent' s policies or as a result of applicable law or regulations, we could be prohibited for a period of time or indefinitely from purchasing or selling the securities of such companies, or we may be precluded from providing such information or other ideas to other funds affiliated with Crescent that might benefit from such information, and this prohibition may have an adverse effect on us. Our management and incentive fee structure may create incentives for the Adviser that are not fully aligned with our stockholders' interests and may induce the Adviser to make speculative investments. In the course of our investing activities, we will pay management and incentive fees to the Adviser. We have entered into the Investment Advisory Agreement with the Adviser that provides that these fees are based on the value of our gross assets (which includes assets purchased with borrowed amounts or other forms of leverage but excludes cash and cash equivalents), instead of net assets (defined as total assets less indebtedness and before taking into account any incentive fees payable). As a result, investors in our common stock will invest on a " gross " basis and receive distributions on a " net " basis after expenses, including the costs of leverage, resulting in a lower rate of return than one might achieve if distributions were made on a gross basis. Because our management fees are based on the value of our gross assets, incurrence of debt or the use of leverage will increase the management fees due to the Adviser. As such, the Adviser may have an incentive to use leverage to make additional investments. In addition, as additional leverage would magnify positive returns, if any, on our portfolio, the incentive fee would become payable to the Adviser (i. e., exceed the Hurdle Amount (as defined herein under the heading " Incentive Fee ")) at a lower average return on our portfolio. Thus, if we incur additional leverage, the Adviser may receive additional incentive fees without any corresponding increase (and potentially with a decrease) in the performance of our portfolio. Additionally, under the incentive fee structure, the Adviser may benefit when capital gains are recognized and, because the Adviser will determine when to sell a holding, the Adviser will control the timing of the recognition of such capital gains. As a result of these arrangements, there may be times when the management team of the Adviser has interests that differ from those of our stockholders, giving rise to a conflict. Furthermore, there is a risk the Adviser will make more speculative investments in an effort to receive this payment. PIK interest and OID would increase our pre-incentive fee net investment income by increasing the size of the loan balance of underlying loans and increasing our assets under management and would make it easier for the Adviser to surpass the Hurdle Amount and increase the amount of incentive fees payable to the Adviser. **22** The part of the incentive fee payable to the Adviser relating to our net investment income is computed and paid on income that may include interest income that has been accrued but not yet received in cash. This fee structure may give rise to a conflict of interest for the Adviser to the extent that it encourages the Adviser to favor debt financings that provide for deferred interest, rather than current cash payments of interest. The Adviser may have an incentive to invest in deferred interest securities in circumstances where it would not have done so but for the opportunity to continue to earn the incentive fee even when the issuers of the deferred interest securities would not be able to make actual cash payments to us on such securities. This risk could be increased because, under the Investment Advisory Agreement, the Adviser is not obligated to reimburse us for incentive fees it receives even if we subsequently incur losses or never receives in cash the deferred income that was previously accrued. Our Board is charged with protecting our interests by monitoring how the Adviser addresses these and other conflicts of interest associated with its services and compensation. While our Board is not expected to review or approve each investment decision or incurrence of leverage, our independent directors will periodically review the Adviser' s services and fees as well as its portfolio management decisions and portfolio performance. In connection with these reviews, our independent directors will consider whether the Adviser' s fees and expenses (including those related to leverage) remain appropriate. We may invest, to the extent permitted by law, in the securities and instruments of other investment companies, including private funds, and, to the extent it so invests, bear its ratable share of any such investment company' s expenses, including management and performance fees. We also remain obligated to pay management and incentive fees to the Adviser with respect to the assets invested in the securities and instruments of other investment companies. With respect to each of these investments, each of our stockholders bears his or her share of the management and incentive fees of the Adviser as well as indirectly bearing the management and performance fees and other expenses of any investment companies in which we invest. The Adviser has limited liability and is entitled to indemnification under the Investment Advisory Agreement. Under the Investment Advisory Agreement, the Adviser has not assumed any responsibility to us other than to render the services called for under that agreement. The Adviser will not be responsible for any action of our Board in following or declining to follow the Adviser' s advice or recommendations. Under the Investment Advisory Agreement the Adviser, its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with the Adviser, including, without limitation, its general partner and the Administrator, and any person controlling or controlled by the Adviser will not be liable to us, any of our subsidiaries, our directors, our stockholders or any subsidiary' s stockholders or partners for acts or omissions performed in accordance with and pursuant to the Investment Advisory Agreement, except those resulting from acts constituting gross negligence, willful misfeasance, bad faith or reckless disregard of the duties that the Adviser owes to us under the Investment Advisory Agreement. In addition, as part of the Investment Advisory Agreement, we have agreed to indemnify the Adviser and each of its officers, managers, partners, agents, employees, controlling persons, members and any other person or entity affiliated with the Adviser, including, without limitation, its general partner and the Administrator, and hold them harmless from and against all damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) incurred by such party in or by reason of any pending, threatened or completed action, suit, investigation or other proceeding (including an action or suit by or in the right of us or our security holders) arising out of or otherwise based upon the performance of any of the Adviser' s duties or obligations under the Investment Advisory Agreement or otherwise as an investment adviser of us, except in respect of any liability to us or our security holders to which such party would otherwise be subject by reason of willful misfeasance, bad faith or gross negligence in the performance of the Adviser' s duties or by reason of the reckless disregard of the Adviser' s duties and obligations under the Investment Advisory Agreement. These protections may lead the Adviser to act in a riskier manner when acting on our behalf than the Adviser would when acting for its own account. Our ability to enter into transactions with our affiliates is restricted. We are prohibited under the 1940 Act from participating in certain transactions with our affiliates without the prior approval of our independent directors and, in some cases, the SEC. We consider the Adviser and its affiliates, including Crescent, to be our affiliates for such purposes. In addition, any person that **is an** ~~owns, directly or indirectly, 5 % or more of our outstanding voting securities will be our~~ affiliate **of ours** for purposes of the 1940 Act ~~, and we are~~ generally **is** prohibited from **participating in certain transactions such as co- investing with, or** buying or selling any security from or to ~~such affiliate without~~ **us, absent** the prior approval of our independent directors **and, in some cases, of the SEC** . We consider the Adviser and its affiliates, including Crescent, to be our affiliates for such purposes. The 1940 Act also prohibits certain " joint " transactions with certain of our affiliates, which could include investments in the same portfolio company, without prior approval of our independent directors and, in some cases, of the SEC. We are prohibited from buying or selling any security from or to any person who owns more than 25 % of our voting securities or certain of that person' s affiliates, or entering into prohibited joint transactions with such persons, absent the prior approval of the SEC. **If** ~~We may, however, invest alongside Crescent' s investment funds, accounts and investment vehicles in certain circumstances where doing so is consistent with our investment strategy as well as applicable law and SEC staff interpretations or exemptive orders. For example,~~ we ~~may invest alongside such investment funds, accounts and investment vehicles consistent with guidance promulgated by the SEC staff to purchase interests in a single class of privately placed securities so long as certain conditions~~ are ~~met, including that Crescent, acting on our behalf and on behalf of such investment funds, accounts and investment vehicles, negotiates no term other than price. We may also invest alongside~~

~~Crescent' s investment funds, accounts and investment vehicles as otherwise permissible under regulatory guidance, applicable regulations or exemptive orders and Crescent' s allocation policy. If the Company is~~ prohibited by applicable law from investing alongside Crescent' s investment funds, accounts and investment vehicles with respect to an investment opportunity, we may not be able to participate in such investment opportunity. ~~This allocation policy provides that allocations among us and~~ **23 We may, however, invest alongside Crescent' s** investment funds, accounts and investment vehicles ~~managed by Crescent and~~ **in certain circumstances where doing so** ~~its~~ - **is consistent with our** ~~affiliates will generally be made pro rata based on capital available for~~ investment **strategy** ~~, as determined, in our case, by our Board~~ as well as ~~the terms of~~ **applicable law and SEC staff interpretations** ~~our~~ - **or** ~~governing documents and those of~~ **exemptive orders. For example, we may invest alongside** such investment funds, accounts and investment vehicles ~~. It is our policy~~ **consistent with guidance promulgated by the SEC staff** to ~~base our determinations~~ **purchase interests in a single class of privately placed securities so long as certain conditions are met, including that Crescent, acting** on **our behalf and on behalf of** such ~~factors as: the amount of cash on- hand, existing commitments and reserves, if any, our targeted leverage level, our targeted asset mix and diversification requirements and other investment policies and restrictions set by our Board or imposed by applicable laws, rules, regulations or interpretations. We expect that these determinations will be made similarly for~~ investment funds, accounts and investment vehicles ~~managed by Crescent. However~~ , **negotiates** ~~we can offer~~ no ~~assurance that investment opportunities will be allocated to us fairly or equitably in the short-~~ term ~~or over time~~ **other than price** . In situations where co- investment with investment funds, accounts and investment vehicles managed by Crescent is not permitted or appropriate, such as when there is an opportunity to invest in different securities of the same issuer or where the different investments could be expected to result in a conflict between our interests and those of Crescent' s clients, subject to the limitations described in the preceding paragraph, Crescent will need to decide which client will proceed with the investment. Similar restrictions limit our ability to transact business with our officers or directors or their affiliates. These restrictions will limit the scope of investment opportunities that would otherwise be available to us. ~~We, the Adviser and~~ Crescent ~~have~~ **has** been granted exemptive relief from the SEC **, upon which we and the Adviser may rely,** which permits greater flexibility to negotiate the terms of co- investments if our Board determines that it would be advantageous for us to co- invest with investment funds, accounts and investment vehicles managed by Crescent in a manner consistent with our investment objectives, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors. We believe that co- investment by us and investment funds, accounts and investment vehicles managed by Crescent may afford us additional investment opportunities and an ability to achieve a more varied portfolio. Accordingly, our exemptive order permits us to invest with investment funds, accounts and investment vehicles managed by Crescent in the same portfolio companies under circumstances in which such investments would otherwise not be permitted by the 1940 Act. The exemptive relief permitting co- investment transactions generally applies only if our independent directors and directors who have no financial interest in such transaction review and approve in advance each co- investment transaction. **The exemptive relief provides that, if the size of a co- investment opportunity is insufficient to meet our and the other Crescent funds' desired level of participation in full, allocations will generally be made pro rata based on capital available for investment, as determined, in our case, by our Board as well as the terms of our governing documents and those of such investment funds, accounts and investment vehicles. It is our policy to base our determinations on such factors as: the amount of cash on- hand, existing commitments and reserves, if any, our targeted leverage level, our targeted asset mix and diversification requirements and other investment policies and restrictions set by our Board or imposed by applicable laws, rules, regulations or interpretations. We expect that these determinations will be made similarly for investment funds, accounts and investment vehicles managed by Crescent. However, we can offer no assurance that investment opportunities will be allocated to us fairly or equitably in the short- term or over time.** Our ability to sell or otherwise exit investments also invested in by other Crescent investment vehicles is restricted. We may be considered affiliates with respect to certain of our portfolio companies because our affiliates, which may include certain investment funds, accounts or investment vehicles managed by Crescent, also hold interests in these portfolio companies and as such these interests may be considered a joint enterprise under the 1940 Act. To the extent that our interests in these portfolio companies may need to be restructured in the future or to the extent that we choose to exit certain of these transactions, our ability to do so will be limited. **Crescent has obtained** ~~We intend to seek~~ exemptive relief **from the SEC** in relation to certain joint transactions **upon which we and the Adviser may rely** ; however, there is no assurance that we will obtain relief that would permit us to negotiate future restructurings or other transactions that may be considered a joint enterprise. **Conflicts of interest may be created by the valuation process for certain portfolio holdings. We make many of our portfolio investments in the form of loans and securities that are not publicly traded and for which no market- based price quotation is available. As a result, our investment adviser, as the Board of Directors' valuation designee, will determine the fair value of these loans and securities as described above in " — Risks Relating to our Business and Structure — Most of our portfolio investments will not be publicly traded and, as a result, the fair value of these investments may not be readily determinable. " Each of the interested members of our Board has an indirect pecuniary interest in our investment adviser. The participation of our investment adviser' s investment professionals in our valuation process, and the pecuniary interest in our investment adviser by certain members of our Board, could result in a conflict of interest as our investment adviser' s management fee is based, in part, on the value of our net assets, and our incentive fees will be based, in part, on realized gains and realized and unrealized losses.** We operate in an increasingly competitive market for investment opportunities, which could make it difficult for us to identify and make investments that are consistent with our investment objectives. A number of entities compete with us to make the types of investments that we make and plan to make. We compete with **other BDCs,** public and private funds, commercial and investment banks, commercial financing companies and, to the extent they provide an alternative form of financing, private equity and hedge funds. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. For example, we believe some of our competitors may have access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a BDC or the source- of- income, asset diversification and distribution requirements we must satisfy to maintain our RIC qualification. The competitive pressures we face may have a material adverse effect on our business, financial condition, results of operations and cash flows. As a result of this competition, we may not be able to take advantage of attractive investment opportunities from time to time, and we may not be able to identify and make investments that are consistent with our investment objectives. With respect to the investments we make, we will not seek to compete based primarily on the interest rates we will offer, and we believe that some of our competitors may make loans with interest rates that will be lower than the rates we offer. In the secondary market for acquiring existing loans, we expect to compete generally on the basis of pricing terms. With respect to all investments, we may lose some investment opportunities if we do not match our competitors' pricing, terms and structure. However, if we match our competitors' pricing, terms and structure, we may experience decreased net interest income, lower yields and increased risk of credit loss. We may also compete for investment opportunities with investment funds, accounts and investment vehicles managed by Crescent. Although Crescent will allocate opportunities in accordance with its policies and procedures, allocations to such investment funds, accounts and investment vehicles will reduce the amount and frequency of opportunities available to us and may not be in the best interests of us and our stockholders. Moreover, the performance of investments will not be known at the time of allocation. See — " The Adviser, the investment committee of the Adviser, Crescent and their affiliates, officers, directors and employees may face certain conflicts of interest. " **Our ability to grow depends on our ability to raise capital.** We will **need** ~~be subject~~ to **periodically access the capital markets to raise cash to fund new investments in excess of our repayments, and we may also need to access the capital markets to refinance any future debt obligations to the extent such maturing obligations are not repaid with availability under our revolving credit facilities or cash flows from operations. We intend to be treated as a RIC and** ~~corporate~~ -- **operate** ~~level~~ **in a manner so as to qualify for the U. S. federal** income tax **treatment applicable** ~~if we are unable~~ to ~~qualify as a~~ **RICs. Among other things, in order to maintain our** RIC **status** ~~. To qualify as a RIC under the Code~~ , we must ~~meet certain source- of- income, asset diversification and distribution requirements. The distribution requirement for a RIC is satisfied if we~~ distribute **to our common stockholders on a timely basis generally an amount equal to** at least 90 % of our ~~net ordinary~~ **investment company taxable** income ~~and net short- term capital gains in excess of net long- term capital losses~~ , ~~if any, to our stockholders on an~~ **and** ~~annual basis~~ **, as a result, such distributions will not be available to fund investment originations or repay maturing debt** . We ~~will be subject, to the extent we use debt financing, to certain asset coverage ratio requirements under the 1940 Act and financial covenants under loan and credit agreements that could, under certain circumstances, restrict us from making distributions necessary to qualify as a RIC. If we are unable to obtain cash from other sources, we may fail to qualify as a RIC and, thus, may be subject to corporate- level income tax. To qualify as a RIC, we~~ must also meet certain asset diversification requirements at...... to issue debt or equity securities or borrow from financial institutions **and issue** ~~in order to obtain~~ additional ~~capital~~ **securities** to fund **our** ~~new investments and grow~~ **growth** ~~our portfolio of investments~~ . Unfavorable economic **or capital market** conditions ~~could~~ **may** increase our funding costs, limit our access to the capital markets or **could** result in a decision by lenders not to extend credit to us. **An** ~~A reduction in the availability~~ --- **inability** ~~of new~~ **to successfully access the** capital **markets may limit our ability to refinance our debt obligations as they come due and / or to fully execute our business strategy and** could limit our ability to grow **or cause us to have to shrink the size of our business, which could decrease our earnings, if any** . In addition, we ~~will be required~~ **may borrow amounts or issue debt securities or preferred stock, which we refer** to ~~distribute in respect of each taxable year~~ **collectively as " senior securities, " such that our asset coverage, as calculated pursuant to the Investment Company Act, equals** at least ~~90~~ **150** % ~~of~~ **immediately after such borrowing (i. e., we are able to borrow up to two dollars for every dollar we have in assets less all liabilities and indebtedness not represented by senior securities issued by us). Such requirement, in certain circumstances, may restrict our ability to borrow** ~~our~~ - **or issue debt securities or preferred stock. The amount** ~~net ordinary income and net short- term capital gains in excess~~ of ~~net long- term capital losses, if~~ **leverage that we employ will depend on our investment adviser' s and our Board' s assessments of market and other factors at the time of** any ~~,~~ **proposed borrowing** ~~for~~ - **or issuance of senior securities** ~~such taxable year to our stockholders to maintain our qualification as a RIC~~ . ~~Amounts so distributed~~ **We cannot assure you that we** will ~~not~~ be ~~available~~ **able** to ~~fund new investments~~ **obtain lines of credit** or ~~repay maturing debt. An inability~~ **issue senior securities at all or** on ~~our part~~ **terms acceptable** to **us** ~~access the capital markets successfully could limit our ability to grow our business and execute our business strategy fully and could decrease our earnings, if any, which would have an adverse effect on the value of our securities~~ . Further, we may pursue growth through acquisitions or strategic investments in new businesses. Completion and timing of any such acquisitions or strategic investments may be subject to a number of contingencies and risks. There can be no assurance that the integration of an acquired business will be successful or that an acquired business will prove to be profitable or sustainable. Regulations governing our operation as a BDC affect our ability to, and the way in which we may, raise additional capital. We may issue debt securities or preferred stock and / or borrow money from banks or other financial institutions, which we refer to collectively as " senior securities, " up to the maximum amount permitted by the 1940 Act. Under the provisions of the 1940 Act, we will be permitted as a BDC to issue senior securities in amounts such that our asset coverage ratio, as defined in the 1940 Act, as amended, equals at least 150 % of our gross assets less all liabilities and indebtedness not represented by senior securities, after each issuance of senior securities. If the value of our assets declines, we may be unable to satisfy this test. If that happens, we may be required to sell a portion of our investments at a time when such sales may be disadvantageous to us in order to repay a portion of its indebtedness. If we issue senior securities, we will be exposed to typical risks associated with leverage, including an increased risk of loss. **25** Furthermore, equity capital may be difficult to raise because, subject to some limited exceptions we are not generally able to issue and sell our common stock at a price below NAV per share. We may, however, sell our common stock, or warrants, options or rights to acquire shares of our common stock, at a price below the then- current NAV per share of our common stock if our Board determines that such sale is in our best interests, and if our stockholders, including a majority of those stockholders that are not affiliated with us, approve such sale. In any such case, the price at which our securities are to be issued and sold may not be less than a price that, in the determination of our Board, closely approximates the market value of such securities (less any distributing commission or discount). We do not currently have authorization from our stockholders to issue our common stock at a price below the then- current NAV per share. Stockholders may be required to pay tax...... the terms of its debt agreements. If we do not invest a sufficient portion of our assets in qualifying assets, we could fail to qualify as a BDC or be precluded from investing according to our current business strategy. To maintain ~~its~~ **our** status as a BDC, we are not permitted to acquire any assets other than " qualifying assets " specified in the 1940 Act unless, at the time the acquisition is made, at least 70 % of our total assets are qualifying assets (with certain limited exceptions). Subject to certain exceptions for follow- on investments and distressed companies, an investment in an issuer that has outstanding securities listed on a national securities exchange may be treated as a qualifying asset ~~only if such issuer has a common equity market capitalization that is less than $ 250 million at the time of such investment. Subject to certain exceptions for follow- on investments and investments in distressed companies, an investment in an issuer that has outstanding securities listed on a national securities exchange may be treated as qualifying assets~~ only if such issuer has a common equity market capitalization that is less than $ 250 million at the time of such investment. We may be precluded from investing in what we believe are attractive investments if such investments are not qualifying assets for purposes of the 1940 Act. If we do not invest a sufficient portion of our assets in qualifying assets, we could violate the 1940 Act provisions applicable to BDCs. As a result of such violation, specific rules under the 1940 Act could prevent us, for example, from making follow- on investments in existing portfolio companies (which could result in the dilution of our position) or could require us to dispose of investments at inappropriate times in order to come into compliance with the 1940 Act. If we need to dispose of such investments quickly, it could be difficult to dispose of such investments on favorable terms. We may not be able to find a buyer for such investments and, even if we do find a buyer, we may have to sell the investments at a substantial loss. Any such outcomes would have a material adverse effect on our business, financial condition, results of operations and cash flows. ~~The majority of our portfolio investments are recorded at fair value as determined in good faith by Adviser as Valuation Designee with approval from our Board and, as a result, there may be uncertainty as to the value of our portfolio investments. Many of our portfolio investments are in the form of loans and securities that are not publicly traded. The fair value of loans, securities and other investments that are not publicly traded may not be readily determinable, and we will value these investments at fair value as determined by the Adviser as Valuation Designee in good faith in accordance with Rule 2a- 5 and with the approval of our Board, including to reflect significant events affecting the value of our investments. Most, if not all, of our investments (other than cash and cash equivalents) will be classified as Level 3 under the FASB Accounting Standards Codification, Fair Value Measurements and Disclosures (ASC Topic 820). This means that our portfolio valuations will be based on unobservable inputs and our own assumptions about how market participants would price the asset or liability in question. We expect that inputs into the determination of fair value of our portfolio investments will require significant management judgment or estimation. Even if observable market data are available, such information may be the result of consensus pricing information or broker quotes, which include a disclaimer that the broker would not be held to such a price in an actual transaction. The non- binding nature of consensus pricing and / or quotes accompanied by disclaimers materially reduces the reliability of such information. We retain the services of one or more independent service providers to review the valuation of these loans and securities. However, the ultimate determination of fair value will be made by the Adviser as Valuation Designee with approval by our Board and not by such third- party valuation firm. The types of factors that the Valuation Designee may take into account in determining the fair value of our investments generally include, as appropriate, comparison to publicly- traded securities including such factors as yield, maturity and measures of credit quality, the enterprise value of a portfolio company, the nature and realizable value of any collateral, the portfolio company' s ability to make payments and its earnings and discounted cash flow, the markets in which the portfolio company does business, changes in the interest rate environment and the credit markets generally that may affect the price at which similar investments may be made in the future, comparisons to publicly traded companies, relevant credit market indices and other relevant factors. Because such valuations, and particularly valuations of private securities and private companies, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, our determinations of fair value may differ materially from the values that would have been used if a ready market for these loans and securities existed. Also, since these valuations are, to a large extent, based on estimates, comparisons and qualitative evaluations of private information, our fair valuation process could make it more difficult for investors to accurately value our investments and could lead to undervaluation or overvaluation of our securities. In addition, the valuation of these types of securities may result in substantial write- downs and earnings volatility. Also, privately held companies frequently have less diverse product lines and smaller market presence than larger public competitors. Our NAV could be adversely affected if our determinations regarding the fair value of our investments were materially higher than the values that we ultimately realize upon the disposal of such loans and securities. Further, our NAV as of a particular date may be materially greater than or less than the value that would be realized if our assets were to be liquidated as of such date. For example, if we were required to sell a certain asset or all or a substantial portion of our assets on a particular date, the actual price that we would realize upon the disposition of such asset or assets could be materially less than the value of such asset or assets as reflected in our NAV. Volatile market conditions could also cause reduced liquidity in the market for certain assets, which could result in liquidation values that are materially less than the values of such assets as reflected in the NAV. We will adjust quarterly the valuation of our portfolio to reflect the fair value of each investment in our portfolio. Any changes in fair value are recorded in our statement of operations as net change in unrealized appreciation or depreciation. In addition, the participation of the Adviser in the valuation process could result in a~~

~~conflict of interest as the management fee payable is based on our gross assets and the incentive fees earned by the Adviser will be based, in part, on unrealized gains and losses. We may experience fluctuations in our quarterly operating results. We could experience fluctuations in our quarterly operating results due to a number of factors, including the interest rate payable on the loans and debt securities we acquire, the default rate on such loans and securities, the level of our expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our markets and general economic conditions. In light of these factors, results for any period should not be relied upon as being indicative of performance in future periods. New or modified laws or regulations governing our operations may adversely affect our business. We and our portfolio companies are subject to regulation by laws at the U. S. federal, state and local levels. These laws and regulations, as well as their interpretation, may change from time to time, including as the result of interpretive guidance or other directives from the U. S. President and others in the executive branch, and new laws, regulations and interpretations may also come into effect. Any such new or changed laws or regulations could have a material adverse effect on our business. In addition, if we do not comply with applicable laws and regulations, we could lose any licenses that we then hold for the conduct of its business and may be subject to civil fines and criminal penalties. Additionally, changes to the laws and regulations governing our operations, including those associated with RICs, may cause us to alter our investment strategy in order to avail our self of new or different opportunities or result in the imposition of corporate- level taxes on us. Such changes could result in material differences to the strategies and plans set forth therein and may shift our investment focus from the areas of Crescent' s expertise to other types of investments in which Crescent may have little or no expertise or experience. Any such changes, if they occur, could have a material adverse effect on our results of operations and the value of an investor' s investment. If we invest in commodity interests in the future, the Adviser may determine not to use investment strategies that trigger additional regulation by the U. S. Commodity Futures Trading Commission (" CFTC ") or may determine to operate subject to CFTC regulation, if applicable. If we or the Adviser were to operate subject to CFTC regulation, we may incur additional expenses and would be subject to additional regulation. Further, there has been increasing commentary amongst regulators and intergovernmental institutions, including the Financial Stability Board and International Monetary Fund, on the topic of so called " shadow banking " (a term generally taken to refer to credit intermediation involving entities and activities outside the regulated banking system). We are an entity outside the regulated banking system and certain of our activities may be argued to fall within this definition and, in consequence, may be subject to regulatory developments. As a result, we and the Adviser could be subject to increased levels of oversight and regulation. This could increase costs and limit operations. In an extreme eventuality, it is possible that such regulations could render our continued operation unviable and lead to our premature termination or restructuring. The United Kingdom referendum decision to leave the European Union may create significant risks and uncertainty for global markets and our investments. On January 31, 2020, the United Kingdom (" UK ") officially withdrew from the European Union (" EU "), commonly referred to as " Brexit ". Following a transition period, the UK and the EU signed a Trade and Cooperation Agreement (" UK / EU Trade Agreement "), which came into full force on May 1, 2021 and set out the foundation of the economic and legal framework for trade between the UK and the EU. As the UK / EU Trade Agreement is a new legal framework, the implementation of the UK / EU Trade Agreement may result in uncertainty in its application and periods of volatility in both the UK and wider European markets. The UK' s exit from the EU is expected to result in additional trade costs and disruptions in this trading relationship. Furthermore, there is the possibility that either party may impose tariffs on trade in the future in the event that regulatory standards between the EU and the UK diverge. The terms of the future relationship may cause continued uncertainty in the global financial markets, and adversely affect our ability, and the ability of our portfolio companies, to execute our respective strategies and to receive attractive returns. Our Board may change our investment objectives, operating policies and strategies without prior notice or stockholder approval. Our Board has the authority, except as otherwise provided in the 1940 Act, to modify or waive certain of our investment objectives, operating policies and strategies without prior notice and without stockholder approval. However, absent stockholder approval, we may not change the nature of our business so as to cease to be, or withdraw our election as, a BDC. Under Maryland law, we also cannot be dissolved without prior stockholder approval. We cannot predict the effect any changes to our current operating policies and strategies would have on our business, operating results and the market price of its common stock. Nevertheless, any such changes could adversely affect our business and impair our ability to make distributions to our stockholders. We are highly dependent on Crescent' s information systems, and systems failures or cyber- attacks could significantly disrupt its business, which may, in turn, negatively affect the value of shares of our common stock and our ability to pay distributions. Our business is highly dependent on Crescent' s communications and information systems, to which we have access through the Administrator. In addition, certain of these systems are provided to Crescent by third- party service providers. Any failure or interruption of such systems, including as a result of the termination of an agreement with any such third- party service provider, could cause delays or other problems in our activities. This, in turn, could have a material adverse effect on our operating results and negatively affect the market price of our common stock and its ability to pay dividends to its stockholders. Cybersecurity risks and cyber incidents may adversely affect our business by causing a disruption to our operations, a compromise or corruption of its confidential information and / or damage to its business relationships. A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of our information resources. These incidents may be an intentional attack or an unintentional event and could involve gaining unauthorized access to our information systems for purposes of misappropriating assets, stealing confidential information, corrupting data or causing operational disruption. The result of these incidents may include disrupted operations, misstated or unreliable financial data, liability for stolen information, misappropriation of assets, increased cybersecurity protection and insurance costs, litigation and damage to our business relationships. This could result in significant losses, reputational damage, litigation, regulatory fines or penalties, or otherwise adversely affect our business, financial condition or results of operations. In addition, we may be required to expend significant additional resources to modify its protective measures and to investigate and remediate vulnerabilities or other exposures arising~~

~~from operational and security risks. We face risks posed to our information systems, both internal and those provided to it by third- party service providers. We, the Adviser and its affiliates have implemented processes, procedures and internal controls to help mitigate cybersecurity risks and cyber intrusions, but these measures, as well as our increased awareness of the nature and extent of a risk of a cyber- incident, may be ineffective and do not guarantee that a cyber- incident will not occur or that our financial results, operations or confidential information will not be negatively impacted by such an incident. Third parties with which we do business (including those that provide services to us) may also be sources or targets of cybersecurity or other technological risks. We outsource certain functions and these relationships allow for the storage and processing of our information and assets, as well as certain investor, counterparty, employee and borrower information. Privacy and information security laws and regulation changes, and compliance with those changes, may also result in cost increases due to system changes and the development of new administrative processes. We and the Adviser are subject to regulations and SEC oversight. If we or the Adviser fail to comply with applicable requirements, it may adversely impact our results relative to companies that are not subject to such regulations. As a BDC, we are subject to a portion of the 1940 Act. In addition, we have elected to be treated, and intend to operate in a manner so as to continuously qualify, as a RIC in accordance with the requirements of Subchapter M of the Code. The 1940 Act and the Code impose various restrictions on the management of a BDC, including related to portfolio construction, asset selection, and tax. These restrictions may reduce the chances that we will achieve the same results as other vehicles managed by Crescent and / or the Adviser. However, if we do not maintain our status as a BDC, we would be subject to regulation as a registered closed- end investment company under the 1940 Act. As a registered closed- end investment company, we would be subject to substantially more regulatory restrictions under the 1940 Act which would significantly decrease our operating flexibility. In addition to these and other requirements applicable to us, the Adviser is subject to regulatory oversight by the SEC. To the extent the SEC raises concerns or has negative findings concerning the manner in which we or the Adviser operates, it could adversely affect our business. We are subject to risks related to corporate social responsibility. Our business (including that of our portfolio companies) faces increasing public scrutiny related to environmental, social and governance (" ESG ") activities. We risk damage to our brand and reputation if we fail to act responsibly in a number of areas, such as diversity, equity and inclusion, environmental stewardship, support for local communities, corporate governance and transparency and considering ESG factors in our investment processes. Adverse incidents with respect to ESG activities could impact the value of our brand, our relationship with existing and future portfolio companies, the cost of our operations and relationships with investors, all of which could adversely affect our business and results of operations. Additionally, new regulatory initiatives related to ESG that are applicable to us and our portfolio companies could adversely affect our business. There is a risk that a significant reorientation in the market following the implementation of these and further measures could be adverse to our portfolio companies if they are perceived to be less valuable as a consequence of, e. g., their carbon footprint or " greenwashing " (i. e., the holding out of a product as having green or sustainable characteristics where this is not, in fact, the case). We and our portfolio companies are subject to the risk that similar measures might be introduced in other jurisdictions in the future. Additionally, compliance with any new laws or regulations increases our regulatory burden and could make compliance more difficult and expensive, affect the manner in which we or our portfolio companies conduct our businesses and adversely affect our profitability. Risks Relating to Our Investments Our portfolio companies may be unable to repay or refinance outstanding principal on their loans at or prior to maturity, and rising interests rates may make it more difficult for portfolio companies to make periodic payments on their loans. Our portfolio companies may be unable to repay or refinance outstanding principal on their loans at or prior to maturity. This risk and the risk of default is increased to the extent that the loan documents do not require the portfolio companies to pay down the outstanding principal of such debt prior to maturity. In addition, as general interest rates rise, there is a risk that our portfolio companies will be unable to pay escalating interest amounts, which could result in a default under their loan documents with us. Any failure of one or more portfolio companies to repay or refinance its debt at or prior to maturity or the inability of one or more portfolio companies to make ongoing payments following an increase in contractual interest rates could have a material adverse effect on our business, financial condition, results of operations and cash flows. We may hold the debt securities of leveraged companies. Investment in leveraged companies involves a number of significant risks. Leveraged companies in which we invest may have limited financial resources and may be unable to meet their obligations under their loans and debt securities that we hold. Such developments may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of our realizing any guarantees that it may have obtained in connection with its investment. Smaller leveraged companies also may have less predictable operating results and may require substantial additional capital to support their operations, finance their expansion or maintain their competitive position. Leveraged companies may experience bankruptcy or similar financial distress. The bankruptcy process has a number of significant inherent risks. Many events in a bankruptcy proceeding are the product of contested matters and adversary proceedings and are beyond the control of the creditors. A bankruptcy filing by a portfolio company may adversely and permanently affect the portfolio company. If the proceeding is converted to a liquidation, the value of the portfolio company may not equal the liquidation value that was believed to exist at the time of the investment. The duration of a bankruptcy proceeding is also difficult to predict, and a creditor' s return on investment can be adversely affected by delays until the plan of reorganization or liquidation ultimately becomes effective. The administrative costs in connection with a bankruptcy proceeding are frequently high and would be paid out of the debtor' s estate prior to any return to creditors. Because the standards for classification of claims under bankruptcy law are vague, our influence with respect to the class of securities or other obligations that we own may be lost by increases in the number and amount of claims in the same class or by different classification and treatment. In the early stages of the bankruptcy process, it is often difficult to estimate the extent of, or even to identify, any contingent claims that might be made. In addition, certain claims that have priority by law (for example, claims for taxes) may be substantial. We typically invest in middle- market companies, which involves higher risk than investments in large companies. Investment in private and middle- market companies involves a~~

~~number of significant risks. Generally, limited public information exists about these companies, and we will rely on the ability of Crescent' s investment professionals to obtain adequate information to evaluate the potential returns from investing in these companies. If we are unable to uncover all material information about these companies, we may not make a fully informed investment decision and may lose money on its investments. Middle- market companies may have limited financial resources and may be unable to meet their obligations under their loans and debt securities that we hold, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of our realizing any guarantees that it may have obtained in connection with its investment. In addition, such companies typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns. Additionally, middle- market companies are more likely to depend on the management talents and efforts of a small group of persons. Therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on one or more of the portfolio companies we invest in and, in turn, on us. Middle- market companies also may be parties to litigation and may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence. In addition, our executive officers, directors and the Adviser may, in the ordinary course of business, be named as defendants in litigation arising from our investments in portfolio companies. In addition, investment in middle- market companies involves a number of other significant risks, including: • they typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns; • they generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position; • changes in laws and regulations, as well as their interpretations, may adversely affect their business, financial structure or prospects; and • they may have difficulty accessing the capital markets to meet future capital needs, which may limit their ability to grow or to repay their outstanding indebtedness upon maturity. The due diligence process that the Adviser undertakes in connection with our investments may not reveal all the facts that may be relevant in connection with an investment. The Adviser' s due diligence may not reveal all of a company' s liabilities and may not reveal other weaknesses in its business. There can be no assurance that our due diligence process will uncover all relevant facts that would be material to an investment decision. Before making an investment in, or a loan to, a company, the Adviser will assess the strength and skills of the company' s management team and other factors that it believes are material to the performance of the investment. In making the assessment and otherwise conducting customary due diligence, the Adviser will rely on the resources available to it and, in some cases, an investigation by third parties. This process is particularly important and highly subjective with respect to newly organized entities because there may be little or no information publicly available about the entities. We may make investments in, or loans to, companies, including middle market companies, which are not subject to public company reporting requirements, including requirements regarding preparation of financial statements, and will, therefore, depend upon the compliance by investment companies with their contractual reporting obligations and the ability of the Adviser' investment professionals to obtain adequate information to evaluate the potential returns from investing in these companies. If we and the Adviser are unable to uncover all material information about these companies, we may not make a fully informed investment decision and may lose money on its investments. As a result, the evaluation of potential investments and the ability to perform due diligence on and effective monitoring of investments may be impeded, and we may not realize the returns that it expects on any particular investment. In the event of fraud by any company in which we invest or with respect to which we make a loan, we may suffer a partial or total loss of the amounts invested in that company. The lack of liquidity in our investments may adversely affect our business. All of our assets may be invested in illiquid loans and securities, and a substantial portion of our investments in leveraged companies will be subject to legal and other restrictions on resale or will otherwise be less liquid than more broadly traded public securities. The illiquidity of these investments may make it difficult for us to sell such investments if the need arises. In addition, if we are required to liquidate all or a portion of its portfolio quickly, we may realize significantly less than the value at which it has previously recorded its investments. Some of our debt investments may contain interest rate reset provisions that may make it more difficult for the borrowers to make periodic interest payments to us. In addition, some of our debt investments may not pay down principal until the end of their lifetimes, which could result in a substantial loss to us if the portfolio companies are unable to refinance or repay their debts at maturity. We may invest in high yield debt, or junk bonds, which has greater credit and liquidity risk than more highly rated debt obligations. We may also invest in debt securities which will not be rated by any rating agency and, if they were rated, would be rated as below investment grade quality. Below investment grade securities, which are often referred to as " junk, " have predominantly speculative characteristics with respect to the issuer' s capacity to pay interest and repay principal. They may also be illiquid and difficult to value. Price declines and illiquidity in the corporate debt markets may adversely affect the fair value of our portfolio investments, reducing NAV through increased net unrealized depreciation. As a BDC, we are required to carry its investments at market value or, if no market value is ascertainable, at fair value as determined in good faith by the our Board, as described above in " — Risks Relating to our Business and Structure — The majority of our portfolio investments are recorded at fair value as determined in good faith by Adviser as Valuation Designee with approval from our Board and, as a result, there may be uncertainty as to the value of our portfolio investments. " When an external event such as a purchase transaction, public offering or subsequent equity sale occurs, we use the pricing indicated by the external event to corroborate our valuation. While most of our investments are not publicly traded, applicable accounting standards require us to assume as part of its valuation process that its investments are sold in a principal market to market participants (even if we plan on holding an investment through its maturity). As a result, volatility in the capital markets can also adversely affect our investment valuations. We record decreases in the market values or fair values of our investments as unrealized depreciation. Declines in prices and liquidity in the corporate debt markets may result in significant net unrealized depreciation in our~~

~~portfolio. The effect of all of these factors on our portfolio may reduce our NAV by increasing net unrealized depreciation in our portfolio. Depending on market conditions, we could incur substantial realized losses and may suffer additional unrealized losses in future periods, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.~~ Our failure to make follow- on investments in our portfolio companies could impair the value of our portfolio. Following an initial investment in a portfolio company, we may make additional investments in that portfolio company as " follow- on " investments, in seeking to: • increase or maintain in whole or in part our position as a creditor or equity ownership percentage in a portfolio company; • exercise warrants, options or convertible securities that were acquired in the original or subsequent financing; or • preserve or enhance the value of our investment. We have discretion to make follow- on investments, subject to the availability of capital resources. Failure on our part to make follow- on investments may, in some circumstances, jeopardize the continued viability of a portfolio company and our initial investment, or may result in a missed opportunity for us to increase our participation in a successful operation. Even if we have sufficient capital to make a desired follow- on investment, we may elect not to make a follow- on investment because we may not want to increase its level of risk, because we prefer other opportunities or because we are inhibited by compliance with BDC requirements of the 1940 Act or the desire to maintain our qualification as a RIC. Additionally, certain loans that we may make to portfolio companies may be secured on a second priority basis by the same collateral securing senior secured debt of such companies. The first priority liens on the collateral will secure the portfolio company' s obligations under any outstanding senior debt and may secure certain other future debt that may be permitted to be incurred by the portfolio company under the agreements governing the loans. The holders of obligations secured by first priority liens on the collateral will generally control the liquidation of, and be entitled to receive proceeds from, any realization of the collateral to repay their obligations in full before us. In addition, the value of the collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from sales of all of the collateral would be sufficient to satisfy the loan obligations secured by the second priority liens after payment in full of all obligations secured by the first priority liens on the collateral. If such proceeds were not sufficient to repay amounts outstanding under the loan obligations secured by the second priority liens, then we, to the extent not repaid from the proceeds of the sale of the collateral, will only have an unsecured claim against the portfolio company' s remaining assets, if any. **26** We may also make unsecured loans to portfolio companies, meaning that such loans will not benefit from any interest in collateral of such companies. Liens on such portfolio companies' collateral, if any, will secure the portfolio company' s obligations under its outstanding secured debt and may secure certain future debt that is permitted to be incurred by the portfolio company under its secured loan agreements. The holders of obligations secured by such liens will generally control the liquidation of, and be entitled to receive proceeds from, any realization of such collateral to repay their obligations in full before us. In addition, the value of such collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. There can be no assurance that the proceeds, if any, from sales of such collateral would be sufficient to satisfy our unsecured loan obligations after payment in full of all secured loan obligations. If such proceeds were not sufficient to repay the outstanding secured loan obligations, then our unsecured claims would rank equally with the unpaid portion of such secured creditors' claims against the portfolio company' s remaining assets, if any. Additionally, we invest in unitranche loans (loans that combine both senior and ~~mezzanine~~ **subordinated** debt, generally in a first lien position), which may provide for a waterfall of cash flow priority between different lenders in the unitranche loan. In certain instances, we may find another lender to provide the " first out " portion of such loan and retain the " last out " portion of such loan, in which case the " first out " portion of the loan would generally receive priority with respect to repayment of principal, interest and any other amounts due thereunder over the " last out " portion of the loan that we would continue to hold. The rights we may have with respect to the collateral securing the loans we make to our portfolio companies with senior debt outstanding may also be limited pursuant to the terms of one or more intercreditor agreements that we enter into with the holders of such senior debt. Under a typical intercreditor agreement, at any time that obligations that have the benefit of the first priority liens are outstanding, any of the following actions that may be taken in respect of the collateral will be at the direction of the holders of the obligations secured by the first priority liens: • the ability to cause the commencement of enforcement proceedings against the collateral; • the ability to control the conduct of such proceedings; • the approval of amendments to collateral documents; • releases of liens on the collateral; and • waivers of past defaults under collateral documents. • We may not have the ability to control or direct such actions, even if its rights are adversely affected. Our subordinated investments may be subject to...... of distributions previously made to us. We will be subject to **corporate level income tax if we are unable to qualify as a RIC. We have elected to be treated as a RIC under** the ~~risk~~ **Code and intend to operate in a manner so as to qualify for the U. S. federal income tax treatment applicable to RICs. As a RIC, we generally will not pay U. S. federal corporate- level income taxes on our income and net capital gains** that ~~the debt investments~~ we ~~make in~~ **distribute (** ~~our~~ - **or are deemed** ~~portfolio companies may be repaid prior~~ to **distribute)** ~~maturity. We expect that our investments will generally allow for repayment at any time subject~~ to ~~certain penalties. When such prepayment occurs, we intend to generally reinvest these proceeds in temporary investments, pending their future investment in accordance with our investment strategy. These temporary investments will typically have substantially lower yields than the debt being prepaid, and we could experience significant delays in reinvesting these amounts. Any future investment may also be at lower yields than the debt that was repaid. As a result, our results of operations could be materially adversely affected if one or~~ **our common stockholders as** ~~more of our portfolio companies elects to prepay amounts owed to us. Additionally, prepayments could negatively impact our ability to pay, or the amount of,~~ dividends on **a timely basis. We will be subject to U. S. federal corporate- level income tax on any undistributed income and / or gains. To maintain our status as a RIC, we must meet certain source of income, asset diversification and annual distribution requirements. We may also be subject to certain U. S. federal excise taxes, as well as state, local and foreign taxes. To qualify as a RIC under the Code, we must meet certain source- of- income, asset diversification and distribution requirements. The distribution requirement for a RIC is satisfied if we timely distribute**

an amount equal to at least 90 % of our investment company taxable income (as defined by the Code, which generally includes net ordinary income and net short- term capital gains in excess of net long- term capital losses, if any) to our common **stockholders on an annual basis (the " Annual Distribution Requirement "). We have the ability to pay a large portion of our distributions in shares of our** stock, ~~which could~~ **and as long as a portion of such distribution is paid in cash and other requirements are met, such distributions will be taxable as a dividend for U. S. federal income tax purposes. This may** result in ~~a decline in the market price of~~ our ~~shares~~ **U** . ~~We may be subject~~ **S. stockholders having** to **pay tax on such dividends, even** ~~risks under hedging transactions and may become subject to risk~~ if ~~it invests~~ **no cash is received, and may result** in **our** non- U. S. **also meet certain** ~~of each taxable year (the " 90 % Income Test ") and~~ asset diversification requirements at the end of each calendar quarter ~~(the " Diversification Tests ")~~ **and source- of- income requirements on an annual basis** .Failure to meet these tests may result in our having to ~~(a)~~ dispose of certain investments quickly ~~or (b) raise additional capital~~ in order to prevent the loss of our qualifications as a RIC.Because most of our investments will be in private or thinly traded public companies ~~and are generally illiquid~~ ,any such dispositions could be made at disadvantageous prices and may result in substantial losses.If we fail to qualify as a RIC for any reason and become subject to corporate income tax,the resulting corporate taxes could substantially reduce our net assets,the amount of income available for distributions to our ~~common~~ stockholders and the amount of funds available for new investments.Such a failure would have a material adverse effect on us and our ~~common~~ stockholders. **We may need to raise additional capital.We intend to access the capital markets periodically to issue debt or equity securities or** securities **, or other income derived from the business of investing in stock or securities** . The ~~.The~~ Diversification Tests will be satisfied if we meet certain asset diversification requirements at the end of each quarter of our taxable year.To satisfy the Diversification Tests,at least 50 % of the value of our assets at the close of each quarter of each taxable year must consist of cash,cash equivalents (including receivables),U.S.government securities,securities of other RICs,and other acceptable securities,and no more than 25 % of the value of ~~its~~ **our** assets can be invested in the securities,other than U.S.government securities or securities of other RICs,of one issuer,of two or more issuers that are controlled,as determined under applicable Code rules,by us and that are engaged in the same or similar or related trades or businesses or of certain " qualified publicly traded partnerships." Failure to meet these requirements may result in us having to dispose of certain investments quickly in order to prevent the loss of RIC status.Because most of our investments will be in private companies,and therefore will be relatively illiquid,any such dispositions could be made at disadvantageous prices and could result in substantial losses.We may invest in certain debt and equity investments through taxable subsidiaries and the net taxable income of these taxable subsidiaries will be subject to federal and state corporate income taxes.We also may invest in certain foreign debt and equity investments that could be subject to foreign taxes (such as income tax,withholding,and value added taxes).If we fail to maintain RIC tax treatment for any reason and are subject to corporate income tax,the resulting corporate taxes could substantially reduce our net assets,the amount of income available for distribution,and the amount of our distributions.Certain investors are limited in their ability to make significant investments in us.Private funds that are excluded from the definition of " investment company " either pursuant to Section 3 (c) (1) or 3 (c) (7) **of the** 1940 Act ~~generally requires~~ **are restricted from acquiring directly or through a controlled entity more than 3 % of our total outstanding voting stock (measured at the time of the acquisition). Investment companies registered under the 1940 Act and BDCs, such as us, are also currently subject to this restriction as well as other limitations under the 1940 Act** that ~~70 % of~~ **would restrict the amount that they are able to invest in** our **securities. As a result, certain investors will be limited in their ability to make significant** investments ~~be~~ in ~~issuers each of whom is organized~~ **us at a time that they might desire to do so. The SEC has adopted Rule 12d1- 4** under the ~~laws of~~ **1940 Act. Subject to certain conditions** , **Rule 12d1- 4 provides** ~~and~~ - **an** ~~has its principal place of business~~ **exemption to permit registered investment companies and BDCs to invest** in ~~, any state of~~ the **securities** ~~United States, the District~~ of ~~Columbia, Puerto Rico, the Virgin Islands or any~~ other ~~possession~~ **registered investment companies and BDCs in excess** of the ~~United States~~ **limits currently prescribed by the 1940 Act** . **We** ~~However, our portfolio~~ may ~~include debt securities~~ **be subject to withholding** of **U. S. Federal income tax on distributions for** non- U. S. **stockholders** ~~companies, including emerging market issuers, to the limited extent such transactions and investments would not cause us to violate the 1940 Act~~ . **Distributions by a RIC generally are** ~~We expect that these investments would focus on the same secured debt, unsecured debt and related~~ - **treated as dividends for** ~~equity security investments that we make in~~ U. S. ~~middle~~ **tax purposes, and will be subject to U. S. income or withholding tax unless the stockholder receiving the dividend qualifies for an exemption from U. S. tax, or the distribution is subject to one of the special look** - ~~market companies~~ **through rules described below. Distributions paid out of net capital gains can qualify for a reduced rate of taxation in the hands of** ~~and~~ - **an individual U. S. stockholder** , **and** ~~accordingly, would be complementary to our overall strategy and~~ - **an exemption from U** ~~enhance the diversity of our holdings~~ . **S.** ~~Investing in loans and securities of emerging market issuers involves many risks including economic, social, political, financial,~~ tax ~~and security conditions~~ in the emerging market, potential inflationary economic...... However, such hedging could establish other -- **the** ~~positions designed to gain from those same developments, thereby offsetting the decline in the value of such portfolio positions. Such hedging transactions could also limit the opportunity for gain if the values of the underlying portfolio positions increased. Moreover, it might not be possible to hedge against an exchange rate or interest rate fluctuation that was so generally anticipated that we would not be able to enter into a hedging transaction at an acceptable price. While we may enter into such transactions to seek to reduce currency exchange rate and~~ **hands** ~~interest rate risks, unanticipated changes in currency exchange rates or interest rates could result in poorer overall investment performance than if we had not engaged in any such hedging transactions. In addition, the degree~~ of ~~correlation between price movements of the instruments used in~~ a ~~hedging strategy and price movements in the portfolio positions being hedged could vary. Moreover, for a variety of reasons, we might not seek to establish a perfect correlation between the hedging instruments and the portfolio holdings being hedged. Any such imperfect correlation could prevent us from achieving the intended hedge and expose us to risk of loss. In addition, it might not be possible for us to hedge fully or perfectly against~~

~~currency fluctuations affecting the value of securities denominated in~~ non- U. S. stockholder.Properly reported dividend distributions by RICs paid out of certain interest income (such distributions,“ interest- related dividends ”) are generally exempt from U.S.withholding tax for non- U.S.stockholders.Under such exemption,a non- U.S.stockholder generally may receive interest- related dividends free of U.S.withholding tax if the stockholder would not have been subject to U.S.withholding tax if it had received the underlying interest income directly. ~~A similar exemption applies to property reported dividend distributions paid out of short- term capital gains.~~ No assurance can be given as to whether any of our distributions will be eligible for this exemption from U.S.withholding tax or,if eligible,will be designated as such by us.In particular,the exemption does apply to distributions paid in respect of a RIC **’ s non- U.S.source interest income,its dividend income or its foreign** ~~currencies~~ **currency gains. In the case shares of our common stock held through an intermediary, the intermediary may withhold U. S. federal income tax even if we designate the payment as a dividend eligible for the exemption. Also,** because ~~the value of those loans~~ **our common stock will be subject to significant transfer restrictions, and** ~~and~~ - **an** ~~securities an~~ investment in our common stock will generally be illiquid,non- U.S.stockholders whose distributions on our common stock are subject to U.S.withholding tax may not be able to transfer their shares of our common stock easily or quickly or at all.We may retain income and capital gains in excess of what is permissible for excise tax purposes and such amounts will be subject to 4 % U.S.federal excise tax,reducing the amount available for distribution to stockholders.We may retain some income and capital gains in the future,including for purposes of providing additional liquidity,which **amounts** would ~~likely fluctuate as~~ **be subject to** a ~~result of factors~~ **4 % U. S. federal excise tax to the extent we do** not ~~related~~ **distribute during the calendar year the amount of distributions required** to ~~currency fluctuations~~ **avoid the excise tax** . ~~We may not realize anticipated gains~~ **. In that event, we will be liable for the tax** on the **amount by** ~~equity interests in~~ which it ~~invests~~ **does not meet the foregoing distribution requirement** . ~~When~~ **See Item 1 (c). Description of Business — Regulation as a Business Development Company — Taxation as a RIC. ” We may have difficulty paying our required distributions if** we ~~invest~~ **recognize income before, or without, receiving cash representing such income. For U. S. federal income tax purposes, we generally are required to include** in **income certain amounts that we have not yet received in cash, such as the accretion of OID. This may arise if we receive warrants in connection with the making of a** ~~loans~~ - **loan** and ~~This may arise if we receive warrants in connection with the making of a loan and~~ in other circumstances,or through contracted PIK interest,which represents contractual interest added to the loan **principal** balance and due at the end of the loan term.Such OID,which could be significant relative to our overall investment activities,or increases in loan balances as a result of contracted PIK arrangements,will be included in income before we receive any corresponding cash payments.We also may be required to include in income certain other amounts that we will not receive in cash **,including,for example,amounts attributable to hedging and foreign currency transactions** .Since in certain cases we may recognize income before or without receiving cash ~~representing~~ **in respect of** such income,we may have difficulty meeting the requirement to distribute at least 90 % of our net ordinary income and net short- term capital gains in excess of net long- term capital losses,if any,to maintain our qualification as a RIC.In such a case,we may have to sell some of our investments at times we would not consider advantageous,raise additional ~~debt~~ debt ~~securities, it may acquire warrants~~ or **equity capital or reduce new investment originations to meet these distribution requirements. If we are not able to obtain such cash from** other ~~equity securities of portfolio companies~~ **sources, we may fail to qualify** as **a RIC** ~~well. We may also invest in equity securities directly. To the extent we hold equity investments, we will attempt to dispose of them~~ and ~~realize gains upon~~ **thus be subject to corporate- level income tax.** ~~such~~ **Such** ~~disposition. However, the equity interests we receive may not appreciate in value and, may decline in value. As~~ a **failure could have a material adverse effect on us** ~~result, we may not be able to realize gains from our equity interests,~~ and **on** any **investment in us** ~~gains that we do realize on the disposition of any equity interests may not be sufficient to offset any other losses it experiences~~ . Our investments in OID and PIK interest income may expose us to risks associated with such income being required to be included in accounting income and taxable income prior to receipt of cash. Our investments may include OID and PIK instruments. To the extent OID and PIK interest income constitute a portion of our income, we will be exposed to risks associated with such income being required to be included in an accounting income and taxable income prior to receipt of cash, including the following: • OID instruments and PIK securities may have unreliable valuations because the accretion of OID as interest income and the continuing accruals of PIK securities require judgments about their collectability and the collectability of deferred payments and the value of any associated collateral; • OID income may also create uncertainty about the source of our cash dividends; • OID instruments may create heightened credit risks because the inducement to the borrower to accept higher interest rates in exchange for the deferral of cash payments typically represents, to some extent, speculation on the part of the borrower; • for accounting purposes, cash distributions to stockholders that include a component of accreted OID income do not come from paid- in capital, although they may be paid from the offering proceeds. Thus, although a distribution of accreted OID income may come from the cash invested by the stockholders, the 1940 Act does not require that ~~shareholders~~ **stockholders** be given notice of this fact; • generally, we must recognize income for income tax purposes no later than when it recognizes such income for accounting purposes; • the higher interest rates on PIK securities reflects the payment deferral and increased credit risk associated with such instruments and PIK securities generally represent a significantly higher credit risk than coupon loans; • the presence of accreted OID income and PIK interest income create the risk of non- refundable cash payments to the Adviser in the form of incentive fees on income based on non- cash accreted OID income and PIK interest income accruals that may never be realized; • even if accounting conditions are met, borrowers on such securities could still default when our actual collection is expected to occur at the maturity of the obligation; • OID and PIK create the risk that incentive fees will be paid to the Adviser based on • non- cash accruals that ultimately may not be realized, which the Adviser will be under no obligation to reimburse us or these fees; and ~~•~~ **29** PIK interest has the effect of generating investment income and increasing the incentive fees payable at a compounding rate. In addition, the deferral of PIK interest also reduces the loan- to- value ratio at a compounding rate. ~~You~~ **Stockholders** may **be required to pay tax in excess of the cash they** receive **. Under our** ~~dividends~~ - **dividend** ~~in~~ **reinvestment plan, if a**

stockholder owns shares of our common stock, the **stockholder will have all cash distributions automatically reinvested in additional shares of our common stock unless such stockholder, or his, her or its nominee on such stockholder' s behalf, specifically " opts out " of the dividend reinvestment plan by delivering a written notice to the plan administrator prior to the record date of the next distribution. If a stockholder does not " opt out " of the dividend reinvestment plan, that stockholder will be deemed to have received, and** ~~form~~ **for U. S. federal income tax purposes will be taxed on, the amount reinvested in our common stock to the extent the amount reinvested was not a tax- free return** of **capital. As a result, a stockholder may have to use funds from other sources to pay U. S. federal income tax liability on the value of the common stock received. Even if a stockholder chooses to " opt out " of the dividend reinvestment plan, we will have the ability to declare a large portion of a dividend in shares of our** common stock instead of **in** cash ~~, which could result~~ in ~~adverse tax consequences to you. In~~ order to satisfy the Annual Distribution Requirement ~~applicable~~ **(as defined herein under the heading " Item 1 (c). Description of Business — Regulation as a Business Development Company — Election** to **Be Taxed as a** ~~RICs~~ **RIC ")** ~~, we have the ability to declare a large portion of a dividend in shares of our common stock instead of in cash~~. As long as a sufficient portion of ~~such~~ **this** dividend is available to be paid in cash (generally 20 %) and certain requirements are met, the entire distribution ~~would~~ **will** be treated as a dividend for U. S. federal income tax purposes. As a result, a stockholder ~~would~~ **generally will** be **subject to** ~~taxed~~ -- **tax** on 100 % of the **fair market value of the** dividend **on the date the dividend is received by the stockholder** in the same manner as a cash dividend, even though most of the dividend was paid in shares of ~~our~~ common stock **the** emerging market,potential inflationary economic environments,regulation by foreign governments,different accounting standards and political uncertainties.Economic,social,political,financial,tax and security conditions also could negatively affect the value of emerging market companies.These factors could include changes in exchange control regulations,political and social instability,expropriation,imposition of foreign taxes,less liquid markets and less available information than is generally the case in the United States,higher transaction costs,less government supervision of exchanges,brokers and issuers,less developed bankruptcy laws,difficulty in enforcing contractual obligations or judgments or foreclosing on collateral,lack of uniform accounting and auditing standards and greater price volatility. ~~43~~ Engaging in either hedging transactions or investing in foreign loans and securities would entail additional risks to our stockholders.We could,for example,use instruments such as interest rate swaps,caps,collars and floors and,if we were to invest in foreign loans and securities,we could use instruments such as forward contracts or currency options and borrow under a credit facility in currencies selected to minimize our foreign currency exposure.In each such case,we generally would seek to hedge against fluctuations of the relative values of our portfolio positions from changes in market interest rates or currency exchange rates.Hedging against a decline in the values of our portfolio positions would not eliminate the possibility of fluctuations in the values of such positions or prevent losses if the values of the positions declined.However,such hedging could establish other . Changes in healthcare laws and other regulations applicable to some of our portfolio companies businesses may constrain their ability to offer their products and services. Changes in healthcare or other laws and regulations applicable to the businesses of some of our portfolio companies may occur that could increase their compliance and other costs of doing business, require significant systems enhancements, or render their products or services less profitable or obsolete, any of which could have a material adverse effect on their results of operations. There has also been an increased political and regulatory focus on healthcare laws in recent years, and new legislation could have a material effect on the business and operations of some of our portfolio companies. Our investments in the consumer products and services sector are subject to various risks including cyclical risks associated with the overall economy. General risks of companies in the consumer products and services sector include cyclicality of revenues and earnings, economic recession, currency fluctuations, changing consumer tastes, extensive competition, product liability litigation and increased government regulation. Generally, spending on consumer products and services is affected by the health of consumers. Companies in the consumer products and services sectors are subject to government regulation affecting the permissibility of using various food additives and production methods, which regulations could affect company profitability. A weak economy and its effect on consumer spending would adversely affect companies in the consumer products and services sector. Our investments in the financial services sector are subject to various risks including volatility and extensive government regulation. These risks include the effects of changes in interest rates on the profitability of financial services companies, the rate of corporate and consumer debt defaults, price competition, governmental limitations on a company' s loans, other financial commitments, product lines and other operations and recent ongoing changes in the financial services industry (including consolidations, development of new products and changes to the industry' s regulatory framework). There is continued instability and volatility in the financial markets. Insurance companies have additional risks, such as heavy price competition, claims activity and marketing competition, and can be particularly sensitive to specific events such as man-made and natural disasters (including weather catastrophes), climate change, terrorism, mortality risks and morbidity rates. Our investments in technology companies are subject to many risks, including volatility, intense competition, shortened product life cycles, litigation risk and periodic downturn. We have invested and will continue investing in technology companies, many of which may have narrow product lines and small market shares, which tend to render them more vulnerable to competitors' actions and market conditions, as well as to general economic downturns. The revenues, income (or losses), and valuations of technology- related companies can and often do fluctuate suddenly and dramatically. In addition, technology related markets are generally characterized by abrupt business cycles and intense competition, where the leading companies in any particular category may hold a highly concentrated percentage of the overall market share. Therefore, our portfolio companies may face considerably more risk of loss than do companies in other industry sectors. **The effect of global climate change may impact the operations of our portfolio companies. Climate change creates physical and financial risk and some of our portfolio companies may be adversely affected by climate change. For example, the needs of customers of energy companies vary with weather conditions, primarily temperature and humidity. To the extent weather conditions are affected by climate change, energy use could increase or decrease depending on the duration and magnitude of any changes. Increases in the**

cost of energy could adversely affect the cost of operations of our portfolio companies if the use of energy products or services is material to their business. A decrease in energy use due to weather changes may affect some of our portfolio companies' financial condition, through decreased revenues. Extreme weather conditions in general require more system backup, adding to costs, and can contribute to increased system stresses, including service interruptions. Other risks associated with climate change include risks related to the impact of climate- related legislation and regulation (both domestically and internationally), as well as risks related to climate- related business trends. Risks Relating to Our Common Stock **Investing** ~~An investment~~ in our common ~~stock presents~~ **shares may involve** an above average degree of risk. The investments we make in accordance with our investment ~~objective~~ **objectives** may result in a higher amount of risk than ~~associated with~~ alternative investment options ~~,~~ and ~~higher~~ volatility or loss of principal **, including the risk that the investor may lose their entire investment** . Our investments in portfolio companies may be **highly** speculative **and aggressive** and, therefore, an investment in our **securities** ~~common stock~~ may not be suitable for someone with lower risk tolerance **. Certain investors will be subject to Exchange Act filing requirements. Because our Common Shares will be registered under the Exchange Act, ownership information for any person who beneficially owns 5 % or more of our Common Shares will have to be disclosed in a Schedule 13G or other filings with the SEC. Beneficial ownership for these purposes is determined in accordance with the rules of the SEC, and includes having voting or investment power over the securities. In some circumstances, our common stockholders who choose to reinvest their dividends may see their percentage stake in us increased to more than 5 %, thus triggering this filing requirement. Each stockholder is responsible for determining its filing obligations and preparing the filings. In addition, our common stockholders who hold more than 10 % of a class of our Common Shares may be subject to Section 16 (b) of the Exchange Act, which recaptures for the benefit of our profits from the purchase and sale of registered stock (and securities convertible or exchangeable into such registered stock) within a six- month period. You may receive dividends in the form of common stock instead of cash, which could result in adverse tax consequences to you. In order to satisfy the Annual Distribution Requirement applicable to RICs, we have the ability to declare a large portion of a dividend in shares of our common stock instead of in cash. As long as a sufficient portion of such dividend is available to be paid in cash (generally 20 %) and certain requirements are met, the entire distribution would be treated as a dividend for U. S. federal income tax purposes. As a result, a stockholder would be taxed on 100 % of the dividend in the same manner as a cash dividend, even though most of the dividend was paid in shares of our common stock. No stockholder approval is required for certain mergers. Our Board may undertake to approve mergers between us and certain other funds or vehicles. Subject to the requirements of the Investment Company Act and Maryland law, such mergers will not require stockholder approval so you will not be given an opportunity to vote on these matters unless such mergers are reasonably anticipated to result in a material dilution of our NAV per share of the Fund or are otherwise required to be approved under Maryland law. These mergers may involve funds managed by affiliates of our investment adviser. Subject to stockholder approval, the Board may also seek to convert the form and / or jurisdiction of organization, including to take advantage of laws that are more favorable to maintaining board control in the face of dissident stockholders** . Our shares of common stock have traded at a discount from net asset value and may do so again, which could limit our ability to raise additional equity capital. Shares of closed- end investment companies frequently trade at a market price that is less than the net asset value that is attributable to those shares. This characteristic of closed- end investment companies is separate and distinct from the risk that our net asset value per share may decline. It is not possible to accurately predict whether any shares of our common stock will trade at, above, or below net asset value. In the recent past, the stocks of BDCs as an industry, including at times shares of our common stock, have traded below net asset value. See " Item 1a. Risk Factors- Risks Relating to Macroeconomic Factors: Market disruptions and other geopolitical or macroeconomic events could create market volatility that negatively impacts our business, financial condition and earnings. " When our common stock is trading below its net asset value per share, we will generally not be able to issue additional shares of our common stock at its market price without first obtaining approval for such issuance from our stockholders and our independent directors. The market price of our common stock may fluctuate significantly. The market price and liquidity of the market for our common stock may be significantly affected by numerous factors, some of which may be beyond our control and may not be directly related to our operating performance. These factors include: • significant volatility in the market price and trading volume of securities of publicly traded RICs, BDCs or other companies in our sector, which are not necessarily related to the operating performance of these companies; • price and volume fluctuations in the overall stock market from time to time; • the inclusion or exclusion of our common stock from certain indices; • changes in law, regulatory policies or tax guidelines, or interpretations thereof, particularly with respect to RICs or BDCs; • loss of RIC status; • changes in earnings or variations in operating results; • changes in the value of our portfolio of investments; • announcements with respect to significant transactions; • any shortfall in revenue or net income or any increase in losses from levels expected by investors or securities analysts; • departure of key personnel of ours or the Adviser; • operating performance of companies comparable to us; • short- selling pressure with respect to shares of our common stock or BDCs generally; • general economic trends and other external factors; and • loss of a major funding source. In the past, securities class action litigation has been brought against numerous public companies resulting from volatility in the market price of their securities. Because of the potential volatility in the price of our common stock, we may become the target of securities litigation in the future. If we were to become involved in securities litigation, it could result in substantial costs, divert management' s attention and resources from the business and adversely affect the business. **Common stockholders who participate in the distribution reinvestment plan may increase their risk of overconcentration. Common stockholders who opt in to our distribution reinvestment plan will have any cash distributions otherwise payable to them automatically reinvested in additional shares of our common stock. This may increase such stockholder' s ownership percentage in us and could increase such stockholder' s risk of overconcentration.** Our stockholders will experience dilution in their ownership percentage if they opt out of our dividend reinvestment plan. We have adopted a dividend reinvestment plan, pursuant to which we will reinvest all cash distributions authorized by the Board on behalf of stockholders who do not elect to receive their distributions in cash. As a result, if the Board authorizes and we declare a cash distribution, then stockholders who have not opted out of the dividend reinvestment plan will have their cash distributions automatically reinvested in additional shares of Common stock, rather than receiving the cash distribution. See " Item 1 — Business — Dividend Reinvestment Plan " for a description of the dividend reinvestment plan. The number of shares to be issued to a plan participant will be determined by dividing the total dollar amount of the distribution payable to such stockholder by the market price per share of our common stock at the close of regular trading on NASDAQ on the date of such distribution. The market price per share of our common stock on a particular date will be the closing price for such shares on NASDAQ on such date, or, if no sale is reported for such date, at the average of their reported bid and asked prices. However, if the market price per share exceeds the most recently computed net asset value per share, we will issue shares at the greater of (i) the most recently computed net asset value per share and (ii) 95 % of the current market price per share (or such lesser discount to the current market price per share that still exceeds the most recently computed net asset value per share). Accordingly, participants in the dividend reinvestment plan may receive a greater number shares of our common stock than the number of shares associated with the market price of our common stock, resulting in dilution for other stockholders. Stockholders that opt out of the dividend reinvestment plan will experience dilution in their ownership percentage of our common stock over time **. Our future credit ratings may not reflect all risks of an investment in our debt securities. Our credit ratings are an assessment by third parties of our ability to pay our obligations. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of our debt securities. Our future credit ratings, however, may not reflect the potential impact of risks related to market conditions generally or other factors discussed above on the market value of or trading market for the publicly issued debt securities** . Provisions of the Maryland General Corporation Law and of the Charter and the Bylaws could deter takeover attempts and have an adverse effect on the price of our common stock. Certain provisions of the Maryland General Corporation Law (the " MGCL ") may discourage, delay or make more difficult a change in control of the Company, including (i) the Maryland Business Combination Act (the " Business Combination Act "), which, subject to any applicable requirements of the 1940 Act and certain other limitations, will prohibit certain business combinations between us and an " interested stockholder " (defined generally as any person who beneficially owns, directly or indirectly, 10 % or more of the voting power of our outstanding shares of voting stock or an affiliate or associate of us who, at any time within the two- year period prior to the date in question, was the beneficial owner, directly or indirectly, of 10 % or more of the voting power of our then outstanding shares of stock) or an affiliate thereof for five years after the most recent date on which the stockholder becomes an interested stockholder, and thereafter will impose special appraisal rights and supermajority voting requirements on these combinations and (ii) the Maryland Control Share Acquisition Act (the " Control Share Acquisition Act "), which, subject to any applicable requirements of the 1940 Act, will provide that our " control shares " (defined as shares which, when aggregated with other shares controlled by the stockholder (except solely by virtue of a revocable proxy), entitle the stockholder to exercise one of three increasing ranges of voting power in electing directors) acquired in a " control share acquisition " (defined as the direct or indirect acquisition of ownership or control of issued and outstanding " control shares ") have no voting rights except to the extent approved by our stockholders by the affirmative vote of at least two- thirds of all the votes entitled to be cast on the matter, excluding all interested shares. The Board has adopted a resolution exempting from the Business Combination Act any business combination between us and any other person, provided that the business combination is first approved by the Board, including a majority of the independent directors, and the Bylaws exempt from the Control Share Acquisition Act acquisitions of our stock by any person. However, if the resolution exempting business combinations is repealed or the Board or independent directors do not approve a business combination or we amend the Bylaws to repeal the exemption from the Control Share Acquisition Act, subject to any applicable requirements of the 1940 Act, the Business Combination Act or Control Share Acquisition Act, as the case may be, may discourage third parties from trying to acquire control of us and may increase the difficulty of consummating such an offer. We are also subject to other measures that may make it difficult for a third party to obtain control of us, including provisions of the Charter that (i) classify the Board into three classes serving staggered three- year terms and require that any vacancies be filled by a majority of directors remaining in office, (ii) require a two- thirds vote and cause for director removal, (iii) authorize the Board to classify any unissued shares of stock and reclassify any previously classified but unissued shares of stock into other classes or series of stock, including preferred stock, and to cause the issuance of additional shares of our common stock and (iv) authorize the Board to amend the Charter, without stockholder approval, to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we have the authority to issue. These provisions, as well as other provisions in the Charter and the Bylaws, may delay, defer or prevent a transaction or a change in control that might otherwise be in the best interests of our stockholders. Our Charter designates the Circuit Court for Baltimore City, Maryland as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or other employees. Our Charter provides that, unless we consent in writing to the selection of an alternative forum, the Circuit Court for Baltimore City, Maryland, or, if that Court does not have jurisdiction, the U. S. District Court for the District of Maryland, Baltimore Division, will be the sole and exclusive forum for: (i) any derivative action or proceeding brought on our behalf; (ii) any Internal Corporate Claim, as such term is defined in Section 1- 101 (p) of the MGCL, including, without limitation, (a) any action asserting a claim of breach of any duty owed by any of our directors or officers or other employees to us or to our stockholders or (b) any action asserting a claim against us or any of our directors or officers or other employees arising pursuant to any provision of the MGCL or the Charter or the Bylaws; or (iii) any action asserting a claim against us or any of our directors or officers or other employees that is governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring or holding any interest in shares of our common stock will be deemed to have notice of and to have consented and waived any objection to this exclusive forum provision of the Charter, as the same may be amended from time to time. The Charter includes this provision so that we can respond to litigation more efficiently, reduce the costs associated with our responses to such litigation, particularly litigation that might otherwise be brought in multiple forums, and make it less likely that plaintiffs' attorneys will be able to employ such litigation to coerce us into otherwise unjustified settlements. However, this exclusive forum provision may limit a stockholder' s ability to bring a claim in a judicial forum that such stockholder believes is favorable for disputes with us or our directors, officers or other employees, if any, and may discourage lawsuits against us and our directors, officers or other employees, if any. We believe the risk of a court declining to enforce this exclusive forum provision is remote, as the General Assembly of Maryland has specifically amended the MGCL to authorize the adoption of such provision. However, if a court were to find such provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings notwithstanding that the MGCL expressly provides that the charter or bylaws of a Maryland corporation may require that any Internal Corporate Claim be brought only in courts sitting in one or more specified jurisdictions, we may incur additional costs that it does not currently anticipate associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition and results of operations. We ~~will~~ incur significant costs as a result of being a publicly traded company. As a publicly- traded company, we incur legal, accounting and other expenses, including costs associated with the periodic reporting requirements applicable to a company whose securities are registered under the Exchange Act, as well as additional corporate governance requirements, including certain requirements under the Sarbanes- Oxley Act, and other rules implemented by the SEC and the listing standards of the Nasdaq Global Select Market **. For example, the listing standards of the national securities exchanges require us to implement and disclose" clawback" policies mandating the recovery of incentive compensation paid to executive officers in connection with accounting restatements** . As long as we remain an emerging growth company, we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes- Oxley Act. We will remain an emerging growth company for up to five years following an IPO or until the earliest of (i) the last day of the first fiscal year in which our annual gross revenues equal or exceeds $ 1. 07 billion, (ii) December 31 of the fiscal year that we become a" large accelerated filer " as defined in Rule 12b- 2 under the 1934 Act which would occur if the market value of our shares that is held by non- affiliates exceeds $ 700. 0 million as of the last business day of our most recently completed second fiscal quarter and we have been publicly reporting for at least 12 months and have filed an annual report on Form 10- K, (iii) the date on which we have issued more than $ 1. 0 billion in non- convertible debt securities during the preceding three- year period or (iv) December 31 of the fiscal year following the fifth anniversary of the date of our first sale of common equity securities pursuant to an effective registration statement under the 1933 Act. **General** ~~Risks~~ - **Risk Factors Economic recessions** ~~Relating to the Mergers Sales of shares of our~~ - **or** ~~common stock after the completion~~ **downturns could impair our portfolio companies, and defaults by our portfolio companies will harm our operating results. Many** of the ~~Mergers may cause the~~ **portfolio companies in which we expect to** ~~market~~ -- **make** ~~price of~~ **investments are likely to be susceptible to economic slowdowns** ~~our~~ - **or** ~~common stock~~ **recessions and may be unable** to ~~decline~~ **repay their loans during such periods** . ~~Based on~~ **Therefore,** the number of ~~outstanding shares of~~ our ~~common stock~~ **non- performing assets is likely to increase and the value of our portfolio is likely to decrease during such periods. Macroeconomic factors such** as ~~of October 3~~ **real GDP growth** , **consumer confidence** ~~2022 and the net asset values of each of us and FCRD as of September 30~~ , ~~2022, we would issue up to approximately 6. 2 million shares of our common stock pursuant to the Merger Agreement to FCRD stockholders. Many FCRD stockholders may decide not to hold the shares of our common stock they~~ - **the** ~~will receive pursuant to~~ **COVID- 19 pandemic, supply chain disruptions, inflation, employment levels, oil prices, interest rates, tax rates, foreign currency exchange rate fluctuations and** ~~the~~ **other** ~~Merger Agreement~~ **macroeconomic trends can adversely affect customer demand for the products and services that our portfolio companies offer and may adversely impact their businesses or financial results** . In addition, **although we invest primarily in companies located in the United States, our portfolio companies may rely on parts** ~~our~~ - **or** ~~existing stockholders~~ **supplies manufactured outside the United States. As a result, any event causing a disruption of imports, including natural disasters, public health crises, or the imposition of import or trade restrictions in the form of tariffs or quotas could increase the cost and reduce the supply of products available to our portfolio companies, which** may ~~decide~~ **negatively impact their businesses or financial results. 48 Adverse economic conditions may also decrease the value of collateral securing some of our loans and debt securities and the value of our equity investments. If the value of collateral underlying our loan declines during the term of the loan, a portfolio company may** not **be able** to ~~hold~~ **obtain** ~~their~~ -- **the necessary funds** ~~shares of our common Stock after completion of the Mergers. In each case, such sales of our common stock could have the effect of depressing the market price for our common stock and may take place promptly following the completion of the Mergers. We and FCRD may fail~~ to **repay** ~~consummate the Mergers. If the Mergers do not close, we will not benefit from the expenses incurred in their~~ -- **the loan** ~~pursuit. While there can be no assurances as to the exact timing, or that the Mergers will be completed~~ at **maturity through refinancing** ~~all, we and FCRD are working to complete the Mergers late in the first quarter of 2023~~ . **Decreasing collateral** ~~The consummation of the Mergers is subject to certain conditions, including, among others, the FCRD Stockholder Approval, required regulatory approvals and other customary closing conditions. We and FCRD intend to consummate the Mergers as soon as possible; however, there can be no assurance that the conditions required to consummate the Mergers will be satisfied or waived on the anticipated schedule, or at all. If the Mergers are not completed, we will have incurred substantial expenses for which no ultimate benefit will have been received. Consummation of the Mergers will cause immediate dilution to our stockholders' voting interests and may cause immediate dilution to the net asset~~ value **may hinder a portfolio** ~~per share of the combined~~ company' s **ability to refinance our loan because** ~~common stock. Our stockholders will experience a substantial reduction in their~~ -- **the** ~~respective percentage ownership interests and effective voting power~~ **underlying collateral cannot satisfy the debt service coverage requirements** necessary to obtain new financing. Thus, economic slowdowns or recessions could lead to financial losses in our portfolio and a decrease in revenues, net income and assets. Unfavorable economic conditions also could increase our funding costs, limit its access to the capital markets or result in a decision by lenders not to extend credit to us. We consider a number of factors in making our investment decisions, including, but not limited to, the financial condition and ~~respect~~ prospects of ~~the combined~~ a portfolio company ~~relative~~ and its ability to repay our loan. Unfavorable economic conditions could negatively affect ~~their~~ - the ~~respective ownership interests in~~ valuations of our portfolio companies and, as a result, make it more difficult for such portfolio companies to repay or refinance our loan. Therefore, these events could prevent us from increasing ~~prior to the Mergers. Consequently,~~ our investments ~~stockholders should expect to exercise less influence over the management~~ and ~~policies of the combined~~ harm our operating results. A portfolio company ~~following~~ ' s failure to satisfy financial or operating covenants imposed by us or ~~the~~ other ~~Mergers than~~ lenders could lead to defaults and, potentially, acceleration of ~~they~~ - the time when ~~currently exercise over our management and policies. 44 If~~ the ~~Mergers~~ loans are ~~consummated~~ due , ~~based~~ termination of the portfolio company' s loans and foreclosure on its assets, which could trigger cross- defaults under ~~the~~ other ~~number of shares of~~ agreements and jeopardize its ability to meet its obligations under the loans and debt securities that we hold. We may incur expenses to the extent necessary to seek recovery upon default ~~our~~ - or ~~common stock issued~~ to negotiate new terms with a defaulting portfolio company, which may include the waiver of certain financial covenants. Furthermore, if one of our portfolio companies were to file for bankruptcy protection, depending on the facts and ~~outstanding~~ circumstances, including the extent to which we actually provide significant managerial assistance to that portfolio company, a bankruptcy court might re- characterize our debt holding and subordinate all or a portion of our claim to claims of other creditors, even though we may have structured our investment as senior secured debt ~~of September 30, 2022 and the net asset values of each of us and FCRD on September 30, 2022, it is expected that our current stockholders will own approximately 83 % of our outstanding common stock and former FCRD Stockholders will own approximately 17 % of our outstanding common stock immediately following consummation of the Mergers~~ . In addition, the failure of certain financial institutions, namely banks, may increase the possibility of a sustained deterioration of financial market liquidity, or illiquidity at clearing, cash management and / or custodial financial institutions. The failure of a bank (or banks) with which we and / or our portfolio companies have a commercial relationship could adversely affect, among other things, our and / or our portfolio companies' ability to pursue key strategic initiatives, including by affecting our or our portfolio company' s ability to access deposits or borrow from financial institutions on favorable terms. Additionally, if a portfolio company or its sponsor has a commercial relationship with a bank that has failed or is otherwise distressed, the portfolio company may experience issues receiving financial support from a sponsor to support its operations or consummate transactions, to the detriment of their business, financial condition and / or results of operations. In addition, such bank failure (s) could affect, in certain circumstances, the ability of both affiliated ~~prior to~~ and ~~after completion of~~ unaffiliated co- lenders, including syndicate banks or ~~the~~ other ~~Mergers~~ fund vehicles , ~~subject~~ to undertake and / or execute co- investment transactions with us, which in turn may result in fewer co- investment opportunities being made available to us or impact our ability to provide additional follow- on support to portfolio companies. Our ability and our portfolio companies to spread banking relationships among multiple institutions may be limited by certain ~~restrictions~~ contractual arrangements, including liens placed on our respective assets as a result of a bank agreeing to provide financing. Downgrades by rating agencies to the U. S. government' s credit rating or concerns about its credit and deficit levels in general, could cause interest rates and borrowing costs to rise, which may negatively impact both the perception of credit risk associated with our debt portfolio and our ability to access the debt markets on favorable terms. In addition, a decreased U. S. government credit rating could create broader financial turmoil and uncertainty, which may weigh heavily on our financial performance and the value of our Common Shares. The current global financial market situation, as well as various social and political circumstances in the U. S. and around the world, including wars and ~~the~~ other ~~Merger Agreement~~ forms of conflict , ~~we~~ terrorist acts, security operations and catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes, adverse effects of climate crisis and global health epidemics, may ~~issue~~ contribute to increased market volatility and economic uncertainties or deterioration in the U. S. and worldwide. Additionally, the U. S. government' s credit and deficit concerns, the European sovereign debt crisis, and the potential trade war with China, could cause interest rates to be volatile, which may negatively impact our ability to access the debt markets on favorable terms. The impact of events described above on our portfolio companies could impact their ability to make payments on their loans on a timely basis and may impact their ability to continue making their loan payments on a timely basis or meeting their loan covenants. The inability of portfolio companies to make timely payments or meet loan covenants may in the future require us to undertake amendment actions with respect to our investments or to restructure our investments, which may include the need for us to make additional ~~shares of~~ investments in our ~~common stock~~ portfolio companies (including debt ~~, subject to certain restrictions under the 1940 Act, at prices below our~~ - or equity investments ~~common stock' s then current NAV per share~~) beyond any existing commitments , ~~all~~ exchange debt for equity, or change the payment terms of our investments to permit a portfolio company to pay a portion of its interest through payment- in- kind, which would ~~further reduce~~ defer the cash collection of such interest and add it to the principal balance, which would generally be due upon repayment of the outstanding principal. Adverse developments in the credit markets may impair our ability to enter into new debt financing arrangements. During the economic downturn in the United States that began in mid- 2007, many commercial banks and ~~the~~ other financial institutions stopped lending ~~percentage ownership of the combined company held by former FCRD Stockholders and our~~ - or ~~current stockholders~~ significantly curtailed their lending activity . In addition, in an effort to stem losses and reduce ~~the~~ their exposure ~~issuance or sale of shares of our common stock at a discount~~ to ~~our net asset value per share poses a~~ segments of the economy deemed to be high risk **, some financial institutions limited refinancing and loan modification transactions and reviewed the terms** of **existing facilities to identify bases for accelerating the maturity of existing lending facilities. If these conditions recur, it may be difficult for us to enter into a new credit or other borrowing facility, obtain other financing to finance the growth of our investments, or refinance any outstanding indebtedness on acceptable** economic **terms** ~~dilution to stockholders. The combined company may be unable to realize the benefits anticipated by the Mergers, including estimated cost savings and synergies, or it may take longer than anticipated to achieve such benefits. The realization of certain benefits anticipated as a result of the Mergers will depend in part on the integration of FCRD' s investment portfolio with our investment portfolio and the integration of FCRD' s business with our business. There can be no assurance that FCRD' s and our businesses can be operated profitably or integrated successfully into our operations in a timely fashion~~ , or at all. ~~The dedication of management resources~~ **We may experience fluctuations in our quarterly operating results. We could experience fluctuations in our quarterly operating results due** to **a number of factors, including the interest rate payable on the loans and debt securities we acquire, the default rate on** such **loans and securities, the level of our expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our markets and general economic conditions. In light of these factors, results for any period should not be relied upon as being indicative of performance in future periods. We are dependent on information systems and systems failures could significantly disrupt our business, which may, in turn, negatively affect our liquidity, financial condition or results of operations. Our business is dependent on our and third parties' communications and information systems. Further, in the ordinary course of our business we or our investment adviser may engage certain third party service providers to provide us with services necessary for our business. Any failure or** ~~integration~~ - **interruption of those systems or services, including as a result of the termination or suspension of an agreement with any third- party service providers, could cause delays or other problems in our business activities. Our financial, accounting, data processing, backup or other operating systems and facilities** may ~~detract attention~~ **fail to operate properly or become disabled or damaged as a result of a number of factors including events that are wholly or partially beyond our control and adversely affect our business. There could be: • sudden electrical or telecommunications outages; • natural disasters such as earthquakes, tornadoes and hurricanes; • disease pandemics; • events arising** from **local** ~~our~~ - **or** ~~day~~ **larger scale political or social matters, including terrorist acts; and • cyber** - **attacks.** ~~to- day business and, following completion of the Mergers, of the day- to- day business of the combined company, and there can be no assurance that there will not be substantial costs associated with the transition process or there will not be other material adverse effects as a result of these~~ **These events** ~~integration efforts. Such effects~~ , ~~including incurring unexpected costs or delays~~ in **turn** ~~connection with such integration and failure of FCRD' s investment portfolio to perform as expected~~ , could have a material adverse effect on **our business,** financial **condition and operating** results ~~of the combined company. We also expect to achieve certain cost savings and synergies from the Mergers when the two companies have fully integrated their portfolios. It is possible that our estimates of the potential cost savings and synergies could turn out to be incorrect. If the estimates turn out to be incorrect or the combined company cannot integrate their investment portfolios and businesses, the anticipated cost savings and synergies may not be fully realized, or realized at all, or may take longer to realize than expected. The Mergers may trigger certain " change of control " provisions and other restrictions in certain of our and FCRD' s contracts and the failure to obtain any required consents or waivers could adversely impact the combined company. Certain agreements of us and FCRD or our respective controlled affiliates will or may require the consent of one or more counterparties in connection with the Mergers. The failure to obtain any such consent may permit such counterparties to terminate, or otherwise increase their rights or our or FCRD' s obligations under, any such agreement because the Mergers may violate an~~ **and negatively affect the NAV** ~~anti- assignment, change~~ of ~~control or~~ **our Common Shares and** ~~similar provision. If this happens, we or~~ **our ability** ~~FCRD may have~~ to ~~seek~~ **pay dividends** to ~~replace that agreement with a new agreement or~~ **our common stockholders** ~~seek a waiver or amendment to such agreement~~ . **Cybersecurity risks** ~~We cannot assure you that we or FCRD will be able to replace, amend~~ -- **and cyber incidents may** ~~or obtain a waiver under any such agreement on comparable terms or at all. If any such agreement is material, the failure to obtain consents, amendments or waivers under, or to replace on similar terms or at all, any of these agreements could~~ adversely affect **our business by causing a disruption to our operations, a compromise or corruption of its confidential information and / or damage to its business relationships. A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of our information resources. These incidents may be an intentional attack or an unintentional event and could involve gaining unauthorized access to our information systems for purposes of misappropriating assets, stealing confidential information, corrupting data or causing operational disruption. The result of** ~~the~~ **these incidents may include disrupted operations, misstated or unreliable** financial ~~performance~~ **data, liability for stolen information, misappropriation of assets, increased cybersecurity protection and insurance costs, litigation and damage to our business relationships. This could result in significant losses, reputational damage, litigation, regulatory fines or penalties, or otherwise adversely affect our business, financial condition** or results of operations ~~of the combined company following the Mergers, including preventing us from operating a material part of FCRD' s business~~ . In addition, **we** ~~the consummation of the Mergers~~ may **be required to expend significant additional resources to modify its protective measures** ~~violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default (or an~~ **and** ~~event that, with~~ **to investigate and remediate vulnerabilities or other exposures arising from operational and security risks. We face risks posed to** ~~or~~ **our information systems,** ~~without notice or lapse of time or~~ both **internal and those provided to it by third- party service providers. We** , ~~would constitute a default) under, or~~ **our investment adviser and its affiliates** ~~result in the termination, cancellation, acceleration or other change of any right or obligation (including any payment obligation) under our or FCRD' s agreements. Any such violation, conflict, breach, loss, default or other effect could, either individually or in the aggregate,~~ have ~~a material adverse effect on~~ **implemented processes, procedures and internal controls to help mitigate**

cybersecurity risks and cyber intrusions, but ~~the~~ **these measures** ~~financial condition, results of operations, assets or business of the combined company following completion of the Mergers. Litigation which may be filed against us or FCRD in connection with the Mergers, regardless of its merits, could result in substantial costs and could delay or prevent the Mergers from being completed. From time to time, we and FCRD may be subject to legal actions, including securities class action lawsuits and derivative lawsuits~~ , as well as ~~various regulatory, governmental and law enforcement inquiries, investigations and subpoenas in connection with the Mergers. These or~~ **our increased awareness** ~~any similar securities class action lawsuits and derivative lawsuits, regardless~~ of ~~their~~ -- **the nature** ~~merits, may result in substantial costs~~ and **extent of** ~~divert management time and resources. An adverse judgment in such cases could have~~ a ~~negative impact on~~ **risk of a cyber- incident, may be ineffective and do not guarantee that a cyber- incident will not occur** ~~our~~ - **or** ~~liquidity and~~ **that our** financial ~~condition~~ **results, operations** or **confidential information will not be** ~~could prevent the Mergers from being completed. Termination of the Merger Agreement could~~ negatively ~~impact us. 45 If the Merger Agreement is terminated, there may be various consequences, including: • our businesses may have been adversely~~ impacted by **such** ~~the failure to pursue other beneficial opportunities due to the focus of management on the Mergers, without realizing any~~ - **an incident** ~~of the anticipated benefits of completing the Mergers; • the market price of our common stock might decline to the extent that the market price prior to termination reflects a market assumption that the Mergers will be completed; and • the payment of any termination fee, if required under the circumstances, could adversely affect our financial condition and liquidity~~ . ~~Under certain circumstances,~~ **Third parties with which** we **do business (** ~~may be obligated to pay a termination fee upon termination of the Merger Agreement. No assurance can be given that the Mergers will be completed. The Merger Agreement provides for the payment by us to FCRD of a termination fee under certain circumstances. The Mergers are subject to closing conditions,~~ including ~~the FCRD Stockholder Approval, that, if not satisfied or waived, will result in the Mergers not being completed, which may result in material adverse consequences to our business and operations. The Mergers are subject to closing conditions, including the FCRD Stockholder Approval, that, if not satisfied, will prevent the Mergers from being completed. The closing condition that FCRD Stockholders approve the First Merger may not be waived under applicable law and must be satisfied for the Mergers to be completed. FCRD currently expects that all directors and executive officers of FCRD will vote their shares of FCRD Common Stock in favor of the proposals presented at the FCRD Special Meeting required to complete the Mergers. In addition, First Eagle Investment Management LLC (" FEIM ") has entered into a voting agreement pursuant to which it has agreed to vote the shares of FCRD Common Stock held by FEIM in favor of the proposals presented at the FCRD Special Meeting required to complete the Mergers. If FCRD stockholders do not approve the First Merger and the Mergers are not completed, the resulting failure of the Mergers could have a material adverse impact on our businesses and operations. In addition to the FCRD Stockholder Approval, the Mergers are subject to a number of other conditions beyond our control that may prevent, delay or otherwise materially adversely affect its completion. We cannot predict with certainty whether and when these other conditions will be satisfied. We may waive one or more conditions to the Mergers. Certain conditions to our obligations to complete the Mergers may be waived, in whole or in part, to the extent legally allowed, either unilaterally or by agreement with FCRD. In the event that any such waiver does not require resolicitation of FCRD' s stockholders, the parties to the Merger Agreement will have the discretion to complete the Mergers without seeking further stockholder approval. The conditions requiring the approval of FCRD' s stockholders, however, cannot be waived. We will be subject to operational uncertainties and contractual restrictions while the Mergers are pending. Uncertainty about the effect of the Mergers may have an adverse effect on us and, consequently, on the combined company following completion of the Mergers. These uncertainties may cause~~ those that ~~deal~~ **provide services to us) may also be sources or targets of cybersecurity or other technological risks. We outsource certain functions and these relationships allow for the storage and processing of our information and assets, as well as certain investor, counterparty, employee and borrower information. While we engage in actions to reduce our exposure resulting from outsourcing, ongoing threats may result in unauthorized access, loss, exposure or destruction of data, or other cybersecurity incidents,** with **increased costs and** ~~us to seek to change their~~ - **other consequences** ~~existing business relationships. In addition~~ , **including** ~~the Mergers agreement restricts us from taking actions that they might otherwise consider to be in our best interests. These restrictions may prevent us from pursuing certain business opportunities that may arise prior to the completion of the Mergers. The market price of our common stock after the Mergers may be affected by factors different from~~ those **described above** ~~affecting our common stock currently~~ . **Privacy** ~~Our businesses~~ and **information security laws** ~~FCRD' s business differ in some respects~~ and **regulation changes** , ~~accordingly, the results of operations of the combined company~~ and **compliance with** ~~the market price of our common stock after the Mergers may be affected by factors different from~~ those ~~currently affecting the independent~~ **changes, may also** ~~results~~ - **result** ~~of operations of each of us~~ **in cost increases due to system changes** and ~~FCRD. These factors include: • a larger stockholder base; • a different portfolio composition; and • a different capital structure. Accordingly, our historical trading prices and financial results may not be indicative of these~~ -- **the development of new administrative processes** ~~matters for the combined company following the Mergers~~ . ~~46~~