Risk Factors Comparison 2024-03-01 to 2023-03-09 Form: 10-K

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

Risks Relating to Our Business and Structure • Operating as a BDC imposes numerous constraints on us and significantly reduces our operating flexibility. • We are subject to risks associated with the current interest rate environment and to the extent we use debt to finance our investments, changes in interest rates will affect our cost of capital and net investment income ~~. • The discontinuation of LIBOR may adversely affect our business and results of operations~~ . • We depend upon our Adviser and Administrator for our success and upon their access to the investment professionals and partners of Morgan Stanley and its affiliates. • Our business model depends to a significant extent upon strong referral relationships with private equity sponsors. • We may not replicate the historical results achieved by other entities advised by or sponsored by members of the Investment Committee or by the Adviser or its affiliates. • The Adviser may frequently be required to make investment analyses and decisions on an expedited basis. • There are significant potential conflicts of interest that could affect our investment returns. • Our management fee and incentive fee structure may create incentives for the Adviser that are not fully aligned with the interests of our stockholders and may induce the Adviser to make speculative investments. • Our ability to enter into transactions with our affiliates is restricted. • ~~Shares of our Common Stock are illiquid investments for which there is not a secondary market. •~~ We operate in a highly competitive market for investment opportunities. • We will be subject to corporate-level income tax if we are unable to qualify as a RIC. • We will need to raise additional capital to grow because we must distribute most of our income. • Regulations governing our operation as a BDC affect our ability to, and the way in which we, raise additional capital. • We are subject to risks associated with our Credit Facilities ~~. • Investors in shares of our Common Stock may fail to fund their capital commitments when due~~ . • Failure to qualify as a BDC would decrease our operating flexibility. • Certain investors are limited in their ability to make significant investments in us • The majority of our portfolio investments are recorded at fair value as determined in good faith by our Valuation Designee, and, as a result, there may be uncertainty as to the value of our portfolio investments. • Our Board of Directors may change our investment objective, operating policies and strategies without prior notice or stockholder approval, and we may temporarily deviate from our regular investment strategy. • The Adviser and Administrator can each resign on 60 days' notice, and we may not be able to find a suitable replacement within that time. • The liability of each of the Adviser and the Administrator is limited. Risks Relating to Our Investments • Limitations of investment due diligence expose us to investment risk. • Our debt investments may be risky, and we could lose all or part of our investments. • Defaults by our portfolio companies will harm our operating results. • Economic recessions or downturns could impair our portfolio companies and defaults by our portfolio companies will harm our operating results. • Subordinated liens on collateral securing debt investments that we will make to our portfolio companies may be subject to control by senior creditors with first priority liens. • Covenant- lite loans may expose us to different risks. • The lack of liquidity in our investments may adversely affect our business. • Price declines and illiquidity in the corporate debt markets may adversely affect the fair value of our portfolio investments, reducing our net asset value through increased net unrealized depreciation. • Our portfolio companies may ~~repay~~ **prepay** loans, which may reduce our yields if capital returned cannot be invested in transactions with equal or greater expected yields. • Our failure to make follow- on investments in our portfolio companies could impair the value of our portfolio. • Because we generally do not hold controlling equity interests in our portfolio companies, we may not be able to exercise control over our portfolio companies. • We can offer no assurance that portfolio company management will be able to operate their companies in accordance with our expectations. • Our portfolio companies may incur debt that ranks equally with, or senior to, our investments in such companies. Risks Relating to Our Common Stock • ~~There~~ -- **The** ~~is no public~~ market **price** ~~for shares~~ of our Common Stock ~~,~~ **may be volatile** and ~~there is no assurance that a public market of shares of our Common Stock will develop. • There are restrictions on holders of our Common Stock. • The net asset value of our Common Stock~~ may fluctuate significantly. • There is a risk you may not receive distributions. • Investing in our Common Stock may involve an above average degree of risk. • We have not established any limit on the amount of funds we may use from available sources to fund dividends. Risks Relating to the Notes • The Company' s 4. 50 % notes due 2027, or the 2027 Notes, and the Company' s 7. 55 % Series A Senior Notes due September 13, 2025, or the 2025 Notes and, together with the 2027 Notes, the Notes, are unsecured and therefore are effectively subordinated to any secured indebtedness we may incur. Additionally, the Notes are not guaranteed by Morgan Stanley. • The Notes are subordinated structurally to the indebtedness and other liabilities of our subsidiaries. • A downgrade, suspension or withdrawal of the credit rating assigned by a rating agency to us or the Notes, if any, could cause the liquidity or market value of the Notes to decline significantly. • An increase in market interest rates could result in a decrease in the value of the Notes. General Risk Factors • We are operating in a period of capital markets volatility and economic uncertainty. • New or modified laws or regulations governing our or Morgan Stanley' s operations may adversely affect our business. • We are highly dependent on information systems, and systems failures could significantly disrupt our business. • Terrorist attacks, acts of war, natural disasters, outbreaks, or pandemics, may impact our portfolio companies and our Adviser and harm our business, operating results, and financial condition. Regulation as a Business Development Company On November 25, 2019, we elected to be regulated as a BDC under the 1940 Act. A BDC is a specialized investment vehicle that elects to be regulated under the 1940 Act as an investment company but is generally subject to less onerous requirements than other registered investment companies under a regime designed to encourage lending to U. S. ~~-~~ based small and mid- sized businesses. Unlike many similar types of investment vehicles that are restricted to being private entities, the stock of a BDC is permitted to trade in the public equity markets. **On January 26, 2024, we closed our IPO issuing 5, 000, 000** ~~Shares~~ **shares** of our Common Stock **at a public**

offering price of $ 20. 67 per ~~are~~ **share** ~~not currently listed~~ **. Our Common Stock began trading** on ~~a national securities exchange; however, we may pursue a Liquidity Event, including an Exchange Listing, in~~ the **NYSE under the symbol** ~~future. We define a~~ " **MSDL** ~~Liquidity Event~~ " **on January 24** ~~as any of: (1) an Exchange Listing~~ , **2024** ~~(2) the sale of all or substantially all of our assets to, or other liquidity event with, another entity or (3) a transaction or series of transactions, including by way of merger, consolidation, recapitalization, reorganization, or sale of stock in each case for consideration of either cash and / or publicly listed securities of the acquirer~~ . BDCs are also eligible to elect to be treated as a RIC under Subchapter M of the Code. A RIC typically does not incur significant entity- level income taxes, because it is generally entitled to deduct distributions made to its stockholders. We have elected to be treated and intend to qualify annually as a RIC. See " Certain Material U. S. Federal Income Tax Considerations. " Qualifying Assets Under the 1940 Act, a BDC may not acquire any asset other than assets of the type listed in Section 55 (a) of the 1940 Act, which are referred to as qualifying assets, unless, at the time the acquisition is made, qualifying assets represent at least 70 % of the BDC' s total assets. The principal categories of qualifying assets relevant to our proposed business are the following: 1) Securities purchased in transactions not involving any public offering from the issuer of such securities, which issuer (subject to certain limited exceptions) is an eligible portfolio company, or from any person who is, or has been during the preceding 13 months, an affiliated person of an eligible portfolio company, or from any other person, subject to such rules as may be prescribed by the SEC. An eligible portfolio company is defined in the 1940 Act as any issuer which: a) is organized under the laws of, and has its principal place of business in, the United States; b) is not an investment company (other than a small business investment company wholly owned by the BDC) or a company that would be an investment company but for certain exclusions under the 1940 Act; and c) satisfies either of the following: i) does not have any class of securities listed on a national securities exchange or has any class of securities listed on a national securities exchange subject to a $ 250 million market capitalization maximum; or ii) is controlled by a BDC or a group of companies including a BDC, the BDC actually exercises a controlling influence over the management or policies of the eligible portfolio company, and, as a result, the BDC has an affiliated person who is a director of the eligible portfolio company. 2) Securities of any eligible portfolio company which we control. 3) Securities purchased in a private transaction from a U. S. issuer that is not an investment company or from an affiliated person of the issuer, or in transactions incident thereto, if the issuer is in bankruptcy and subject to reorganization or if the issuer, immediately prior to the purchase of its securities, was unable to meet its obligations as they came due without material assistance other than conventional lending or financing arrangements. 4) Securities of an eligible portfolio company purchased from any person in a private transaction if there is no ready market for such securities and we already own 60 % of the outstanding equity of the eligible portfolio company. 5) Securities received in exchange for or distributed on or with respect to securities described in (1) through (4) above, or pursuant to the exercise of warrants or rights relating to such securities. 6) Cash, cash equivalents, U. S. government securities or high- quality debt securities maturing in one year or less from the time of investment. We deem certain U. S. Treasury bills, repurchase agreements and other high- quality, short- term debt securities as cash equivalents. We primarily make investments in securities described in paragraphs 1 through 3 of Section 55 (a) of the 1940 Act. From time to time, including at or near the end of each fiscal quarter, we may consider using various temporary investment strategies for our business, including taking proactive steps by utilizing cash equivalents as temporary assets with the objective of enhancing our investment flexibility pursuant to Section 55 of the 1940 Act. More specifically, from time- to- time we may draw down our credit facilities, as deemed appropriate, and repay such borrowings subsequent to quarter end. We may also purchase U. S. Treasury bills or other high- quality, short- term debt securities at or near the end of the quarter and typically close out the position on a net cash basis subsequent to quarter end. Managerial Assistance to Portfolio Companies In addition,a BDC must have been organized and have its principal place of business in the United States and must be operated for the purpose of making investments in the types of securities described in (1),(2) or (3) above.However,in order to count portfolio securities as qualifying assets for the purpose of the 70 % test,the BDC must either control the issuer of the securities or must offer to make available to the issuer of the securities significant managerial assistance.However,when a BDC purchases securities in conjunction with one or more other persons acting together,one of the other persons in the group may make available such managerial assistance.Making available managerial assistance means,among other things,any arrangement whereby the BDC,through its directors,officers or employees,offers to provide,and,if accepted,does so provide,significant guidance and counsel concerning the management,operations or business objectives and policies of a portfolio company. The Investment Advisory Agreement excludes the amount of these transactions or such cash drawn for this purpose from total assets for purposes of computing the base management fee. Managerial Assistance to Portfolio Companies In addition...... and policies of a portfolio company. Temporary Investments Pending investment in other types of " qualifying assets, " as described above, our investments may consist of cash, cash equivalents, U. S. government securities or high- quality debt securities maturing in one year or less from the time of investment, which we refer to, collectively, as temporary investments, so that 70 % of our assets are qualifying assets. Senior Securities As a BDC, we are permitted, under specified conditions, to issue multiple classes of indebtedness and one class of stock senior to shares of our Common Stock if our asset coverage, as defined in the 1940 Act, is at least equal to the percentage set forth in Section 61 of the 1940 Act that is applicable to us at such time. On December 16, 2019, our sole stockholder approved the application of the reduced asset coverage requirements in Section 61 (a) (2) to us, effective as of December 17, 2019. As a result of stockholder approval, effective December 17, 2019, the asset coverage ratio under the 1940 Act applicable to us decreased to 150 % from 200 %, so long as we meet certain disclosure requirements, which means that for every $ 100 of net assets we hold, we may raise $ 200 from borrowing and issuing senior securities as compared to $ 100 from borrowing and issuing senior securities for every $ 100 of net assets under 200 % asset coverage. In addition, while any senior securities remain outstanding, we will be required to make provisions to prohibit any dividend distribution to our stockholders or the repurchase of such securities or shares unless we meet the applicable asset coverage ratios at the time of the distribution or repurchase. We are also permitted to borrow amounts up to 5 % of the value of our total assets for temporary ~~or emergency~~

purposes without regard to asset coverage, which borrowings would not be considered senior securities, provided that any such borrowings in excess of 5 % of the value of our total assets would be subject to the asset coverage ratio requirements of the 1940 Act, even if for temporary ~~or emergency~~ purposes. Regulations governing our operations as a BDC will affect our ability to raise, and the method of raising, additional capital, which may expose us to risks **. We comply with the provisions of Section 61 of the 1940 Act governing capital structure and leverage on an aggregate basis with our wholly- owned, consolidated subsidiaries** . Code of Ethics We and our Adviser have adopted a code of ethics pursuant to Rule 17j- 1 under the 1940 Act that establishes procedures for personal investments and restricts certain personal securities transactions. Personnel subject to the code of ethics may invest in securities for their personal investment accounts, including securities that may be purchased or held by us, so long as such investments are made in accordance with the codes of ethics' requirements. **Our codes of ethics is available on our website at www. msdl. com.** The ~~codes~~ **Code** of ~~ethics~~ **Ethics** ~~for each~~ of the Adviser **is** ~~and the Company are~~ available on the SEC' s website at www. sec. gov and you may obtain copies of the code of ethics, after paying a duplicating fee, by electronic request at the following email address: publicinfo @ sec. gov. Proxy Voting Policies and Procedures We have delegated our proxy voting responsibility to our Adviser. A summary of the Proxy Voting Policies and Procedures of our Adviser are set forth below. These policies and procedures are reviewed periodically by our Adviser and our Independent Directors, and, accordingly, are subject to change. An investment adviser registered under the Investment Advisers Act of 1940, or the Advisers Act, has a fiduciary duty to act solely in the best interests of its clients. As part of this duty, the Adviser recognizes that it must vote **our** ~~the Company' s~~ securities in a timely manner free of conflicts of interest and in our best interests and the best interests of **our** ~~the Company' s~~ stockholders. These policies and procedures for voting proxies are intended to comply with Section 206 of, and Rule 206 (4)- 6 under, the Advisers Act. The Adviser votes proxies relating to **our** ~~the Company' s~~ portfolio securities in what it believes to be the best interest of **our** ~~the Company' s~~ stockholders. To ensure that our vote is not the product of a conflict of interest, the Adviser requires that: (1) anyone involved in the decision making process disclose to **our** ~~the Company' s~~ Chief Compliance Officer any potential conflict that he or she is aware of and any contact that he or she has had with any interested party regarding a proxy vote; and (2) employees involved in the decision making process or vote administration are prohibited from revealing how the ~~Company~~ **Adviser** intends to vote on a proposal in order to reduce any attempted influence from interested parties. A copy of the Adviser' s policies and procedures with respect to the voting of proxies relating to **our** ~~the Company' s~~ portfolio securities is available without charge, upon request. Stockholders may obtain information regarding how the Adviser voted proxies by making a written request for proxy voting information to: Morgan Stanley Direct Lending Fund c / o Morgan Stanley 1585 Broadway, New York, NY 10036 Attn: Chief Compliance Officer. Privacy Principles The Adviser has established policies with respect to nonpublic personal information provided to it with respect to individuals who are investors in **us** ~~the Company~~ , which policies also apply to the Administrator. We have adopted the privacy policies of the Adviser as applicable to us. We and the Adviser each recognizes the importance of maintaining the privacy of any nonpublic personal information it ~~receives~~ **received** with respect to each investor. In the course of providing management services to us, the Adviser collects nonpublic personal information about investors from the Subscription Agreements and the certificates and exhibits thereto that each investor submits. We and the Adviser may also collect nonpublic personal information about each investor from conversations and correspondence between each investor and us or the Adviser, both prior to and during the course of each investor' s investment in **us** ~~the Company~~ . We and the Adviser each treat all of the nonpublic personal information ~~it~~ **we** ~~receives~~ **receive** with respect to each investor as confidential. We and the Adviser restrict access to such information to those employees, affiliates and agents who need to know the information in order for us and the Adviser to determine whether each investor meets the regulatory requirements for an investment in **us** ~~the Company~~ and, in the case of the Adviser, to provide ongoing management services to us. The Adviser maintains physical, electronic, and procedural safeguards to comply with U. S. federal standards to guard each investor' s nonpublic personal information. The Adviser does not disclose any nonpublic personal information about any investor to any third parties, other than the Adviser' s agents, representatives and / or affiliates, or as permitted or required by law. Among other things, the law permits the Adviser to disclose such information for purposes of making investments on our behalf, complying with anti- money laundering laws, preparing tax returns and reports for each investor and determining whether each investor meets the regulatory requirements for investing in us. **The privacy policy is available on our website at www. msdl. com.** Other We are prohibited under the 1940 Act from knowingly participating in certain transactions with our affiliates without the prior approval of our Independent Directors and, in some cases, prior approval by the SEC **. We and our wholly- owned, consolidated subsidiaries will comply with the provisions of the 1940 Act related to affiliated transactions and custody (Section 17 as modified by Section 57)** . We will be periodically examined by the SEC for compliance with the 1940 Act. We are required to provide and maintain a bond issued by a reputable fidelity insurance company to protect us against larceny and embezzlement. Furthermore, as a BDC, we are prohibited from protecting any director or officer against any liability to us or our stockholders arising from willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person' s office. We and our Adviser are each required to adopt and implement written policies and procedures reasonably designed to prevent violation of the federal securities laws, review these policies and procedures annually for their adequacy and the effectiveness of their implementation, and designate a chief compliance officer to be responsible for administering the policies and procedures. Sarbanes- Oxley Act The Sarbanes- Oxley Act imposes a variety of regulatory requirements on companies with a class of securities registered under the Exchange Act and their insiders. Many of these requirements affect us. For example: • pursuant to Rule 13a- 14 under the Exchange Act our principal executive officer and principal financial officer must certify the accuracy of the financial statements contained in our periodic reports; • pursuant to Item 307 under Regulation S- K under the Securities Act our periodic reports must disclose our conclusions about the effectiveness of our disclosure controls and procedures; • pursuant to Rule 13a- 15 under the Exchange Act, our management must prepare an annual report regarding its assessment of our internal control over financial reporting, which ~~must~~ **may be required to** be audited by our independent registered public accounting firm **if at any such time we are no longer eligible to rely on the exclusion provided in Section 404 (c) of the Sarbanes- Oxley Act** ; and • pursuant to Item 308 of Regulation S- K under the Securities Act and Rule 13a- 15 under the Exchange Act, our periodic reports must disclose whether there were significant changes in our internal controls over financial reporting or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses. The Sarbanes- Oxley Act requires us to review our current policies and procedures to determine whether we comply with the Sarbanes- Oxley Act and the regulations promulgated under such act. We will continue to monitor our compliance with all regulations that are adopted under the Sarbanes- Oxley Act and will take actions necessary to ensure that we comply with that act in the future. Bank Holding Company Act As a bank holding company (" BHC ") that has elected Financial Holding Company, or FHC, status under the Bank Holding Company Act of 1956, as amended (the " BHCA "), Morgan Stanley and its affiliates are subject to comprehensive, consolidated supervision and regulation by the Board of Governors of the Federal Reserve System (the " Federal Reserve "). Because a Morgan Stanley affiliate is acting as our Adviser and Morgan Stanley has a 5 % or greater voting investment in us, we are subject to the certain federal banking and financial requirements, including the BHCA, regulations of the Federal Reserve, and certain provisions of the Dodd- Frank Act. Because we are controlled by Morgan Stanley for purposes of the BHCA, we must generally comply with the investment and activity restrictions applicable to Morgan Stanley under the BHCA. Such restrictions may place certain limitations on our ability to engage in activities or make investments in companies. For instance, the BHCA permits a BHC as well as any non- bank affiliate of such BHC, to make investment representing less than 5 % of any class of voting shares of another company so long as that investment is otherwise non- controlling under the BHCA. The BHCA also permits well- capitalized, well- managed BHCs that have elected to be treated as an FHC to engage in expanded " financial in nature " activities without prior approval of the Federal Reserve. Such financial in nature activities include bona fide merchant banking activities, so long as (i) the FHC holds its merchant banking investments only for a period of time sufficient to enable the sale or disposition thereof on a reasonable basis (generally no more than 10 years) and (ii) the FHC does not routinely manage or operate the companies in which it invests except as necessary or required to obtain a reasonable return on its investment. The BHCA does not, however, require Morgan Stanley to financially support us. The BHCA generally prohibits BHCs, such as Morgan Stanley, and its subsidiaries from acquiring more than de minimis equity interests in non- financial companies unless certain exemptions apply. Further, under the BHCA, eligible FHCs and their subsidiaries have authority to engage in a broader range of investments and activities than BHCs that are not FHCs. A significant focus of the regulatory framework that applies to Morgan Stanley is to ensure that Morgan Stanley and its subsidiaries operate in a safe and sound manner, with sufficient capital, earnings and liquidity to allow Morgan Stanley to serve as a source of financial and managerial strength to Morgan Stanley Bank, N. A. and Morgan Stanley Private Bank, National Association, or the Banks. These Banks must remain well capitalized and well managed if Morgan Stanley is to maintain its FHC status and continue to engage in the widest range of permissible financial activities. In addition, the general exercise by the Federal Reserve of its regulatory, supervisory and enforcement authority with respect to Morgan Stanley and certain provisions of Dodd- Frank could result in the need for Morgan Stanley to change its business practices or the scope of its current lines of business, including certain limited divestitures. Although such changes could have an impact on and consequences for Morgan Stanley and the Adviser, any limited divestiture should not directly involve the Adviser. Dodd- Frank and Volcker Rule Disclosure Section 619 of Dodd- Frank, commonly known as the " Volcker Rule, " and regulations to implement the Volcker Rule issued by the U. S. federal financial regulators in December 2013, referred to as the Implementing Regulations, generally restrict any " banking entity " (which includes Morgan Stanley and most affiliates of Morgan Stanley) from engaging in " proprietary trading " as well as from acquiring or retaining any " ownership interest " in a " covered fund ", in each case unless the investment or activity is conducted in accordance with an exclusion or exemption. The Volcker Rule also generally prohibits certain transactions between a banking entity and any of its affiliates, on the one hand, and a covered fund for which the banking entity or any of its affiliates serves, directly or indirectly, as the investment manager, investment adviser, or that the banking entity or any of its affiliates sponsors in connection with organizing and offering that fund (or with any other covered fund that is controlled by such fund, on the other hand. The term " covered fund " includes, among others, hedge funds and private- equity funds that are privately offered in the United States and that rely on Sections 3 (c) (1) or 3 (c) (7) of the 1940 Act to avoid being treated as " investment companies " under the 1940 Act. The Volcker Rule and the Implementing Regulations impose a number of restrictions on Morgan Stanley and its affiliates that affect us and the Adviser. As a BDC, we are not considered to be a covered fund. As a result, Morgan Stanley and its subsidiaries investments in us would not be subject to the Volcker Rule restrictions on investments in covered funds, but we would during that time be considered a banking entity subject to restrictions on proprietary trading to the extent we are " controlled " by Morgan Stanley or its affiliates. Generally, we will be deemed to be controlled for these purposes for so long as entities affiliated with Morgan Stanley own 5 % or more of our outstanding voting securities. However, for a limited seeding period following the Initial Closing, which pursuant to the Volcker Rule and the Implementing Regulations, may be three years or more, we will not be deemed to be a " banking entity " solely because of the ownership of our voting securities by Morgan Stanley and its affiliates. We can offer no assurances that, at the conclusion of this seeding period, Morgan Stanley and its subsidiaries would not be deemed to control us for purposes of the Volcker Rule as a result of their investment in us. To the extent that we are deemed a banking entity under the Volcker Rule and the Implementing Regulations, our operations may be restricted, although, given the anticipated nature of the investments we make and intend to make, we do not anticipate that these restrictions, if they were to apply, would impose material limitations on our operations, but can provide no assurances that they would not. Furthermore, we can offer no assurances that the rules and regulations enacted under the Volcker Rule, the BHCA and other statutes will not change in a future in a manner that would limit our operations and investments. It is not certain how all aspects of the Volcker Rule will be interpreted and applied, or what the impact of the Volcker Rule will have on us. In addition, the restrictions and limitation on Morgan Stanley and us may change in the future as the Federal Reserve and other agencies consider whether and how to revise and apply the Volcker Rule. We believe that we may perform our activities and services without violation of applicable U. S. banking laws and regulations. However, it is possible that future changes or clarifications in the BHCA and Volcker Rule, as well as judicial or administrative decisions or interpretations of present of future laws or regulations, could restrict (or possibly prevent) our ability to continue to conduct our operations as currently contemplated. In such event, we, the Adviser and / or Morgan Stanley may agree to make certain amendments or changes to the extent necessary to permit the Adviser to continue to provide services to us, while enabling us to continue to achieve our purposes and objectives. Exclusion of the Adviser from Commodity Pool Operator Definition Engaging in commodity interest transactions such as swap transactions or futures contracts for us may cause the Adviser to fall within the definition of " commodity pool operator " under the Commodity Exchange Act (the " CEA ") and related Commodity Futures Trading Commission (the " CFTC ") regulations. On January 24, 2020, the Adviser claimed an exclusion from the definition of the term " commodity pool operator " under the CEA and the CFTC regulations in connection with its management of us (the " Exclusion ") and, therefore, the Adviser is not subject to CFTC registration or regulation under the CEA as a commodity pool operator with respect to its management of us. The Adviser intends to affirm the Exclusion on an annual basis, which current annual affirmation was filed by the Adviser on February 24, 2023. Reporting Obligations and Available Information We ~~furnish~~ **make available, free of charge, on** our ~~stockholders with~~ **website our** annual reports containing audited financial statements, quarterly reports, and ~~such~~ other periodic reports as **soon** ~~we determine to be appropriate or~~ as ~~may be required by law~~ **reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Our internet address is www. msdl. com** . We are required to comply with all periodic reporting, proxy solicitation and other applicable requirements under the Exchange Act. The SEC also maintains a website that contains annual reports, quarterly reports, current reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including us, which can be accessed at www. sec. gov. The following discussion is a general summary of the material U. S. federal income tax considerations applicable to us and to an investment in shares of our Common Stock. This summary does not purport to be a complete description of the income tax considerations applicable to such an investment. For example, we have not described certain considerations that may be relevant to certain types of holders subject to special treatment under U. S. federal income tax laws, including stockholders subject to the alternative minimum tax (the " AMT "), tax- exempt organizations, insurance companies, dealers in securities, traders in securities that elect to mark- to- market their securities holdings, pension plans and trusts, persons that have a functional currency (as defined in Section 985 of the Code) other than the U. S. dollar and financial institutions. This summary assumes that investors hold shares of our Common Stock as capital assets (within the meaning of Section 1221 of the Code). The discussion is based upon the Code, Treasury regulations, and administrative and judicial interpretations, each as of the date of the filing of this report and all of which are subject to change, possibly retroactively, which could affect the continuing validity of this discussion. We have not sought and will not seek any ruling from the Internal Revenue Service (the " IRS "), regarding any offering of our securities. This summary does not discuss any aspects of U. S. estate or gift tax or foreign, state or local tax. It does not discuss the special treatment under U. S. federal income tax laws that could result if we invested in tax- exempt securities or certain other investment assets. For purposes of this discussion, references to " dividends " are to dividends within the meaning of the U. S. federal income tax laws and associated regulations and may include amounts subject to treatment as a return of capital under section 19 (a) of the 1940 Act. A " U. S. stockholder " is a beneficial owner of shares of our Common Stock that is for U. S. federal income tax purposes: • a citizen or individual resident of the United States; • a corporation, or other entity treated as a corporation for U. S. federal income tax purposes, created or organized in or under the laws of the United States or any state thereof or the District of Columbia; • an estate, the income of which is subject to U. S. federal income taxation regardless of its source; or • a trust if either a U. S. court can exercise primary supervision over its administration and one or more U. S. persons have the authority to control all of its substantial decisions or the trust was in existence on August 20, 1996, was treated as a U. S. person prior to that date, and has made a valid election to be treated as a U. S. person. A " non- U. S. stockholder " is a beneficial owner of shares of our Common Stock that is not a U. S. stockholder. If a partnership (including an entity treated as a partnership for U. S. federal income tax purposes) holds shares of Common Stock, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A prospective investor that is a partner in a partnership that will hold shares of Common Stock should consult its tax advisors with respect to the purchase, ownership and disposition of shares of Common Stock. Tax matters are very complicated and the tax consequences to an investor of an investment in shares of our Common Stock will depend on the facts of his, her or its particular situation. We encourage investors to consult their own tax advisors regarding the specific consequences of such an investment, including tax reporting requirements, the applicability of U. S. federal, state, local and foreign tax laws, eligibility for the benefits of any applicable tax treaty, and the effect of any possible changes in the tax laws. Election to Be Taxed as a RIC We have elected to be treated as a RIC under Subchapter M of the Code, and we intend to operate in a manner so as to continue to qualify for the tax treatment applicable to RICs. As a RIC, we generally will not have to pay corporate- level U. S. federal income taxes on any net ordinary income or capital gains that we timely distribute to our stockholders as dividends. To qualify as a RIC, we must, among other things, meet certain source- of- income and asset diversification requirements (as described below). In addition, we must distribute to our stockholders, for each taxable year, dividends of an amount at least equal to 90 % of our investment company taxable income (" ICTI "), as defined by the ~~code~~ **Code** , which is generally our net ordinary income plus the excess of realized net short- term capital gains over realized net long- term capital losses and determined without regard to any deduction for dividends paid (the " Annual Distribution Requirement "). Although not required for us to maintain our RIC tax status, in order to preclude the imposition of a 4 % nondeductible federal excise tax imposed on RICs, we must distribute to our stockholders in respect of each calendar year dividends of an amount at least equal to the sum of (1) 98 % of our net ordinary income (taking into account certain deferrals and elections) for the calendar year, (2) 98. 2 % of the excess (if any) of our realized capital gains over our realized capital losses, or capital gain net income (adjusted for certain ordinary losses), generally for the one- year period ending on October 31 of the calendar year and (3) the sum of any net ordinary income plus capital gains net income for preceding years that were not distributed during such years and on which we paid no federal income tax (the " Excise Tax Avoidance Requirement "). Taxation as a RIC If we: • qualify as a RIC; and • satisfy the Annual Distribution Requirement; then we will not be subject to U. S. federal income tax on the portion of our ICTI and net capital gain, defined as net long- term capital gains in excess of net short- term capital losses, we distribute to stockholders. As a RIC, we will be subject to U. S. federal income tax at regular corporate rates on any net income or net capital gain not distributed as dividends to our stockholders. In order to qualify as a RIC for U. S. federal income tax purposes, we must, among other things: • qualify to be regulated as a BDC under the 1940 Act at all times during each taxable year; • derive in each taxable year at least 90 % of our gross income from dividends, interest, payments with respect to certain securities loans, gains from the sale of stock or other securities, or other income derived with respect to our business of investing in such stock or securities, and net income derived from interests in " qualified publicly traded partnerships " (partnerships that are traded on an established securities market or tradable on a secondary market, other than partnerships that derive 90 % of their income from interest, dividends and other permitted RIC income) (the " 90 % Income Test "); and • diversify our holdings so that at the end of each quarter of the taxable year: ◦ at least 50 % of the value of our assets consists of cash, cash equivalents, U. S. government securities, securities of other RICs, and other securities if such other securities of any one issuer do not represent more than 5 % of the value of our assets or more than 10 % of the outstanding voting securities of the issuer; and ◦ no more than 25 % of the value of our assets is invested in the securities, other than U. S. government securities or securities of other RICs, of one issuer or of two or more issuers that are controlled, as determined under applicable tax rules, by us and that are engaged in the same or similar or related trades or businesses or in the securities of one or more qualified publicly traded partnerships. We may invest in partnerships, including qualified publicly traded partnerships, which may result in our being subject to state, local or foreign income, franchise or other tax liabilities. In addition, as a RIC we are subject to ordinary income and capital gain distribution requirements under the Excise Tax Avoidance Requirement. If we do not meet the required distributions **under the Excise Tax Avoidance Requirement** , we will be subject to a 4 % nondeductible federal excise tax on the undistributed amount. The failure to meet the Excise Tax Avoidance Requirement will not cause us to lose our RIC status. Although we currently intend to make sufficient distributions each taxable year to satisfy the Excise Tax Avoidance Requirement, under certain circumstances, we may choose to retain taxable income or capital gains in excess of current year distributions into the next tax year in an amount less than what would trigger payments of federal income tax under Subchapter M of the Code. We may then be required to pay a 4 % excise tax on such income or capital gains. A RIC is limited in its ability to deduct expenses in excess of its ICTI. If our deductible expenses in a given taxable year exceed our ICTI, we may incur a net operating loss for that taxable year. However, a RIC is not permitted to carry forward net operating losses to subsequent taxable years and such net operating losses do not pass through to its stockholders. In addition, deductible expenses can be used only to offset ICTI, not net capital gain. A RIC may not use any net capital losses (that is, the excess of realized capital losses over realized capital gains) to offset its ICTI, but may carry forward such net capital losses, and use them to offset future capital gains, indefinitely. Due to these limits on deductibility of expenses and net capital losses, we may for tax purposes have aggregate taxable income for several taxable years that we are required to distribute and that is taxable to our stockholders even if such taxable income is greater than the net income we actually earn during those taxable years. Any underwriting fees paid by us are not deductible. We may be required to recognize taxable income in circumstances in which we do not receive cash. For example, if we hold debt obligations that are treated under applicable tax rules as having OID (such as debt instruments with PIK interest or, in certain cases, with increasing interest rates or issued with warrants), we must include in income each year a portion of the OID that accrues over the life of the obligation, regardless of whether cash representing such income is received by us in the same taxable year. Because any OID accrued will be included in our ICTI for the taxable year of accrual, we may be required to make a distribution to our stockholders in order to satisfy the Annual Distribution Requirement, even though we will not have received any corresponding cash amount. Furthermore, a portfolio company in which we hold equity or debt instruments may face financial difficulty that requires us to work out, modify, or otherwise restructure such equity or debt instruments. Any such restructuring could, depending upon the terms of the restructuring, cause us to incur unusable or nondeductible losses or recognize future non- cash taxable income. Certain of our investment practices may be subject to special and complex U. S. federal income tax provisions that may, among other things, (1) treat dividends that would otherwise constitute qualified dividend income as non- qualified dividend income, (2) treat dividends that would otherwise be eligible for the corporate dividends- received deduction as ineligible for such treatment, (3) disallow, suspend or otherwise limit the allowance of certain losses or deductions, (4) convert lower- taxed long- term capital gain into higher- taxed short- term capital gain or ordinary income, (5) convert an ordinary loss or a deduction into a capital loss (the deductibility of which is more limited), (6) cause us to recognize income or gain without a corresponding receipt of cash, (7) adversely affect the time as to when a purchase or sale of stock or securities is deemed to occur, (8) adversely alter the characterization of certain complex financial transactions and (9) produce income that will not be qualifying income for purposes of the 90 % Income Test. We intend to monitor our transactions and may make certain tax elections to mitigate the ~~potential adverse~~ effect of these provisions ~~, but there can~~ **and prevent our ability to** be **subject to** ~~no assurance that we will be eligible for any such~~ tax **as a RIC** ~~elections or that any adverse effects of these provisions will be mitigated~~ . Gain or loss realized by us from warrants acquired by us as well as any loss attributable to the lapse of such warrants generally will be treated as capital gain or loss. Such gain or loss generally will be long- term or short- term, depending on how long we held a particular warrant or security. A portfolio company in which we invest may face financial difficulties that require us to work- out, modify or otherwise restructure its investment in the portfolio company. Any such transaction could, depending upon the specific terms of the transaction, result in unusable capital losses and future non- cash income. Any such transaction could also result in our receiving assets that give rise to income that is not qualifying income for purposes of the 90 % Income Test. Our investment in non- U. S. securities may be subject to non- U. S. income, withholding and other taxes. In that case, our yield on those securities would be decreased. stockholders generally will not be entitled to claim a U. S. foreign tax credit or deduction with respect to non- U. S. taxes paid by the Company. Although we do not presently expect to do so, we are authorized to borrow funds and to sell assets in order to satisfy distribution requirements. However, under the 1940 Act, we are not permitted to make distributions to our stockholders while our debt obligations and other senior securities are outstanding unless certain " asset coverage " tests are met. See " Item 1. Business — Regulation as a Business Development Company — Senior Securities. " Moreover, our ability to dispose of assets to meet our distribution requirements may be limited by (1) the illiquid nature of our portfolio and / or (2) other requirements relating to our qualification as a RIC, including certain diversification tests in order to qualify as a RIC for U. S. federal income tax purposes (the " Diversification Tests "). If we dispose of assets in order to meet the Annual Distribution Requirement or the Excise Tax Avoidance Requirement, we may make such dispositions at times that, from an investment standpoint, are not advantageous. Some of the income and fees that we may recognize, such as fees for providing managerial assistance, certain fees earned with respect to our investments, income recognized in a work- out or restructuring of a portfolio investment, or income recognized from an equity investment in an operating partnership, will not satisfy the 90 % Income Test. In order to manage the risk that such income and fees might disqualify us as a RIC for a failure to satisfy the 90 % Income Test, we may be required to recognize such income and fees indirectly through one or more entities treated as corporations for U. S. federal income tax purposes. Such corporations will be required to pay U. S. corporate income tax on their earnings, which ultimately will reduce our return on such income and fees. There may be uncertainty as to the appropriate treatment of certain of our investments for U. S. federal income tax purposes. In particular, we may invest a portion of our net assets in below investment grade instruments. U. S. federal income tax rules with respect to such instruments are not entirely clear about issues such as if an instrument is treated as debt or equity, whether and to what extent we should recognize interest, OID or market discount, when and to what extent deductions may be taken for bad debts or worthless instruments, how payments received on obligations in default should be allocated between principal and income and whether exchanges of debt obligations in a bankruptcy or workout context are taxable. These and other issues will be addressed by us, to the extent necessary, in order to seek to ensure that we distribute sufficient income to qualify, and maintain our qualification as, a RIC and to ensure that we do not become subject to U. S. federal income or excise tax. Income received by us from sources outside the United States may be subject to withholding and other taxes imposed by such countries, thereby reducing income available to us. Tax conventions between certain countries and the United States may reduce or eliminate such taxes. We generally intend to conduct our investment activities to minimize the impact of foreign taxation, but there is no guarantee that we will be successful in this regard. We may invest in stocks of foreign companies that are classified under the Code as passive foreign investment companies (" PFICs "). In general, a foreign company is classified as a PFIC if at least 50 % of its assets constitute investment- type assets or 75 % or more of its gross income is investment- type income. In general, under the PFIC rules, an " excess distribution " received with respect to PFIC stock is treated as having been realized ratably over the period during which we held the PFIC stock. We will be subject to tax on the portion, if any, of the excess distribution that is allocated to our holding period in prior taxable years (and an interest factor will be added to the tax, as if the tax had actually been payable in such prior taxable years) even though we distribute the corresponding income to stockholders. Excess distributions include any gain from the sale of PFIC stock as well as certain distributions from a PFIC. All excess distributions are taxable as ordinary income. We may be eligible to elect alternative tax treatment with respect to PFIC stock. Under such an election, we generally would be required to include in our gross income its share of the earnings of a PFIC on a current basis, regardless of whether any distributions are received from the PFIC. If this election is made, the special rules, discussed above, relating to the taxation of excess distributions, would not apply. Alternatively, we may be able to elect to mark to market our PFIC stock, resulting in any unrealized gains at year end being treated as though they were realized and reported as ordinary income. Any mark- to- market losses and any loss from an actual disposition of the PFIC' s shares would be deductible as ordinary losses to the extent of any net mark- to- market gains included in income in prior years with respect to stock in the same PFIC. Because the application of the PFIC rules may affect, among other things, the character of gains, the amount of gain or loss and the timing of the recognition of income with respect to PFIC stock, as well as subject us to tax on certain income from PFIC stock, the amount that must be distributed to stockholders, and which will be taxed to stockholders as ordinary income or long- term capital gain, may be increased or decreased substantially as compared to a fund that did not invest in PFIC stock. Under the Code, gains or losses attributable to fluctuations in foreign currency exchange rates that occur between the time we accrue interest income or other receivables or accrues expenses or other liabilities denominated in a foreign currency and the time we actually collect such receivables or pays such liabilities generally are treated as ordinary income or ordinary loss. Similarly, on disposition of some investments, including debt securities and certain forward contracts denominated in a foreign currency, gains or losses attributable to fluctuations in the value of foreign currency between the date of acquisition of the security or contract and the date of disposition also are treated as ordinary gain or loss. These gains and losses, referred to under the Code as " section 988 " gains and losses, may increase or decrease the amount of our ICTI to be distributed to stockholders as ordinary income. For example, fluctuations in exchange rates may increase the amount of income that we must distribute in order to qualify for treatment as a RIC and to prevent application of an excise tax on undistributed income. Alternatively, fluctuations in exchange rates may decrease or eliminate income available for distribution. If section 988 losses exceed other ICTI during a taxable year, we would not be able to make ordinary distributions, or distributions made before the losses were realized would be re- characterized as a return of capital to stockholders for U. S. federal income tax purposes, rather than as ordinary dividend income, and would reduce each stockholder' s basis in ~~Shares~~ **Common Stock** . Certain distributions reported by us as section 163 (j) interest dividends may be treated as interest income by stockholders for purposes of the tax rules applicable to interest expense limitations under Code section 163 (j). Such treatment by the stockholder is generally subject to holding period requirements and other potential limitations, although the holding period requirements are generally not applicable to dividends declared by money market funds and certain other funds that declare dividends daily and pay such dividends on a monthly or more frequent basis. The amount that we are eligible to report as a Section 163 (j) dividend for a tax year is generally limited to the excess of our business interest income over the sum of our (i) business interest expense and (ii) other deductions properly allocable to our business interest income. Failure to Qualify as a RIC If we were unable to qualify for treatment as a RIC and are unable to cure the failure, for example, by disposing of certain investments quickly or raising additional capital to prevent the loss of RIC status, we would be subject to tax on all of our taxable income at regular corporate rates. The Code provides some relief from RIC disqualification due to failures to comply with the 90 % Income Test and the Diversification Tests, although there may be additional taxes due in such cases. We cannot assure you that we would qualify for any such relief should we fail the 90 % Income Test or the Diversification Tests. Should failure occur, all our taxable income would be subject to tax at regular corporate rates and we would not be able to deduct our dividend distributions to stockholders. Additionally, we would no longer be required to distribute our income and gains. Distributions, including distributions of net long- term capital gain, would generally be taxable to our stockholders as ordinary dividend income to the extent of our current and accumulated earnings and profits. Subject to certain limitations under the Code, certain corporate stockholders would be eligible to claim a dividends-received deduction with respect to such dividends and non- corporate stockholders would generally be able to treat such dividends as " qualified dividend income, " which is subject to reduced rates of U. S. federal income tax. Distributions in excess of our current and accumulated earnings and profits would be treated first as a return of capital to the extent of the stockholder' s tax basis, and any remaining distributions would be treated as a capital gain. If we fail to qualify as a RIC, we may be subject to regular corporate tax on any net built- in gains with respect to certain of our assets (i. e., the excess of the aggregate gains, including items of income, over aggregate losses that would have been realized with respect to such assets if we had been liquidated) that we elect to recognize on requalification or when recognized over the next five taxable years. Staffing We do not currently have any employees. Our day- to- day investment operations are managed by our Adviser, and our Administrator provides services necessary to conduct our business. We pay no compensation directly to any interested director or executive officer of the Company. We pay our Administrator our allocable portion of certain expenses incurred by our Administrator in performing its obligations under the Administration Agreement, including our allocable portion of the cost of our Chief Financial Officer and Chief Compliance Officer. Item 1A. Risk Factors Investing in shares of our Common Stock involves a number of significant risks. Before you invest in shares of our Common Stock, you should be aware of various risks, including those described below. The risks set out below are not the only risks we face. Additional risks and uncertainties not presently known to us or not presently deemed material by us may also impair our operations and performance. If any of the following events occur, our business, financial condition, results of operations and cash flows could be materially and adversely affected. In such case, our net asset value could decline, and you may lose all or part of your investment. The risk factors described below are the principal risk factors associated with an investment in us as well as those factors generally associated with an investment company with investment objectives, investment policies, capital structure or trading markets similar to ours. Operating as a BDC imposes numerous constraints on us and significantly reduces our operating flexibility. In addition, if we fail to maintain our status as a BDC, we might be regulated as a closed- end investment company, which would subject us to additional regulatory restrictions. The 1940 Act imposes numerous constraints on the operations of BDCs that do not apply to certain of the other investment vehicles advised by our Adviser and its affiliates. BDCs are required, for example, to invest at least 70 % of their total assets primarily in securities of U. S. private or thinly traded public companies, cash, cash equivalents, U. S. government securities and other high- quality debt instruments that mature in one year or less from the date of investment. These constraints may hinder our ability to take advantage of attractive investment opportunities and to achieve our investment objective. Furthermore, any failure to comply with the requirements imposed on BDCs by the 1940 Act could cause the SEC to bring an enforcement action against us and / or expose us to claims of private litigants. We may be precluded from investing in what our Adviser believes 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 will be prohibited from making any additional investment that is not a qualifying asset and could be forced to forgo attractive investment opportunities. Similarly, these rules could prevent us from making follow- on investments in existing portfolio companies (which could result in the dilution of our position). If we fail to maintain our status as a BDC, we might be regulated as a closed- end investment company that is required to register under the 1940 Act, which would subject us to additional regulatory restrictions and significantly decrease our operating flexibility. In addition, any such failure could cause an event of default under any outstanding indebtedness we might have, which could have a material adverse effect on our business, financial condition or results of operations. To the extent we borrow money or issue debt securities or any preferred stock to make investments, our net investment income will depend, in part, upon the difference between the rate at which we borrow funds or pay interest or distributions on such debt securities or preferred stock and the rate at which we invest these funds. In addition, we anticipate that many of our debt investments and borrowings will have floating interest rates that reset on a periodic basis, and many of our investments will be subject to interest rate floors. As a result, a significant change in market interest rates could have a material adverse effect on our net investment income. Rising interest rates on floating rate loans we make to portfolio companies could drive an increase in defaults or accelerated refinancings. Some portfolio companies may be unable to refinance into fixed rate loans or repay outstanding amounts, leading to a gradual decline in the credit quality of our portfolio. In periods of rising interest rates, our cost of funds will increase because we expect that the interest rates on the majority of amounts we borrow will be floating. This change could reduce our net investment income to the extent any debt investments have fixed interest rates. We may use interest rate risk management techniques in an effort to limit our exposure to interest rate fluctuations. Such techniques may include various interest rate hedging activities to the extent permitted by the 1940 Act and applicable commodities laws. These activities may limit our ability to benefit from lower interest rates with respect to hedged borrowings. Adverse developments resulting from changes in interest rates or hedging transactions could have a material adverse effect on our business, financial condition and results of operations. **The discontinuation of LIBOR and replacement or reform of other interest rate benchmarks may adversely affect our business and results of operations.** Many financial instruments have historically used ~~and continue to use~~ a floating rate based on LIBOR, which ~~is~~ **was** the offered rate for short- term Eurodollar deposits between major international banks. ~~For several years,~~ LIBOR ~~has been~~ **was and other benchmark interest rates may, in the future, be** the subject of national and international regulatory scrutiny. **Following their publication on June 30, 2023, no settings of LIBOR continue to be published on a representative basis and publication of many non- U. S. dollar LIBOR settings has been entirely discontinued.** On March ~~5~~ **15** , ~~2021~~ **2022** , the U. ~~K~~ **S** . **enacted federal legislation that is intended to minimize legal and economic uncertainty following U. S. dollar LIBOR** ' s **cessation by replacing LIBOR references in certain U. S. law- governed contracts under certain circumstances with a SOFR- based rate identified in a Federal Reserve rule plus a statutory spread adjustment. The legislation also creates a safe harbor that shields lenders from litigation if they choose to utilize a replacement rate recommended by the Board of Governors of the Federal Reserve. In addition, the U. K.** Financial Conduct Authority **("** ~~, or the~~ FCA **")** , **which regulates the publisher of** ~~publicly announced that all U. S. Dollar~~ LIBOR ~~settings will either cease to be provided by any administrator or no longer be representative~~ (~~i) immediately after December 31, 2021 for one- week and two- month U. S. Dollar LIBOR settings and (ii) immediately after June 30, 2023 for the remaining U. S. Dollar LIBOR settings. In addition, as a result of supervisory guidance from U. S. regulators, some U. S. regulated entities ceased entering into new LIBOR contracts after December 31, 2021. In accordance with announcements by the FCA and the~~ ICE Benchmark Administration **), has announced that it will require the continued publication of the one-, three- and six- month tenors of U. S. dollar LIBOR on a non- representative synthetic basis until the end of September 2024** , which **may result in certain** ~~administers LIBOR publication, the publication of most~~ non- U. S. **law- governed contracts and U. S. law- governed contracts not covered by the federal legislation remaining on synthetic U. S.** dollar LIBOR **until** ~~rates ceased as of~~ the end of ~~December 2021~~ **this period** . **Although** ~~While publication of~~ the **transition process away from** ~~1, 3 and 6 month Sterling and Japanese yen~~ LIBOR ~~settings~~ **has become increasingly** ~~will~~ **well** ~~continue at least~~ **- defined (e. g., the LIBOR Act now provides a uniform benchmark replacement** for ~~one year on the basis of a synthetic methodology (known as " synthetic LIBOR "), these rates have been designated unrepresentative by the FCA and are solely available for use in legacy transactions. Furthermore, while~~ certain ~~U. S. dollar LIBOR tenors are expected to continue to be published until June 30, 2023, subject to certain exceptions, since December 31, 2021, banks have been instructed by the U. S. banking agencies and the FCA to cease entering into new contracts referencing LIBOR. The Federal Reserve Bank of New York now publishes SOFR based on overnight U. S. Treasury repurchase agreement transactions, which has been recommended as the alternative to U. S. dollar LIBOR by the Alternative Reference Rates Committee convened by the Federal Reserve and the Federal Reserve Bank of New York. Further, the Bank of England publishes a reformed Sterling Overnight Index Average, comprised of a broader set of overnight Sterling money market transactions, which has been selected by the Working Group on Sterling Risk- Free Reference Rates as the alternative rate to Sterling LIBOR. Certain bank- sponsored committees in other jurisdictions, including Europe, Japan and Switzerland, have selected alternative reference rates denominated in other currencies. Certain of the loan agreements with our portfolio companies include fallback language providing a mechanism for the parties to negotiate a new reference interest rate in the event that LIBOR ceases to exist. In addition, any further changes or reforms to the determination or supervision of LIBOR may result in a sudden or prolonged increase or decrease in reported LIBOR, which could have an adverse impact on the market value for or value of any~~ LIBOR- **based instruments in** ~~linked securities, loans, and other~~ - **the United States)** ~~financial obligations or extensions of credit held by or due to us and could have a material adverse effect on our business~~ , **the transition process is complex** ~~financial condition, tax position and results of operations~~ . The market transition away from LIBOR and **reform, modification, or adjustments of** other ~~current~~ reference ~~rates~~ - **rate benchmarks** to alternative reference rates is complex and could have a range of adverse impacts on our business, financial condition and results of operations. In particular, any such transition or reform could: • Adversely impact the pricing, liquidity, value of, return on and trading for a broad array of financial products, including any **securities, linked to** LIBOR ~~- linked securities~~ **, or the applicable benchmark rate** , loans and derivatives that are included in our assets and liabilities; • Require further extensive changes to documentation that governs or ~~references~~ - **reference** ~~LIBOR or LIBOR-~~ based products **using applicable benchmark rate** , including, for example, pursuant to time- consuming renegotiations of existing documentation to modify the terms of outstanding transactions; • Result in ~~a population of products with documentation that governs or references LIBOR or LIBOR- based products but that cannot be amended due to an inability to obtain sufficient consent from counterparties; • Result in inquiries, reviews or other actions from regulators in respect of our (or the market' s) preparation, readiness, transition plans and actions regarding the replacement of a LIBOR with one or more alternative reference rates, including regulatory guidance regarding constraints on the entry into new U. S. dollar LIBOR- linked contracts after December 31, 2021; • Result in~~ disputes, litigation or other actions with portfolio companies, or other counterparties, regarding the interpretation and enforceability of provisions in ~~our LIBOR- based~~ investments, ~~such as~~ **that utilize certain benchmark rates, the transition from one benchmark rate to other benchmark rates, including through** fallback language **, legislative requirements** or other related provisions, ~~including~~ **or** , in **connection with** ~~the case of fallbacks to the alternative reference rates,~~ any economic, legal, operational or other impact resulting from the fundamental differences **of** ~~between LIBOR and~~ the various alternative reference rates; • Require the transition and / or development of appropriate systems and analytics to effectively transition ~~our~~ risk management processes ~~from LIBOR- based products~~ to those based on one or more alternative reference rates in a timely manner, including by quantifying value and risk for various alternative reference rates, which may prove challenging given the limited history of ~~the proposed~~ **an applicable** alternative reference ~~rates~~ - **rate** ; and • Cause us to incur additional costs in relation to any of the above factors. In addition, the failure of any alternative benchmark rate to gain or maintain market acceptance could adversely affect the return on, value of and market for securities, variable rate debt and derivative financial instruments linked to such rates. Depending on several factors, including those set forth above, our business, financial condition and results of operations could be materially adversely impacted by the market transition or reform of certain reference rates and benchmarks. Other factors include the pace of the transition to replacement or reformed rates, timing mismatches between cash and derivative markets, the specific terms and parameters for and market acceptance of any alternative reference rate, market conventions for the use of any alternative reference rate in connection with a particular product (including the timing and market adoption of any conventions proposed or recommended by any industry or other group), prices of and the liquidity of trading markets for products based on alternative reference rates, and our ability to transition and develop appropriate systems and analytics for one or more alternative reference rates. As of December 31, ~~2022~~ **2023** , ~~approximately 56 % of~~ **we did not hold any investments in** our debt portfolio **that** ~~at fair value~~ bore interest at a floating rate determined on the basis of LIBOR. We do not have any internal management capacity or employees. We depend on the diligence, skill and network of business contacts of the senior investment professionals of our Adviser to achieve our investment objective. We cannot assure you that we will replicate the historical results achieved for other Morgan Stanley funds, and we caution you that our investment returns could be substantially lower than the returns achieved by them in prior periods. We expect that the Adviser will evaluate, negotiate, structure, close and monitor our investments in accordance with the terms of the Investment Advisory Agreement. We can offer no assurance, however, that the senior investment professionals of the Adviser will continue to provide investment advice to us. The loss of any member of the Investment Committee or of other senior investment professionals of the Adviser and its affiliates could limit our ability to achieve our investment objective and operate as we anticipate. In addition, we can offer no assurance that the resources, relationships and expertise of Morgan Stanley will be available for every transaction or generally during the term of the Company. This could have a material adverse effect on our financial condition, results of operations and cash flows. For the avoidance of doubt, we are not a subsidiary of or consolidated with Morgan Stanley. Furthermore, Morgan Stanley has no obligation, contractual or otherwise, to financially support us ~~beyond the equity commitment to purchase our Common Stock pursuant to a subscription agreement entered into by MS Credit Partners Holdings~~ . See " Management' s Discussion and Analysis of Financial Condition and Results of Operations — MS Credit Partners Holdings Investment. " Morgan Stanley has no history of financially supporting any of the BDCs on the MS Private Credit platform, even during periods of financial distress. We depend on the diligence, skill and network of business contacts of the professionals available to our Administrator to carry out the administrative functions necessary for us to operate, including the ability to select and engage sub- administrators and third- party service providers. We can offer no assurance, however, that the professionals of the Administrator will continue to provide administrative services to us. In addition, we can offer no assurance that the resources, relationships and expertise of Morgan Stanley will be available to the Administrator throughout the term of the Company. This could have a material adverse effect on our financial condition, results of operations and cash flows. Our business model depends to a significant extent upon strong referral relationships with private equity sponsors. Any inability of the Adviser to maintain or develop these relationships, or the failure of these relationships to generate investment opportunities, could adversely affect our business. We depend upon the Adviser' s and its affiliates' relationships with private equity sponsors, and we intend to rely to a significant extent upon these relationships to provide us with potential investment opportunities. If the Adviser fails to maintain such relationships, or to develop new relationships with other sponsors or sources of investment opportunities, we will not be able to grow our investment portfolio. In addition, individuals with whom the principals of the Adviser and its affiliates have relationships are not obligated to provide us with investment opportunities, and, therefore, we can offer no assurance that these relationships will generate investment opportunities for us in the future. ~~We are dependent upon management personnel of our Adviser for our future success. We do not have any internal management capacity or employees. The Adviser depends on the investment professionals of affiliates of Morgan Stanley and such investment professionals' diligence, skill and network of business contacts. Our success will depend to a significant extent on the continued service and coordination of our executive officers and members of the investment committee. The diversion of time by, or departure of, any of these individuals could have a material adverse effect on our ability to achieve our investment objectives.~~ The time and resources that individuals associated with our Adviser devote to us may be diverted, and we may face additional competition due to the fact that neither our Adviser nor its affiliates are prohibited from raising money for or managing another entity that makes the same types of investments that we target. The Adviser and its affiliates currently serve as the investment adviser for various funds, accounts and strategies, including the funds and accounts on the MS Private Credit platform, including the MS BDCs, and are not prohibited from raising money for and managing future investment entities that make the same or similar types of investments as those we target. As a result, the time and resources that our Adviser devotes to us may be diverted, and during times of intense activity in other investment programs they may devote less time and resources to our business than is necessary or appropriate. In addition, we may compete with any such investment entity also advised by the Adviser or its affiliates for the same investors and investment opportunities. We may not replicate the historical results achieved by other entities advised or sponsored by members of the Investment Committee, or by the Adviser or its affiliates. Our investments may differ from those of existing accounts that are or have been sponsored or advised by members of the Investment Committee, the Adviser or affiliates of the Adviser. Investors in our securities are not acquiring an interest in any accounts that are or have been sponsored or advised by members of the Investment Committee, the Adviser or affiliates of the Adviser. Subject to the requirements of the 1940 Act and the provisions of the **co- investment exemptive** ~~Order~~ **order applicable to us, or, as amended, the exemptive order** , we often co- invest in portfolio investments with other Affiliated Investment Accounts. Any such investments are subject to regulatory limitations and approvals by the Independent Directors. We can offer no assurance, however, that we will obtain such approvals or develop opportunities that comply with such limitations. We also cannot assure you that we will replicate the historical results achieved for other Morgan Stanley funds by members of the Investment Committee (including the Affiliated Investment Accounts), and we caution you that our investment returns could be substantially lower than the returns achieved by them in prior periods. 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. Our financial condition and results of operation depend on our ability to manage future growth effectively. Our ability to achieve our investment objective depends on our ability to grow, which depends, in turn, on the Adviser' s ability to identify, invest in and monitor companies that meet our investment selection criteria. Accomplishing this result on a cost- effective basis is largely a function of the Adviser' s structuring of the investment process, its ability to provide competent, attentive and efficient services to us and our access to financing on acceptable terms. We can offer no assurance that any current or future employees of the Adviser will contribute effectively to the work of, or remain associated with, the Adviser. We caution you that the principals of our Adviser or Administrator may also be called upon to provide managerial assistance to our portfolio companies and those of other investment vehicles, including the MS BDCs, which are advised by the Adviser. Such demands on their time may distract them or slow our rate of investment. Any failure to manage our future growth effectively could have a material adverse effect on our business, financial condition and results of operations. The Adviser may frequently be required to make investment analyses and decisions on an expedited basis in order to take advantage of investment opportunities, and our Adviser may not have knowledge of all circumstances that could impact our investments. Investment analyses and decisions by the Adviser may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to the Adviser at the time of making an investment decision may be limited. Therefore, we can offer no assurance that the Adviser will have knowledge of all circumstances that may adversely affect a portfolio investment, and the Adviser may make portfolio investments which it would not have made if more extensive due diligence had been undertaken. In addition, the Adviser may rely upon independent consultants and advisors in connection with its evaluation of proposed investments, and we can offer no assurance as to the accuracy or completeness of the information provided by such independent consultants and advisors or to the Adviser' s right of recourse against them in the event errors or omissions do occur. As a result of our Adviser and Administrator' s affiliation with, and the Investment Committee members' employment by, Morgan Stanley, there may be times when the Adviser, the Administrator or such persons have interests that differ from those of our stockholders, giving rise to a conflict of interest. As a diversified global financial services firm, Morgan Stanley engages in a broad spectrum of activities, including financial advisory services, investment management activities, lending, commercial banking, sponsoring and managing private investment funds, engaging in broker- dealer transactions and principal securities, commodities and foreign exchange transactions, research publication and other activities. In the ordinary course of its business, Morgan Stanley is a full- service investment banking and financial services firm and therefore engages in activities where Morgan Stanley' s interests or the interests of its clients may conflict with the interests of our stockholders, notwithstanding Morgan Stanley' s participation as one of our investors. Investors should be aware that potential and actual conflicts of interest between Morgan Stanley or any Affiliated Investment Account, on the one hand, and us, on the other hand, may exist and others may arise in connection with our operation. Morgan Stanley' s employees may also have interests separate from those of Morgan Stanley and us. There is no assurance that conflicts of interest will be resolved in favor of the Company' s stockholders, and, in fact, they may not be. Conflicts related to obligations the Investment Committee, the Adviser or its affiliates have to other clients and conflicts related to fees and expenses of such other clients. Morgan Stanley, the parent company of the Adviser, has advised and may advise clients and has sponsored, managed or advised other Affiliated Investment Accounts with a wide variety of investment objectives that in some instances may overlap or conflict with our investment objectives and present conflicts of interest. In addition, Morgan Stanley routinely makes equity and debt investments in connection with its global business and operations. MS Private Credit may also from time to time create new or successor Affiliated Investment Accounts that may compete with us and present similar conflicts of interest. In serving in these multiple capacities, Morgan Stanley, including the Adviser, the Investment Committee and the Investment Team, may have obligations to other clients or investors in Affiliated Investment Accounts, the fulfillment of which may not be in the best interests of us or our stockholders. For example, in connection with the management of investments for other Affiliated Investment Accounts, members of Morgan Stanley and its affiliates may serve on the boards of directors of or advise companies which may compete with our portfolio investments. Our investment objective may overlap with the investment objectives of certain Affiliated Investment Accounts. For example, the Adviser currently serves as the investment adviser to the MS BDCs. As a result, the members of the Investment Committee may face conflicts in the allocation of investment opportunities among us and other Affiliated Investment Accounts. Certain Affiliated Investment Accounts, including the MS BDCs, may provide for higher management fees, incentive fees, greater expense reimbursements or overhead allocations or may permit the Adviser and its affiliates to receive higher origination and other transaction fees, all of which may contribute to this conflict of interest and create an incentive for the Adviser to favor such Affiliated Investment Accounts. For example, the 1940 Act restricts the Adviser from receiving more than a 1 % fee in connection with loans that we acquire, or originate, a limitation that does not exist for certain other accounts. Morgan Stanley currently invests and plans to continue to invest on its own behalf and on behalf of its Affiliated Investment Accounts in a wide variety of investment opportunities in North America, Europe and elsewhere. Morgan Stanley and, to the extent consistent with applicable law and / or exemptive relief, its Affiliated Investment Accounts will be permitted to invest in investment opportunities without making such opportunities available to us beforehand. Subject to the requirements of any applicable exemptive relief, Morgan Stanley may offer investments that fall into the investment objectives of an Affiliated Investment Account to such account or make such investment on its own behalf, even though such investment also falls within our investment objectives. We may invest in opportunities that Morgan Stanley and / or one or more Affiliated Investment Accounts has declined, and vice versa. In addition, to the extent permitted by applicable law, investment opportunities in companies in which certain Affiliated Investment Accounts have already invested may be available to the Company notwithstanding that the Company has no existing investments in such portfolio company, resulting in assets of the Company potentially providing value to, or otherwise supporting the investments of, other Affiliated Investment Accounts. All of the foregoing may reduce the number of investment opportunities available to us and may create conflicts of interest in allocating investment opportunities among the Company, itself and the Affiliated Investment Accounts, including the MS BDCs. Our Adviser has established allocation policies and procedures and will continue to allocate opportunities among one or more of the Company and such Affiliated Investment Accounts in accordance with the terms of such policies and procedures. Investors should note that such allocation decisions may not be resolved to our advantage. There can be no assurance that we will have an opportunity to participate in certain opportunities that fall within our investment objectives. It is possible that Morgan Stanley or an Affiliated Investment Account will invest in a company that is or becomes a competitor of one of our portfolio companies. Such investment could create conflicts of interest among the Company, Morgan Stanley and / or the Affiliated Investment Account. Morgan Stanley may also have conflicts of interest in the allocation of Morgan Stanley resources to the portfolio company. In addition, certain Affiliated Investment Accounts will be focused primarily on investing in other funds which may have strategies that overlap and / or directly conflict and compete with us. In certain cases, we may be unable to invest in attractive opportunities because of the investment by these Affiliated Investment Accounts in such private equity or private credit sponsoring funds. We do not expect to invest in, or hold securities of, companies that are controlled by an affiliate' s other clients. However, our Adviser or an affiliate' s other clients may invest in, and gain control over, one of our portfolio companies. If our Adviser or an affiliate' s other client, or clients, gains control over one of our portfolio companies, it may create conflicts of interest and may subject us to certain restrictions under the 1940 Act. As a result of these conflicts and restrictions our Adviser may be unable to implement our investment strategies as effectively as they could have in the absence of such conflicts or restrictions. For example, as a result of a conflict or restriction, our Adviser may be unable to engage in certain transactions that it would otherwise pursue. In order to avoid these conflicts and restrictions, our Adviser may choose to exit such investments prematurely and, as a result, we may forego any positive returns associated with such investments. In addition, to the extent that an affiliate' s other client holds a different class of securities than us as a result of such transactions, our interests may not be aligned. It should be noted that Morgan Stanley has, directly and indirectly, made investments in certain of its Affiliated Investment Accounts, and accordingly Morgan Stanley' s investment in us in itself may not determine the outcome in the resolution of any of the foregoing conflicts. In the course of our investing activities, we pay management and incentive fees to the Adviser and reimburse certain expenses of the Administrator. As a result, investors in shares of our Common Stock will invest on a " gross " basis and receive distributions on a " net " basis after expenses, resulting in a lower rate of return than one might achieve through direct investments. As a result of this arrangement, there may be times when the Adviser has interests that differ from those of our common stockholders, giving rise to a conflict. The Investment Committee, the Adviser or its affiliates may, from time to time, possess material non- public information, or may not have access to certain information held by Morgan Stanley, each of which would limit our investment discretion. Principals of the Adviser and its affiliates and members of the Investment Committee may serve as directors of, or in a similar capacity with, companies in which we invest, the securities of which are purchased or sold on our behalf. In the event that material nonpublic information is obtained with respect to such companies, or we become subject to trading restrictions in order to comply with applicable law, regulatory restrictions or internal policies or procedures, including without limitation joint transaction restrictions pursuant to the 1940 Act, we could be prohibited for a period of time from purchasing or selling the securities of such companies, and this prohibition may have an adverse effect on us. The Adviser and / or Morgan Stanley may also from time to time be subject to contractual " stand- still " obligations and / or confidentiality obligations that may restrict the Adviser' s ability to trade in or make certain investments on behalf of the Company. In addition, Morgan Stanley may be precluded from disclosing such information to the Investment Team, even in circumstances in which the information would benefit the Company if disclosed. Therefore, the Adviser may not be provided access to material nonpublic information in the possession of Morgan Stanley that might be relevant to an investment decision to be made by the Company, and the Company may initiate a transaction or sell an investment that, if such information had been known to it, may not have been undertaken. In addition, certain members of the Investment Team and of the Investment Committee may be recused from certain investment- related discussions, including investment committee meetings, so that such members do not receive information that would limit their ability to perform functions of their employment with Morgan Stanley unrelated to the Company. Furthermore, access to certain parts of Morgan Stanley may be subject to third party confidentiality obligations and to information barriers established by Morgan Stanley in order to manage potential conflicts of interest and regulatory restrictions, including without limitation joint transaction restrictions pursuant to the 1940 Act. Accordingly, the Company' s ability to source investments from other business units within Morgan Stanley may be limited and there can be no assurance that the Company will be able to source any investments from any one or more parts of the Morgan Stanley network. In the course of our investing activities, we pay a management fee and incentive fees to the Adviser. The base management fee is based on our average gross assets and the incentive fee is computed and paid on income, both of which include leverage. As a result, investors in shares of our Common Stock will invest on a " gross " basis and receive distributions on a " net " basis after expenses, resulting in a lower rate of return than one might achieve through direct investments. Because ~~these~~ -- **the management** ~~fees~~ - **fee** ~~are~~ **is** based on our average gross assets, the Adviser benefits when we incur debt or use leverage. Under certain circumstances, the use of leverage may increase the likelihood of default, which would disfavor us and our stockholders **. In addition, as additional leverage would magnify positive returns, if any, on our portfolio, our incentive fee would become payable to our Adviser (i. e., exceed the hurdle rate) at a lower average return on our portfolio. Thus, if we incur additional leverage, our Adviser may receive additional incentive fees without any corresponding increase (and potentially with a decrease) in our net performance** . Additionally, the incentive fee payable by us to the Adviser may create an incentive for the Adviser to cause us to realize capital gains or losses that may not be in the best interests of us or our stockholders. Under the incentive fee structure, the Adviser benefits when we recognize capital gains and, because the Adviser determines when an investment is sold, the Adviser controls the timing of the recognition of such capital gains. **As a result,** ~~Our Board of Directors is charged with protecting~~ our ~~stockholders' interests by monitoring how the~~ Adviser **may have** ~~addresses these and other conflicts of interest associated with its management services and compensation.~~

~~The Investment Advisory Agreement entitles our Adviser to receive~~ an incentive ~~fee based on~~ **to invest more in companies whose securities are likely to yield capital gains, as compared to income producing securities. Such a practice could result in our investing in more speculative securities than would otherwise be the case, which could result in higher investment losses, particularly during cyclical economic downturns. PIK interest and OID, would increase** our pre- incentive fee net investment income ~~regardless~~ **by increasing the size** of ~~any capital losses. In such case, we may be required to pay~~ **the loan balance of underlying loans and increasing our assets under management and makes it easier for** our Adviser **to surpass the hurdle rate** ~~an~~ **and increase** ~~incentive fee for a fiscal quarter even if there~~ -- **the amount** ~~is a decline in the value~~ of ~~our portfolio or if we incur a net loss for that quarter. Additionally, the part of the~~ incentive fees payable to our Adviser ~~that relates to our net investment income is computed and paid on income that may include interest income that has been accrued but not yet received in cash, such as market discount, debt instruments with PIK interest, preferred stock with PIK dividends, zero coupon securities, and other deferred interest instruments and may create an incentive for the Adviser to make investments on our behalf that are riskier or more speculative than would be the case in the absence of such compensation arrangement~~. This fee structure may be considered to give rise to a conflict of interest for the Adviser to the extent that it may encourage the Adviser to favor debt financings that provide for deferred interest, rather than current cash payments of interest. Under these investments, we will accrue the interest over the life of the investment, but we will not receive the cash income from the investment until the end of the term. Our net investment income used to calculate the income portion of our investment fee, however, includes accrued 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 fees 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 the Adviser is not obligated to reimburse us for any fees received even if we subsequently incur losses or never receive in cash the deferred income that was previously accrued. For federal income tax purposes, we may be required to recognize taxable income in some circumstances in which we do not receive a corresponding payment in cash and to make distributions with respect to such income to maintain our tax treatment as a RIC and / or minimize corporate- level U. S. federal income or excise tax. Under such circumstances, we may have difficulty meeting the Annual Distribution Requirement (as defined below) necessary to maintain RIC tax treatment under the Code. See " Item 1. Business — Certain Material U. S. Federal Income Tax Considerations — Election to be Taxed as a RIC. " This difficulty in making the required distribution may be amplified to the extent that we are required to pay the incentive fee on income with respect to such accrued income. As a result, we may have to sell some of our investments at times and / or at prices we would not consider advantageous, raise additional debt or equity capital, or forgo new investment opportunities for this purpose. If we are not able to obtain cash from other sources, we may fail to qualify for RIC tax treatment and thus become subject to corporate- level U. S. federal income tax. Conflicts related to other arrangements with the Adviser and its affiliates. We have entered into a license agreement, or **the** License Agreement, with Morgan Stanley Investment Management, Inc., an affiliate of our Adviser, under which Morgan Stanley Investment Management, Inc. has granted us a non- exclusive, royalty- free license to use the name " Morgan Stanley. " In addition, we pay to the Administrator our allocable portion of certain expenses incurred by the Administrator in performing its obligations under the Administration Agreement, such as our allocable portion of the cost of our Chief Financial Officer and Chief Compliance Officer. These arrangements create conflicts of interest that our Board of Directors monitors. As a BDC, we are prohibited under the 1940 Act from participating in certain transactions with certain of our affiliates without the prior approval of a majority of our Independent Directors and, in some cases, the SEC. Any person that owns, directly or indirectly, 5 % or more of our outstanding voting securities is our affiliate for purposes of the 1940 Act, and we are generally prohibited from buying or selling any securities from or to such affiliate on a principal basis, absent the prior approval of our Board of Directors and, in some cases, the SEC. The 1940 Act also prohibits certain " joint " transactions with certain of our affiliates, which in certain circumstances could include investments in the same portfolio company (whether at the same or different times to the extent the transaction involves a joint investment), without prior approval of our Board of Directors and, in some cases, the SEC. If a person acquires more than 25 % of our voting securities, we will be prohibited from buying or selling any security from or to such person or certain of that person' s affiliates, or entering into prohibited joint transactions with such persons, absent the prior approval of the SEC. Similar restrictions limit our ability to transact business with our officers or directors or their affiliates. The SEC has interpreted the BDC regulations governing transactions with affiliates to prohibit certain joint transactions involving entities that share a common investment adviser. As a result of these restrictions, we are prohibited from buying or selling any security from or to any portfolio company that is controlled by a fund advised by the Adviser or their respective affiliates without the prior approval of the SEC, which may limit the scope of investment opportunities that would otherwise be available to us. We may, however, invest alongside our Adviser' s and / or its affiliates' other clients, in certain circumstances where doing so is consistent with applicable law and SEC staff interpretations, guidance and exemptive relief orders. However, although the Adviser endeavors to fairly allocate investment opportunities in the long run, we can offer no assurance that investment opportunities will be allocated to us fairly or equitably in the short- term or over time. The SEC has granted us and our Adviser **exemptive relief (** the **"** Order **")** that allows us to enter into certain negotiated co- investment transactions alongside certain Affiliated Investment Accounts in a manner consistent with our investment objective, positions, policies, strategies, and restrictions as well as regulatory requirements and other pertinent factors, subject to compliance with the **conditions specified in the** Order. Pursuant to the Order, we are permitted to co- invest with our affiliates if a " required majority " (as defined in Section 57 (o) of the 1940 Act) of our eligible directors make certain conclusions in connection with a co- investment transaction, including that (1) the terms of the transactions, including the consideration to be paid, are reasonable and fair to us and our stockholders and do not involve overreaching in respect of us or our stockholders on the part of any person concerned, and (2) the transaction is consistent with the interests of our stockholders and is consistent with our investment objective and strategies **. We have applied for a new exemptive relief order which, if granted, would supersede the Order with respect**

to negotiated co- investment transactions alongside certain Regulated Funds and Affiliated Funds (each as defined in the application). There can be no assurance that we will obtain such new exemptive relief from the SEC . In situations where co- investment with affiliates' other clients is not permitted under the 1940 Act and related rules, existing or future staff guidance, or the terms and conditions of the ~~exemptive order~~ **Order** ~~granted to us by the SEC (as discussed above)~~ , our Adviser will need to decide which client or clients will proceed with the investment. Generally, we will not have an entitlement to make a co- investment in these circumstances and, to the extent that another client elects to proceed with the investment, we will not be permitted to participate. Moreover, except in certain circumstances, we will not invest in any issuer in which an affiliate' s other client holds a controlling interest. The recommendations given to us by our Adviser may differ from those rendered to their other clients. Our Adviser and its affiliates may give advice and recommend securities to other clients which may differ from advice given to, or securities recommended or bought for, us even though such other clients' investment objectives may be similar to ours ~~. We do not know at this time what circumstances will exist in the future, and therefore we do not know what factors our Board of Directors will consider in contemplating an Exchange Listing or other Liquidity Event in the future. As a result, even if we do complete an Exchange Listing to establish a secondary market for shares of our Common Stock, you may not receive a return of all of your invested capital. If we do not successfully complete an Exchange Listing, liquidity for your shares of Common Stock may be limited to participation in any repurchase offers that our Board of Directors may determine to conduct, which we do not currently intend to conduct prior to the end of the Investment Period. In addition, in any repurchase offer, if the amount requested to be repurchased in any repurchase offer exceeds the repurchase offer amount, repurchases of shares of Common Stock would generally be made on a pro rata basis (based on the number of shares of Common Stock put to us for repurchases), not on a first- come, first- served basis. There is no assurance that the Board of Directors will adopt a repurchase program at the end of the Investment Period or at all, and the Board of Directors may amend, suspend or terminate any such repurchase program at any time in its discretion. Even if we undertake an Exchange Listing, we cannot assure you a public trading market will develop or, if one develops, that such trading market can be sustained. Shares of companies offered in an initial public offering or Exchange Listing often trade at a discount to the initial offering price due to underwriting discounts and related offering expenses. In addition, following an Exchange Listing, investors may be restricted from selling or disposing of their shares of Common Stock by applicable securities laws, contractually by a lock- up agreement with the underwriters of the Exchange Listing and contractually through restrictions contained in the subscription agreement in respect of shares of our Common Stock. Also, shares of closed- end investment companies and BDCs frequently trade at a discount from their net asset value. This characteristic of closed- end investment companies and BDCs is separate and distinct from the risk that our net asset value per share may decline. We cannot predict whether shares of our Common Stock, if listed on a national securities exchange, would trade at, above or below net asset value~~ . We operate in a highly competitive market for investment opportunities, which could reduce returns and result in losses. The business of identifying and structuring investments of the types contemplated by us is competitive and involves a high degree of uncertainty. We are competing for investments with other investment funds, including the MS BDCs, as well as more traditional lending institutions and private credit- focused competitors. Over the past several years, an increasing number of funds have been formed, with investment objectives similar to, or overlapping with, our investment objectives (and many such existing funds have grown substantially in size). In addition, other firms and institutions are seeking to capitalize on the perceived opportunities with vehicles, funds and other products that are expected to compete with us for investments. Other investors may make competing offers for investment opportunities that we identify. Even after an agreement in principle has been reached with the board of directors or owners of an acquisition target, consummating the transaction is subject to a myriad of uncertainties, only some of which are foreseeable or within the control of the Adviser. Some of our competitors may have access to greater amounts of capital and to capital that may be committed for longer periods of time or may have different return thresholds than us, and thus these competitors may have advantages over us. In addition, issuers may prefer to take advantage of favorable high- yield markets and issue subordinated debt in those markets, which could result in fewer credit investment opportunities for us. In addition to competition from other investors, the availability of investment opportunities generally will be subject to market conditions as well as, in many cases, the prevailing regulatory or political climate. We can offer no assurance that we will be successful in obtaining suitable investments, or that if we make such investments, our objectives will be achieved. In order 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 stockholders dividends for U. S. federal income tax purposes of an amount generally at least equal to 90 % of our ICTI, which is generally our net ordinary income plus the excess of our net short- term capital gains in excess of our net long- term capital losses, determined without regard to any deduction for dividends paid, to our stockholders on an annual basis. We are 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 be subject to tax as a RIC, in which case we will be subject to corporate- level income tax. To qualify as a RIC, we must also meet certain asset diversification requirements at the end of each quarter of our taxable year. Failure to meet these requirements may result in our having to dispose of certain investments quickly in order to continue to qualify as a RIC. Because most of our investments are in private or thinly traded public companies, 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- level income tax, the resulting corporate taxes could substantially reduce our net assets, the amount of income available for distributions to stockholders, the amount of our distributions and the amount of funds available for new investments. Such a failure would have a material adverse effect on us and our stockholders. See " Item 1. Business — Certain Material U. S. Federal Income Tax Considerations — Taxation as a RIC. " We may have difficulty paying our required distributions if we recognize income before, or without, receiving cash representing such income. For U. S. federal income tax purposes, we include in income certain amounts that we have not yet received in cash, such as the accretion of OID. This may arise if we receive warrants in connection with the making of a loan and in other circumstances, or through contracted PIK interest, which represents contractual interest added to the loan 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, is included in our income before we receive any corresponding cash payments. We also may be required to include in income certain other amounts that we do not receive in cash. That part of the incentive fee payable by us that relates to our net investment income is computed and paid on income that may include interest that has been accrued but not yet received in cash, such as market discount, debt instruments with PIK interest, preferred stock with PIK dividends and zero coupon securities. If a portfolio company defaults on a loan that is structured to provide accrued interest, it is possible that accrued interest previously used in the calculation of the incentive fee will become uncollectible, and the Adviser will have no obligation to refund any fees it received in respect of such accrued income. Since in certain cases we may recognize income before or without receiving cash representing such income, we may have difficulty meeting the requirement in a given taxable year to distribute to our stockholders dividends for U. S. federal income tax purposes an amount at least equal to 90 % of our ICTI, determined without regard to any deduction for dividends paid, to our stockholders to qualify and maintain our ability to be subject to tax as a RIC. In such a case, we may have to sell some of our investments at times we would not consider advantageous, raise additional debt or equity capital or reduce new investment originations to meet these distribution requirements. If we are not able to obtain such cash from other sources, we may fail to qualify as a RIC and thus be subject to corporate- level income tax. ~~If we are not treated as a “ publicly offered regulated investment company, ” as defined in the Code, U. S. stockholders that are individuals, trusts or estates will be taxed as though they received a distribution of some of our expenses. For any taxable year that we are not so treated as a “ publicly offered regulated investment company, ” each U. S. stockholder that is an individual, trust or estate will be treated as having received a dividend for U. S. federal income tax purposes from us in the amount of such U. S. stockholder’ s allocable share of the management fee and incentive fees paid to our investment adviser and certain of our other expenses for the calendar year, and these fees and expenses will be treated as miscellaneous itemized deductions of such U. S. stockholder. For taxable years beginning before 2026, miscellaneous itemized deductions generally are not deductible by a U. S. stockholder that is an individual, trust or estate. For taxable years beginning in 2026 or later, miscellaneous itemized deductions generally are deductible by a U. S. stockholder that is an individual, trust or estate only to the extent that the aggregate of such U. S. stockholder’ s miscellaneous itemized deductions exceeds 2 % of such U. S. stockholder’ s adjusted gross income for U. S. federal income tax purposes, are not deductible for purposes of the AMT and are subject to the overall limitation on itemized deductions under Section 68 of the Code. See “ Item 1. Business — Certain Material U. S. Federal Income Tax Considerations. ”~~ We will need additional capital to fund new investments and grow our portfolio of investments. We intend to access the capital markets periodically to issue debt or equity securities or borrow from financial institutions in order to obtain such additional capital. Unfavorable economic conditions 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. A reduction in the availability of new capital could limit our ability to grow. In addition, we are required to distribute each taxable year an amount at least equal to 90 % of our ICTI, determined without regard to any deduction for dividends paid as dividends for U. S. federal income tax purposes, to our stockholders to maintain our ability to be subject to tax as a RIC. As a result, these earnings are not available to fund new investments. An inability to 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. This would have an adverse effect on the value of our securities. If we are not able to raise capital and are at or near our targeted leverage ratios, we may receive smaller allocations, if any, on new investment opportunities under the Adviser’ s allocation policies and procedures. Regulations governing our operation as a BDC affect our ability to, and the way in which we, raise additional capital. As a BDC, the necessity of raising additional capital exposes us to risks, including the typical risks associated with leverage. 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 are currently permitted to issue" senior securities," including borrowing money from banks or other financial institutions, only in amounts such that our asset coverage, as defined in the 1940 Act, equals at least 150 % of gross assets less all liabilities and indebtedness not represented by senior securities, after each issuance of senior securities. If we fail to comply with certain disclosure requirements, our asset coverage ratio under the 1940 Act would be 200 %, which would decrease the amount of leverage we are able to incur. If the value of our assets declines, we may be unable to satisfy the applicable asset coverage ratio. If that happens, we may be required to sell a portion of our investments and, depending on the nature of our leverage, repay a portion of our indebtedness at a time when such sales may be disadvantageous. Also, any amounts that we use to service our indebtedness would not be available for distributions to holders of shares of our Common Stock. If we issue senior securities, we will be exposed to typical risks associated with leverage, including an increased risk of loss. In the absence of an event of default, no person or entity from which we borrow money has a veto right or voting power over our ability to set policy, make investment decisions or adopt investment strategies. If we issue preferred stock, which is another form of leverage, the preferred stock would rank “ senior ” to Common Stock in our capital structure, preferred stockholders would have separate voting rights on certain matters and might have other rights, preferences or privileges more favorable than those of our common stockholders, and the issuance of preferred stock could have the effect of delaying, deferring or preventing a transaction or a change of control that might involve a premium price for holders of our Common Stock or otherwise be in the best interest of our common stockholders. Holders of our Common Stock will directly or indirectly bear all of the costs associated with offering and servicing any preferred stock that we issue. In addition, any interests of preferred stockholders may not necessarily align with the interests of holders of our Common Stock and the rights of holders of shares of preferred stock to receive distributions would be senior to those of holders of shares of Common Stock. We do not, however, anticipate issuing preferred stock in the next 12 months. We are not generally able to issue and sell our Common Stock at a price below net asset value per share. We may, however, sell our Common Stock, or warrants, options or rights to acquire our Common Stock, at a price below the then- current net asset value per share of our Common Stock if our Board of Directors determines that such sale is in the best interests of us and our stockholders, and if our stockholders approve such sale. In any such case, the price at which our securities are to be issued and sold may not be less than a price that, in the determination of our Board of Directors, closely approximates the market value of such securities (less any distributing commission or discount). If we raise additional funds by issuing Common Stock or senior securities convertible into, or exchangeable for, our Common Stock, then the percentage ownership of our stockholders at that time will decrease, and holders of our Common Stock might experience dilution. We intend to finance our investments with borrowed money, which will magnify the potential for gain or loss on amounts invested and may increase the risk of investing in us. The use of leverage magnifies the potential for gain or loss on amounts invested. The use of leverage is generally considered a speculative investment technique and increases the risks associated with investing in our securities. The amount of leverage that we employ will be subject to the restrictions of the 1940 Act and the supervision of our Board of Directors. At the time of any proposed borrowing, the amount of leverage we employ will also depend on our Adviser' s assessment of market and other factors. We cannot assure you that we will be able to obtain credit at all or on terms acceptable to us. For example, due to the interplay of the 1940 Act restrictions on principal and joint transactions and the U. S. risk retention rules adopted pursuant to Section 941 of Dodd- Frank, as a BDC we are limited in our ability to enter into any securitization transactions. We cannot assure you that the SEC or any other regulatory authority will modify such regulations or provide administrative guidance that would give us greater flexibility to enter into securitizations. We have in the past and may in the future issue senior debt securities to banks, insurance companies and other lenders. Lenders of these senior securities will have fixed dollar claims on our assets that are superior to the claims of our common stockholders, and we would expect such lenders to seek recovery against our assets in the event of a default. We may pledge up to 100 % of our assets, may grant a security interest in all of our assets and may pledge the right to make capital calls of stockholders under the terms of any debt instruments we may enter into with lenders. Under the terms of any credit facility or debt instrument we enter into, we are likely to be required to comply with certain financial and operational covenants. Failure to comply with such covenants could result in a default under the applicable credit facility or debt instrument if we are unable to obtain a waiver from the applicable lender or holder, and such lender or holder could accelerate repayment under such indebtedness and negatively affect our business, financial condition, results of operations and cash flows. In addition, under the terms of any credit facility or other debt instrument we enter into, we are likely to be required by its terms to use the net proceeds of any investments that we sell to repay a portion of the amount borrowed under such facility or instrument before applying such net proceeds to any other uses. If the value of our assets decreases, leveraging would cause our net asset value to decline more sharply than it otherwise would have had we not leveraged, thereby magnifying losses or eliminating our equity stake in a leveraged investment. Similarly, any decrease in our net investment income will cause our net income to decline more sharply than it would have had we not borrowed. Such a decline would also negatively affect our ability to make distributions on our Common Stock or any outstanding preferred stock. Our ability to service our debt depends largely on our financial performance and is subject to prevailing economic conditions and competitive pressures. Our common stockholders bear the burden of any increase in our expenses as a result of our use of leverage, including interest expenses and any increase in the base management fee payable to the Adviser. As a BDC, we generally are required to meet a coverage ratio of total assets to total borrowings and other senior securities, which include our borrowings and any preferred stock that we may issue in the future, which is currently 150 %. If this ratio were to decline below 150 % (or such other percentage as may be prescribed by law from time to time), we could not incur additional debt and could be required to sell a portion of our investments to repay some debt when it was disadvantageous to do so. This could have a material adverse effect on our operations, and we may not be able to make distributions in amounts sufficient to maintain our status as a RIC, or at all. The following table illustrates the effect of leverage on returns from an investment in our Common Stock as of December 31, ~~2022~~ **2023** , assuming various annual returns, net of expenses. The calculations in the table below are hypothetical and actual returns may be higher or lower than those appearing in the table below. Assumed Return on Our Portfolio (Net of Expenses) (10) % (5) % 0 % 5 % 10 % Corresponding return to common stockholder assuming actual asset coverage as of December 31, ~~2022~~ **2023** (1) (~~25~~ **24** . ~~8~~ **9**) % (15. ~~1~~ **3**) % (~~4~~ **5** . ~~4~~ **7**) % ~~6~~ **3** . ~~2~~ **9** % ~~16~~ **13** . ~~9~~ **5** % (1) Assumes $ ~~2~~ **3** , ~~986. 1~~ **306, 734** million in total assets, $ 1, ~~532. 3~~ **502, 263** million in debt outstanding and $ 1, ~~397. 3~~ **721, 151** million in net assets as of December 31, ~~2022~~ **2023** , and an effective weighted average annual interest of ~~4~~ **6** . ~~05~~ **51** % as of December 31, ~~2022~~ **2023** (excluding unused fees and financing costs). Based on our outstanding indebtedness of $ 1, ~~532. 3~~ **502, 263** million as of December 31, ~~2022~~ **2023** and the effective weighted average annual interest rate of ~~4~~ **6** . ~~05~~ **51** % (excluding unused fees and financing costs), our investment portfolio would have been required to experience an annual return of at least 2. ~~08~~ **96** % to cover annual interest payments on the outstanding debt. We have entered into a Senior Secured Revolving Credit Agreement with Truist Bank, or the Truist Credit Facility and DLF Financing SPV LLC, our wholly owned subsidiary, or DLF LLC, has entered into a Revolving Credit and Security Agreement with BNP Paribas, or the BNP Funding Facility and, together with the Truist Credit Facility, the Credit Facilities. We anticipate that we or a direct subsidiary of ours may enter into one or more additional Credit Facilities. As a result of our current Credit Facilities and any future Credit Facility, we are subject to a variety of risks, including those set forth below. Any inability to renew, extend or replace any of our Credit Facilities could adversely impact our liquidity and ability to find new investments or maintain distributions to our stockholders. There can be no assurance that we would be able to renew, extend or replace any of our Credit Facilities upon its maturity on terms that are favorable to us, if at all. Our ability to renew, extend or replace any such Credit Facilities would be constrained by then- current economic conditions affecting the credit markets. In the event that we were not able to renew, extend or replace any of our Credit Facilities at the time of its maturity, this could have a material adverse effect on our liquidity and ability to fund new investments, our ability to make distributions to our stockholders and our ability to qualify as a RIC. In addition to regulatory limitations on our ability to raise capital, each of our Credit Facilities **and**

the documents governing the Notes contains various covenants, which, if not complied with, could accelerate our repayment obligations under such facilities, thereby materially and adversely affecting our liquidity, financial condition, results of operations and ability to pay distributions. We have entered into the Truist Credit Facility, and DLF LLC has entered into the BNP Funding Facility, and as a result, we are subject to certain risks. The Truist Credit Facility is guaranteed by certain domestic subsidiaries of the Company, and the Truist Credit Facility is secured by a first priority security interest in substantially all of the assets of the Company and each such guarantor, subject to certain exceptions. We have made customary representations and warranties and are required to comply with various covenants, reporting requirements and other customary requirements for similar credit facilities. On February 11, 2022, we issued $ 425. 0 million in aggregate principal amount of ~~4. 50 % notes due~~ 2027 **Notes** . Pursuant to a Registration Statement on Form N- 14 (File No. 333- 264774), on July 20, 2022, we closed an exchange offer in which holders of our 2027 Notes that were restricted because they were issued in a private placement, or the Restricted 2027 Notes, were offered the opportunity to exchange such notes for new, registered notes with substantially identical terms, or the Unrestricted 2027 ~~Notes, and, together with the Restricted 2027 Notes, the 2027 Notes~~ . On September 13, 2022, we issued $ 275. 0 million in aggregate principal amount of ~~the 7. 55 % Series A Senior Notes due September 13, 2025, or the~~ 2025 Notes. The indenture governing the 2027 Notes, or the Indenture, contains certain covenants, including covenants requiring us to comply with the asset coverage requirements of Section 18 (a) (1) (A) as modified by Section 61 (a) (1) and (2) of the 1940 Act, whether or not it is subject to those requirements, and to provide financial information to the holders of the 2027 Notes and the trustee if we are no longer subject to the reporting requirements under the Exchange Act. These covenants are subject to important limitations and exceptions that are described in the Indenture. The Note Purchase Agreement under which the 2025 Notes were issued, or the Note Purchase Agreement, contains certain representations and warranties, and various covenants and reporting requirements customary for agreements of this type, including, without limitation, information reporting, maintenance of our status as a BDC within the meaning of the 1940 Act, and certain restrictions with respect to transactions with affiliates, fundamental changes, changes of line of business and permitted liens. In addition, the Note Purchase Agreement contains the following financial covenants: (a) maintaining a minimum shareholders' equity, measured as of each fiscal quarter- end and (b) not permitting our asset coverage ratio, as of the date of the incurrence of any debt for borrowed money or the making of any cash dividend to **stockholders** ~~shareholders,~~ to be less than the statutory minimum then applicable to us under the 1940 Act. Our continued compliance with the covenants **contained** under the Credit Facilities, the Indenture and the Note Purchase Agreement depends on many factors, some of which are beyond our control, and there can be no assurance that we will continue to comply with such covenants. Our failure to satisfy the respective covenants could result in foreclosure by the lenders under the applicable credit facility or governing instrument or acceleration by the applicable lenders or noteholders, which would accelerate our repayment obligations under the relevant agreement and thereby have a material adverse effect on our business, liquidity, financial condition, results of operations and ability to pay distributions to our stockholders. Because the Credit Facilities and the Note Purchase Agreement have, and any future credit facilities will likely have, customary cross- default provisions, if the indebtedness under the Credit Facilities or represented by the 2027 Notes or the 2025 Notes, or under any future credit facility, is accelerated, we may be unable to repay or finance the amounts due. Our interests in any subsidiary that enters into a Credit Facility would be subordinated, and we may not receive cash on our equity interests from any such subsidiary. We consolidate the financial statements of our wholly owned subsidiaries in our consolidated financial statements and treat the indebtedness of any such subsidiary as our leverage. Our interests in any wholly owned direct or indirect subsidiary of ours would be subordinated in priority of payment to every other obligation of any such subsidiary and would be subject to certain payment restrictions set forth in the Credit Facility. We would receive cash distributions on our equity interests in any such subsidiary only if such subsidiary had made all required cash interest payments to the lenders and no default exists under the Credit Facility. We cannot assure you that distributions on the assets held by any such subsidiary would be sufficient to make any distributions to us or that such distributions would meet our expectations. We would receive cash from any such subsidiary only to the extent that we would receive distributions on our equity interests in such subsidiary. Any such subsidiary would be able to make distributions on its equity interests only to the extent permitted by the payment priority provisions of the Credit Facility. We expect that the Credit Facility would generally provide that payments on such interests may not be made on any payment date unless all amounts owing to the lenders and other secured parties are paid in full. In addition, if such subsidiary would not meet the borrowing base test set forth in the Credit Facility documents, a default would occur. In the event of a default under the Credit Facility documents, cash would be diverted from us to pay the lender and other secured parties until they would be paid in full. In the event that we would fail to receive cash from such subsidiary, we could be unable to make distributions to our stockholders in amounts sufficient to maintain our status as a RIC, or at all. We also could be forced to sell investments in portfolio companies at less than their fair value in order to continue making such distributions. Our equity interests in any such subsidiary would rank behind all of the secured and unsecured creditors, known or unknown, of such subsidiary, including the lenders in the Credit Facility. Consequently, to the extent that the value of such subsidiary' s portfolio of loan investments would have been reduced as a result of conditions in the credit markets, defaulted loans, capital gains and losses on the underlying assets, prepayment or changes in interest rates, the return on our investment in such subsidiary could be reduced. Accordingly, our investment in such subsidiary may be subject to up to a complete loss. Our ability to sell investments held by any subsidiary that enters into a Credit Facility would be limited. Our existing Credit Facilities place significant restrictions on our ability, as servicer, to sell investments, and we expect that any Credit Facility we enter into in the future would include similar restrictions. As a result, there may be times or circumstances during which we would be unable to sell investments or take other actions that might be in our best interests. We may be subject to risks associated with any ~~collateralized loan obligations, or~~ CLOs, we enter into to finance our investments. We may enter into CLOs through a direct or indirect subsidiary of ours (any such subsidiary, an " MS Issuer "). As a result of these CLOs, we would be subject to a variety of risks, including those set forth below. We use the term " CLO " to describe a form of secured borrowing under which an operating company (sometimes referred to as an " originator " or " sponsor ") acquires or originates mortgages, receivables, loans or other assets that earn income, whether on a one- time or recurring basis (collectively, " income producing assets "), and borrows money on a non- recourse basis against a legally separate pool of loans or other income producing assets. In a typical CLO, the originator transfers the loans or income producing assets to a single- purpose, bankruptcy- remote subsidiary (also referred to as a " special purpose entity "), which is established solely for the purpose of holding loans and income producing assets and issuing debt secured by these income producing assets. The special purpose entity completes the borrowing through the issuance of notes secured by the loans or other assets. The special purpose entity may issue the notes in the capital markets to a variety of investors, including banks, non- bank financial institutions and other investors. In the CLOs, we would expect institutional investors to purchase the notes issued by an MS Issuer in a private placement, while we would retain the equity interest in the CLOs and consolidate the assets and liabilities of the CLOs on our balance sheet. We ~~call only a limited amount of capital commitments from investors in the private offering of shares of our Common Stock upon each drawdown notice. The timing of drawdowns may be difficult to predict, requiring each investor to maintain sufficient liquidity until its capital commitments to purchase shares of Common Stock are fully funded. We may not call an investor' s entire capital commitment prior to the end of our Investment Period. Although the Adviser seeks to manage our cash balances so that they are appropriate for our investments and other obligations, the Adviser' s ability to manage cash balances may be affected by changes in the timing of investment closings, our access to leverage, defaults by investors in shares of our Common Stock, late payments of drawdown purchases and other factors. In addition, we can offer no assurance that all investors will satisfy their respective capital commitments. To the extent that one or more investors does not satisfy its or their capital commitments when due or at all, there could be a material adverse effect on our business, financial condition and results of operations, including an inability to fund our investment obligations, make appropriate distributions to our stockholders or to satisfy applicable regulatory requirements under the 1940 Act. If an investor fails to satisfy any part of its capital commitment when due, other stockholders who have an outstanding capital commitment may be required to fund such capital commitment sooner than they otherwise would have absent such default. We cannot assure you that we will recover the full amount of the capital commitment of any defaulting investor. We~~ may enter into reverse repurchase agreements, which are another form of leverage. We may enter into reverse repurchase agreements **as part of our management of our temporary investment portfolio** . Under a reverse repurchase agreement, we will effectively pledge our assets as collateral to secure a short- term loan. Generally, the other party to the agreement makes the loan in an amount equal to a percentage of the fair value of the pledged collateral. At the maturity of the reverse repurchase agreement, we will be required to repay the loan and correspondingly receive back our collateral. While used as collateral, the assets continue to pay principal and interest which are for the benefit of us. Our use of reverse repurchase agreements, if any, involves many of the same risks involved in our use of leverage, as the proceeds from reverse repurchase agreements generally will be invested in additional securities. There is a risk that the market value of the securities acquired in the reverse repurchase agreement may decline below the price of the securities that we have sold but remain obligated to purchase. In addition, there is a risk that the market value of the securities retained by us may decline. If a buyer of securities under a reverse repurchase agreement were to file for bankruptcy or experience insolvency, we may be adversely affected. Also, in entering into reverse repurchase agreements, we would bear the risk of loss to the extent that the proceeds of such agreements at settlement are less than the fair value of the underlying securities being pledged. In addition, due to the interest costs associated with reverse repurchase agreements, our net asset value will decline, and, in some cases, we may be worse off than if we had not used such 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. As a BDC, we may not acquire any assets other than " qualifying assets " unless, at the time of and after giving effect to such acquisition, at least 70 % of our total assets are qualifying assets. See " Item 1. Business — Regulation as a Business Development Company — Qualifying Assets. " In the future, we believe that most of our investments will constitute qualifying assets. However, 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. 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. Certain investors are limited in their ability to make significant investments in us. Investment companies registered under the 1940 Act are restricted from acquiring directly or through a controlled entity more than 3 % of our total outstanding voting stock (measured at the time of the acquisition), unless these funds comply with certain requirements under the 1940 Act that would restrict the amount that they are able to invest in our securities. Private funds that are excluded from the definition of " investment company " either pursuant to Section 3 (c) (1) or 3 (c) (7) of the 1940 Act are also subject to these restrictions. As a result, certain investors may be precluded from acquiring additional shares at a time that they might desire to do so. The majority of our portfolio investments are recorded at fair value as determined in good faith by our Valuation Designee, under the supervision of our Board of Directors and, as a result, there may be uncertainty as to the value of our portfolio investments. The majority of our portfolio investments take the form of securities for which no market quotations are readily available. The fair value of securities and other investments that are not publicly traded may not be readily determinable, and we value these securities at fair value as determined in good faith by our Board of

Directors, including to reflect significant events affecting the value of our securities. As discussed in more detail under " Part II. Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Estimates ", most, if not all, of our investments (other than cash and cash equivalents) are classified as Level 3 under ASC Topic 820, Fair Value Measurements (" ASC 820 "). This means that our portfolio valuations are based on unobservable inputs and our own assumptions about how market participants would price the asset or liability in question. Inputs into the determination of fair value of our portfolio investments 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 may 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. The Board of Directors has delegated to the Adviser as a valuation designee, or the Valuation Designee, the responsibility of determining the fair value of the Company' s investment portfolio, subject to oversight of the Board of Directors, pursuant to Rule 2a- 5 under the 1940 Act. As such, the Valuation Designee is charged with determining the fair value of the Company' s investment portfolio, subject to oversight of the Board of Directors. The participation of the Adviser' s investment professionals in our valuation process could result in a conflict of interest as the Adviser' s base management fee is based, in part, on our average adjusted gross assets and our incentive fees will be based, in part, on unrealized losses. We have retained the services of independent service providers to review the valuation of these securities. The valuation of all or portion of our portfolio investments for which a market quote is not readily available will be reviewed by an independent valuation firm each quarter and month- end. The types of factors that our Valuation Designee, under the supervision of our Board of Directors, 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 and other relevant factors. Because such valuations, and in particular, the valuations of private securities and private companies, are inherently uncertain, they 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 securities existed. Our net asset value 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 securities. We adjust quarterly (or as otherwise may be required by the 1940 Act in connection with the issuance of shares of our Common Stock) the valuation of our portfolio to reflect our Board of Directors' approval of the fair value of each investment in our portfolio, as determined by the Valuation Designee. Any changes in fair value are recorded in the aggregate in our consolidated statement of operations as a net change in unrealized appreciation or depreciation. Our Board of Directors has the authority, except as otherwise provided in the 1940 Act, to modify or waive our investment objective and certain of our 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. We cannot predict the effect any changes to our current investment objective, operating policies and strategies would have on our business, operating results and the value of our Common Stock. Nevertheless, any such changes could adversely affect our business and impair our ability to make distributions. Provisions of the Delaware General Corporation Law, as amended, or the DGCL, and of our Certificate of Incorporation and bylaws could deter takeover attempts and have an adverse effect on the price of shares of Common Stock. The DGCL contains provisions that may discourage, delay or make more difficult a change in control of us or the removal of our directors. Our certificate of incorporation and bylaws contain provisions that limit liability and provide for indemnification of our directors and officers. These provisions and others which we may adopt also may have the effect of deterring hostile takeovers or delaying changes in control or management. We are subject to Section 203 of the DGCL, the application of which is subject to any applicable requirements of the 1940 Act. This section generally prohibits us from engaging in mergers and other business combinations with stockholders that beneficially own 15 % or more of our voting stock, either individually or together with their affiliates, unless our directors or stockholders approve the business combination in the prescribed manner. Our Board of Directors has adopted a resolution exempting from Section 203 of the DGCL any business combination between us and any other person, subject to prior approval of such business combination by our Board of Directors, including approval by a majority of our Independent Directors. If our Board of Directors later repeals such resolution exempting business combinations, or if our Board of Directors does not approve a business combination, Section 203 of the DGCL may discourage third parties from trying to acquire control of us and increase the difficulty of consummating such an offer. We have also adopted measures that may make it difficult for a third party to obtain control of us, including provisions of our certificate of incorporation that classify our Board of Directors in three classes serving staggered three- year terms, and provisions of our certificate of incorporation authorizing our Board of Directors to classify or reclassify shares of our preferred stock in one or more classes or series, to cause the issuance of additional shares of our Common Stock, and to amend our certificate of incorporation, without stockholder approval, to increase or decrease the number of shares of Common Stock that we have authority to issue. These provisions, as well as other provisions we have adopted in our certificate of incorporation and bylaws, may delay, defer or prevent a transaction or a change in control in circumstances that could give our stockholders the opportunity to realize a premium of the net asset value of shares of our Common Stock. The Adviser can resign on 60 days' notice, and we may not be able to find a suitable replacement within that time, resulting in a disruption in our operations that could adversely affect our financial condition, business and results of operations. The Adviser has the right to resign under the Investment Advisory Agreement at any time upon not less than 60 days' written notice, whether we have found a replacement or not. If the Adviser resigns, we may not be able to find a new investment adviser or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms within 60 days, or at all. If we are unable to do so quickly, our operations are likely to experience a disruption, our business, financial condition, results of operations and cash flows as well as our ability to pay distributions are likely to be adversely affected and the value of our shares may decline. In addition, the coordination of our internal management and investment activities is likely to suffer if we are unable to identify and reach an agreement with a single institution or group of executives having the expertise possessed by the Adviser and its affiliates. Even if we are able to retain comparable management, whether internal or external, the integration of such management and their lack of familiarity with our investment objective may result in additional costs and time delays that may adversely affect our business, financial condition, results of operations and cash flows. The Administrator can resign on 60 days' notice, and we may not be able to find a suitable replacement, resulting in a disruption in our operations that could adversely affect our financial condition, business and results of operations. The Administrator has the right to resign under the Administration Agreement at any time upon not less than 60 days' written notice, whether we have found a replacement or not. If the Administrator resigns, we may not be able to find a new administrator or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms, or at all. If we are unable to do so quickly, our operations are likely to experience a disruption, our financial condition, business and results of operations as well as our ability to pay distributions are likely to be adversely affected and the value of our shares may decline. In addition, the coordination of our internal management and administrative activities is likely to suffer if we are unable to identify and reach an agreement with a service provider or individuals with the expertise possessed by the Administrator. Even if we are able to retain a comparable service provider or individuals to perform such services, whether internal or external, their integration into our business and lack of familiarity with our investment objective may result in additional costs and time delays that may adversely affect our business, financial condition, results of operations and cash flows. We are a non- diversified investment company within the meaning of the 1940 Act, and therefore we are not limited with respect to the proportion of our assets that may be invested in securities of a single issuer and our portfolio may be concentrated in a limited number of industries. We are classified as a non- diversified investment company within the meaning of the 1940 Act, which means that we are not limited by the 1940 Act with respect to the proportion of our assets that we may invest in securities of a single issuer. Additionally, our portfolio may be concentrated in a limited number of industries and a downturn in any particular industry in which we are invested could significantly impact the aggregate returns we realize. To the extent that we assume large positions in the securities of a small number of issuers or our portfolio is concentrated in a limited number of industries, our net asset value may fluctuate to a greater extent than that of a diversified investment company as a result of changes in the financial condition or the market' s assessment of the issuer or particular industry. We may also be more susceptible to any single economic or regulatory occurrence than a diversified investment company. Beyond our asset diversification requirements as a RIC under the Code, we do not have fixed guidelines for diversification, and our investments could be concentrated in relatively few portfolio companies. Although we are classified as a non- diversified investment company within the meaning of the 1940 Act, we maintain the flexibility to operate as a diversified investment company. To the extent that we operate as a non- diversified investment company, we may be subject to greater risk. We may be subject to risks associated with our investments in the software industry. We could invest in portfolio companies in the software industry and a downturn in the industry could significantly impact the aggregate returns we realize on such investments. For example, portfolio companies in the software industry are subject to a number of risks. The revenue, income (or losses) and valuations of software and other technology- related companies can and often do fluctuate suddenly and dramatically. In addition, because of rapid technological change, the average selling prices of software products have historically decreased over their productive lives. As a result, the average selling prices of software offered by our portfolio companies may decrease over time, which could adversely affect their operating results and, correspondingly, the value of any securities that we may hold. Additionally, companies operating in the software industry are subject to vigorous competition, changing technology, changing client and end- consumer needs, evolving industry standards and frequent introductions of new products and services. Our portfolio companies in the software industry could compete with companies that are larger and could be engaged in a greater range of businesses or have greater financial, technical, sales or other resources than our portfolio companies do. Our portfolio companies could lose market share if their competitors introduce or acquire new products that compete with their software and related services or add new features to existing products. Any deterioration in the results of our portfolio companies due to competition or otherwise could, in turn, materially adversely affect our business, financial condition and results of operations. Laws and regulations regulating insurance activities are complex and could negatively affect the business of our portfolio companies in the insurance services industry, which could reduce their profitability and potentially limit their growth. We could invest in portfolio companies in the insurance services industry and a downturn in the industry could significantly impact the aggregate returns we realize on such investments. For example, the insurance industry in the United States is heavily regulated, and the insurance regulatory framework addresses, among other things: (i) granting licenses to companies and agents to transact particular business activities and (ii) regulating trade, marketing, compensation, and claims practices. Certain of our portfolio companies may be subject to laws and regulations applicable to insurance brokers and to the authority of the insurance regulators in their respective jurisdictions of operation. The cost of compliance with such regulations or any non- compliance could impose material costs on our portfolio companies and negatively affect their business, marketing practices, and budgets. Any of these factors could affect our portfolio company investments and, in turn, materially adversely affect our business, financial condition and results of operations. Furthermore, the laws and regulations governing the sale of insurance may change in ways that adversely impact the business of our portfolio companies. These changes could impact the manner in which our portfolio companies are permitted to conduct their businesses and could result in increased expenses and / or decreased revenues as well as negatively affect their marketing practices, budgets, and overall level of business, which could adversely impact our business, financial condition, operating results and cash flows. ~~We may be subject to risks associated with our investments in the commercial services and supplies industry. We could invest in portfolio companies in the commercial services and supply industry and a downturn in the industry could significantly impact the aggregate returns we realize on such investments. For example, the operating results and financial condition of our portfolio companies in the commercial services~~

~~and supplies industry could be adversely affected due to a number of factors, including but not limited to a decrease in demand for their services or supplies relating to seasonality or market forces and various other factors. In addition, there are risks involved with sales, marketing, managerial and related capabilities of our portfolio companies in the commercial services and supplies industry. For example, recruiting and training a workforce is expensive and time- consuming and could delay the provision of commercial services, result in diminished services, or delay the delivery of supplies. If our portfolio companies in the commercial services and supplies industry fail to devote resources and attention to sell and market their services or products effectively, they could fail to generate sufficient revenues and reach or sustain profitability and to repay interest or principal on our debt investments. Any of these factors could affect our portfolio company investments and, in turn, materially adversely affect our business, financial condition and results of operations.~~ The liability of each of the Adviser and the Administrator is limited, and we have agreed to indemnify each against certain liabilities, which may lead them to act in a riskier manner on our behalf than each would when acting for its own account. Under the Investment Advisory Agreement, the Adviser does not assume any responsibility to us other than to render the services called for under that agreement, and it is not responsible for any action of our Board of Directors in following or declining to follow the Adviser' s advice or recommendations. Under the terms of the Investment Advisory Agreement, the Adviser, its officers, members, personnel and any person controlling or controlled by the Adviser are not liable to us, any subsidiary of ours, 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 where primarily attributable to the willful misfeasance, bad faith or gross negligence in the performance of such person' s **obligations or** duties or by reason of reckless disregard of the Adviser' s duties under the Investment Advisory Agreement. In addition, we have agreed to indemnify the Adviser and each of its officers, directors, members, managers and employees from and against any claims or liabilities, including reasonable legal fees and other expenses reasonably incurred, arising out of or in connection with our business and operations or any action taken or omitted on our behalf pursuant to authority granted by the Investment Advisory Agreement, except where primarily attributable to the willful misfeasance, bad faith or gross negligence or by reason of reckless disregard of such person' s duties under the Investment Advisory Agreement. Under the Administration Agreement, the Administrator and certain specified parties providing administrative services pursuant to that agreement are not liable to us or our stockholders for, and we have agreed to indemnify them for, any claims or losses arising out of the good faith performance of their duties or obligations under the Administration Agreement, except where primarily attributable to the willful misfeasance, bad faith or gross negligence or by reason of reckless disregard of the Administrator' s duties under the Administration Agreement. These protections may lead the Adviser or the Administrator to act in a riskier manner when acting on our behalf than it would when acting for its own account. Our ability to enter into transactions involving derivatives and financial commitment transactions may be limited. In November 2020, the SEC adopted a revised version of Rule 18f- 4, which is designed to modernize the regulation of the use of derivatives by registered investment companies and BDCs. Among other things, Rule 18f- 4 requires BDCs that use derivatives to be subject to a value- at- risk leverage limit and requires the adoption and implementation of a derivatives risk management program that is reasonably designed to identify, assess and manage its derivatives transaction trading risk, subject to certain exceptions. Additionally, subject to certain conditions, funds that do not invest heavily in derivatives may be deemed limited derivatives users and would not be subject to the full requirements of Rule 18f- 4. The Company intends to operate under the limited derivatives user exemption of Rule 18f- 4 and has adopted written policies and procedures reasonably designed to manage the Company' s derivatives risk pursuant to Rule 18f- 4. In connection with the adoption of Rule 18f- 4, the SEC also eliminated the asset segregation and cover framework arising from prior SEC guidance for covering derivatives and certain financial instruments. Compliance with Rule 18f- 4 has been required since August 19, 2022. Collectively, these requirements may limit our ability to use derivatives and / or enter into certain other financial contracts. Our due diligence may not reveal all of a portfolio company' s liabilities and may not reveal other weaknesses in its business. We can offer no assurance that our due diligence processes will uncover all relevant facts that would be material to an investment decision. Before making an investment in, or a loan to, a company, our Adviser will assess the strength and skills of the company' s management and other factors that it believes are material to the performance of the investment. In making the assessment and otherwise conducting customary due diligence, our 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 which are not subject to public company reporting requirements including requirements regarding preparation of financial statements and our portfolio companies may utilize divergent reporting standards that may make it difficult for the Adviser to accurately assess the prior performance of a portfolio company. We will, therefore, depend upon the compliance by investment companies with their contractual reporting obligations. As a result, the evaluation of potential investments and our ability to perform due diligence on, and effectively monitor investments, may be impeded, and we may not realize the returns which we expect 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. Our debt investments may be risky and we could lose all or part of our investments. The debt instruments in which we invest are typically not rated by any rating agency, but we believe that if such investments were rated, they would be below investment grade (rated lower than " Baa3 " by Moody' s Investors Service, lower than " BBB – " by Fitch Ratings or lower than " BBB – " by Standard & Poor' s Ratings Services), which under the guidelines established by these entities is an indication of having predominantly speculative characteristics with respect to the issuer' s capacity to pay interest and repay principal. Bonds that are rated below investment grade are sometimes referred to as " high yield bonds " or " junk bonds. " Therefore, our investments may result in an above average amount of risk and volatility or loss of principal. 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 debt financing and foreclosure on its secured assets, which could trigger cross- defaults under other agreements and jeopardize a portfolio company' s ability to meet its obligations under the debt or equity securities that we hold. We may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms, which may include the waiver of certain financial covenants, with a defaulting portfolio company. In addition, lenders in certain cases can be subject to lender liability claims for actions taken by them when they become too involved in the borrower' s business or exercise control over a borrower. It is possible that we could become subject to a lender' s liability claim, including as a result of actions taken if we render managerial assistance to the borrower. Many of our portfolio companies are susceptible to economic slowdowns or recessions and may be unable to repay our loans during these periods. Therefore, our non- performing assets are likely to increase and the value of our portfolio is likely to decrease during these periods. Adverse economic conditions may 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 our investments and harm our operating results. For more information, see " — We are operating in a period of capital markets volatility and economic uncertainty. The conditions have materially and adversely affected debt and equity capital markets in the United States, and any future volatility or instability in capital markets may have ~~a~~ negative impact on our business and operations. " Inflation and supply chain risk could adversely impact our portfolio companies and our results of our operations. Economic activity has accelerated across sectors and regions in recent periods. Nevertheless, due to global supply chain issues, a rise in energy prices, strong consumer demand and other factors, inflation has accelerated in the **United States** ~~U. S~~. and globally. Higher inflation is likely to continue in the near to medium- term, particularly in the **United States** ~~U. S.~~, with the possibility that monetary policy could continue to tighten in response. Persistent inflationary pressures could affect our portfolio companies' profit margins. We may hold the debt securities of distressed companies that may enter into bankruptcy proceedings. Companies that are financially distressed due to leverage or other factors 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 an issuer may adversely and permanently affect the issuer. If the proceeding is converted to a liquidation, the value of the issuer 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 of 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 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. Depending on the facts and circumstances of our investments and the extent of our involvement in the management of a portfolio company, upon the bankruptcy of a portfolio company, a bankruptcy court may recharacterize our debt investments as equity interests and subordinate all or a portion of our claim to that of other creditors. This could occur even though we may have structured our investment as senior debt. Our investments in private middle- market portfolio companies are risky, and you could lose all or part of your investment. Investments in private middle- market companies involve a number of significant risks. Generally, little public information exists about these companies, and we rely on the ability of the Adviser' s investment professionals to obtain adequate information to evaluate the potential returns from investing in these companies. Further, these companies may not have third- party debt ratings or audited financial statements. We must therefore rely solely on the ability of the Adviser to obtain adequate information through due diligence to evaluate the creditworthiness and potential returns from investing in these companies, which information may not include all information or resources which may be available from other areas of Morgan Stanley. If the Adviser is unable to uncover all material information about these companies, it may not make a fully informed investment decision, and we may lose money on our investments. Middle- market companies generally have less predictable operating results and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position. Middle- market companies may have limited financial resources, may have difficulty accessing the capital markets to meet future capital needs and may be unable to meet their obligations under their debt securities that we hold, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of our realizing any guarantees we may have obtained in connection with our investment. In addition, such companies typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns. Additionally, middle- market companies are more likely to depend on the management talents and efforts of a small group of persons. Therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on our portfolio company 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. Subordinated liens on collateral securing debt investments that we will make to our portfolio companies may be subject to control by senior creditors with first priority liens. If there is a default, the value of the collateral may not be sufficient to repay in full both the first priority creditors and us. Certain debt investments that we make in portfolio companies will be secured on a second priority basis by the same collateral securing senior 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 debt. The holders of obligations secured by the first priority liens on the collateral will generally control the liquidation of and be entitled to receive proceeds from any realization of the collateral to repay their obligations in full before us. In addition, the value of the collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. We can offer no assurance that the proceeds, if any, from the sale or sales of all of the collateral would be sufficient to satisfy the debt obligations secured by the second priority liens after payment in full of all obligations secured by the first priority liens on the collateral. If such proceeds are not sufficient to repay amounts outstanding under the debt obligations secured by the second priority liens, then we, to the extent not repaid from the proceeds of the sale of the collateral, will only have an unsecured claim against the portfolio company' s remaining assets, if any. Similarly, investments in " last out " pieces of tranched first lien loans will be similar to second lien loans in that such investments will be junior in priority to the " first out " piece of the same tranched loan with respect to payment of principal, interest and other amounts. We may also make unsecured debt investments in portfolio companies, meaning that such investments 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 debt 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. We can offer no assurance that the proceeds, if any, from sales of such collateral would be sufficient to satisfy our unsecured debt obligations after payment in full of all secured debt obligations. If such proceeds were not sufficient to repay the outstanding secured debt 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. The rights we may have with respect to the collateral securing the debt investments we make in our portfolio companies with senior debt outstanding, or first- out pieces of tranched first lien debt, may also be limited pursuant to the terms of one or more inter- creditor agreements that we enter into with the holders of senior debt. Under such an inter- creditor agreement, at any time that obligations that have the benefit of the first priority liens are outstanding, any of the following actions that may be taken in respect of the collateral will be at the direction of the holders of the obligations secured by the first priority liens: the ability to cause the commencement of enforcement proceedings against the collateral; the ability to control the conduct of such proceedings; the approval of amendments to collateral documents; releases of liens on the collateral; and waivers of past defaults under collateral documents. We may not have the ability to control or direct such actions, even if our rights are adversely affected. Covenant- lite loans may expose us to different risks, including with respect to liquidity, ability to restructure loans, credit risks and less protective loan documentation, than is the case with loans that contain financial maintenance covenants. Certain loans in our portfolio may consist of " covenant- lite " loans. Generally, covenant- lite loans permit borrowers more opportunity to negatively impact lenders because such loans may not require the borrower to maintain debt service or other financial ratios and do not include terms which allow the lender to monitor the performance of the borrower and declare a default if certain criteria are breached. Accordingly, to the extent we invest in covenant- lite loans, we may have less protection from borrower actions and may have a greater risk of loss on such investments as compared to investments in or exposure to loans with financial maintenance covenants. Ownership of covenant- lite loans may expose us to different risks, including with respect to liquidity, ability to restructure loans, credit risks and less protective loan documentation, than is the case with loans that contain financial maintenance covenants. As of December 31, ~~2022~~ **2023** , approximately ~~22~~ **24** % of our portfolio, measured as percent of gross commitments, is in loans that are considered " covenant- lite. " Our investments **are** ~~will be~~ illiquid in most cases, and we can offer no assurance that we will be able to realize on such investments in a timely manner. A substantial portion of our investments in leveraged companies are and 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 our portfolio quickly, we may realize significantly less than the value at which we have previously recorded our investments. We may also face other restrictions on our ability to liquidate an investment in a portfolio company to the extent that we, the Adviser or any of its affiliates have material nonpublic information regarding such portfolio company. In addition, we generally expect to invest in securities, instruments and assets that are not, and are not expected to become, publicly traded. We will generally not be able to sell securities publicly unless the sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. Investments may be illiquid and long- term. Illiquidity may result from the absence of an established or liquid market for investments as well as legal and contractual restrictions on their resale by us. It is generally expected that we will hold assets to maturity, and the amount of " discretionary sales " of investments generally will be limited. Our investment in illiquid investments may restrict its ability to dispose of investments in a timely fashion and for a fair price. Furthermore, we likely will be limited in our ability to sell investments because Morgan Stanley may have material, non- public information regarding the issuers of such loans or investments or as a result of measures established by Morgan Stanley in order to comply with applicable law, regulatory restrictions or internal policies or procedures, including without limitation joint transaction restrictions pursuant to the 1940 Act. This limited ability to sell investments could materially adversely affect our investment results. As a result, our exposure to losses, including a potential loss of principal, as a result of which you could potentially lose all or a portion of your investment in us, may be increased due to the illiquidity of our investments generally. In certain cases, we may also be prohibited by contract from selling our investments for a period of time or otherwise be restricted from disposing of our investments. Furthermore, certain types of investments expected to be made may require a substantial length of time to realize a return or fully liquidate. We may exit some investments through distributions in kind to the common stockholders, after which such you will still bear the risks associated with holding the securities and must make your own disposition decisions. Given the nature of the investments contemplated by the Company, there is a material risk that we will be unable to realize our investment objectives by sale or other disposition at attractive prices or will otherwise be unable to complete any exit strategy. In particular, this risk could arise from changes in the financial condition or prospects of the portfolio company in which the investment is made, changes in national or international economic conditions, changes in debt and equity capital markets and changes in laws, regulations, fiscal policies or political conditions of countries in which investments are made. In connection with the disposition of an investment in a portfolio company, we may be required to make representations about the business and financial affairs of the portfolio company or may be responsible for the contents of disclosure documents under applicable securities laws. We may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be incorrect, inaccurate or misleading. These arrangements may result in contingent liabilities, for which we may establish reserves or escrows. However, we can offer no assurance that we will adequately reserve for our contingent liabilities and that such liabilities will not have an adverse effect on us. Such contingent liabilities might ultimately have to be funded by proceeds, including the return of capital, from our other investments. As a BDC, we are required to carry our investments at market value or, if no market value is ascertainable, at fair value as determined in good faith by our Valuation Designee, under the supervision of our Board of Directors. As part of the valuation process, we may take into account the following types of factors, if relevant, in determining the fair value of our investments: • a comparison of the portfolio company' s securities to publicly traded securities; • the enterprise value of the 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; and • the 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 and other relevant factors. 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. 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 net asset value by increasing net unrealized depreciation in our portfolio. Any unrealized losses in our portfolio could be an indication of a portfolio company' s inability to meet its repayment obligations to us with respect to the affected loans. Depending on market conditions, we could incur substantial realized losses and ultimately experience reductions of our income available for distribution in future periods. We may also 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. In addition, decreases in the market value or fair value of our investments will reduce our net asset value. Our portfolio companies may be unable to repay or refinance outstanding principal on their loans at or prior to maturity, and rising interest rates may make it more difficult for portfolio companies to make periodic payments on their loans. Our portfolio companies may be unable to repay or refinance outstanding principal on their loans at or prior to maturity. This risk and the risk of default is increased to the extent that the loan documents do not require the portfolio companies to pay down the outstanding principal of such debt prior to maturity. In addition, if general interest rates rise, there is a risk that our portfolio companies will be unable to pay escalating interest amounts, which could result in a default under their loan documents with us. Rising interest rates could also cause portfolio companies to shift cash from other productive uses to the payment of interest, which may have a material adverse effect on their business and operations and could, over time, lead to increased defaults. Investments with a deferred interest feature, such as OID and PIK interest, could represent a higher credit risk than investments that must pay interest in full in cash on a regular basis. 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 ~~. Our portfolio companies may prepay loans, which may reduce our yields if capital returned cannot be invested in transactions with equal or greater expected yields~~ . The loans in our investment portfolio may be prepaid at any time, generally with little advance notice. Whether a loan is prepaid will depend both on the continued positive performance of the portfolio company and the existence of favorable financing market conditions that allow such company the ability to replace existing financing with less expensive capital. As market conditions change, we do not know when, and if, prepayment may be possible for each portfolio company. In some cases, the prepayment of a loan may reduce our achievable yield if the capital returned cannot be invested in transactions with equal or greater expected yields, which could have a material adverse effect on our business, financial condition and results of operations. Our investments in portfolio companies may expose us to environmental risks. We may invest in portfolio entities that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements and environmental costs that could place increasing financial burdens on such portfolio entities. Required expenditures for environmental compliance may adversely impact investment returns on portfolio entities. The imposition of new environmental and other laws, regulations and initiatives could adversely affect the business operations and financial stability of portfolio entities. There can be no guarantee that all costs and risks regarding compliance with environmental laws and regulations can be identified. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on portfolio investment or potential investments. Compliance with such current or future environmental requirements does not ensure that the operations of the portfolio investments will not cause injury to the environment or to people under all circumstances or that the portfolio investments will not be required to incur additional unforeseen environmental expenditures. Moreover, failure to comply with any such requirements could have a material adverse effect on an investment, and we can offer no assurance that the portfolio investments will at all times comply with all applicable environmental laws, regulations and permit requirements. Additionally, our portfolio companies may be subject to certain so- called sustainability risks or ESG events or conditions that, if they occur, could cause an actual or potential material impact on the value of the Company, including, but not limited to, the following: • Natural resource risks including rising costs from resource scarcity or resource usage taxes and systemic risk from biodiversity loss; • Pollution and waste risks including liabilities associated with contamination and waste management costs; •

Human capital risks include declining employee productivity, attrition and turnover costs, pandemics and supply chain reputational risks or disruption; • Community risks factors including loss of license to operate, operational disruptions caused by protests or boycotts and systematic inequality and instability; • Security and safety risks such as consumer security, data privacy and security; and • Other climate- related conditions and events that present risks related to the physical impacts of the climate and risks related to a potential transition to a lower carbon economy. We have not yet identified all of the portfolio company investments we will acquire and we may have difficulty sourcing investment opportunities. We have not yet identified all of the potential investments for our portfolio that we will acquire with the proceeds of any sales of our securities or repayments of investments currently in our portfolio, and we cannot assure investors that we will be able to locate a sufficient number of suitable investment opportunities to allow us to deploy all available capital successfully. Privately negotiated investments in loans and illiquid securities of private, middle- market companies require substantial due diligence and structuring, and we cannot assure you that we will achieve our anticipated investment pace. As a result, investors will be unable to evaluate any future portfolio company investments prior to purchasing our shares. The Adviser selects all of our investments, and our stockholders will have no input with respect to such investment decisions. These factors increase the uncertainty, and thus the risk, of investing in our securities. Until such appropriate investment opportunities can be found, we may also invest the net proceeds in cash, cash equivalents, U. S. government securities and high- quality debt investments that mature in one year or less from the date of investment. We expect these temporary investments to earn yields substantially lower than the income that we expect to receive in respect of our targeted investment types. As a result, any distributions we make during this period may be substantially smaller than the distributions that we expect to pay when our portfolio is fully invested. To the extent we are unable to deploy all available capital, our investment income and, in turn, our results of operations, will likely be materially adversely affected. There is no assurance that we will be able to consummate investment transactions or that such transactions will be successful. 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 and certain limitations on co- investment with affiliates under the 1940 Act. 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 portfolio company. 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 our level of risk, because we prefer other opportunities or because of regulatory or other considerations. Our ability to make follow- on investments may also be limited by the Adviser' s allocation policies and procedures. Because we generally do not hold controlling equity interests in our portfolio companies, we may not be able to exercise control over our portfolio companies or to prevent decisions by management of our portfolio companies that could decrease the value of our investments. To the extent that we do not hold controlling equity interests in portfolio companies, we will have a limited ability to protect our position in such portfolio companies. We may also co- invest with third parties through partnerships, joint ventures or other entities. Such investments may involve risks in connection with such third- party involvement, including the possibility that a third- party co- investor may have economic or business interests or goals that are inconsistent with ours or may be in a position to take (or block) action in a manner contrary to our investment objective. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements. The day- to- day operations of each portfolio company in which we invest **are** ~~will be~~ the responsibility of that portfolio company' s management team. Although we **are** ~~will be~~ responsible for monitoring the performance of each investment and generally intend to invest in portfolio companies operated by strong management, we can offer no assurance that the existing management team, or any successor, will be able to operate any such portfolio company in accordance with our expectations. We can offer no assurance that a portfolio company will be successful in retaining key members of its management team, the loss of whom could have a material adverse effect on us. Although we generally intend to invest in companies with strong management teams and defensible market positions, we can offer no assurance that the existing management of such companies will continue to operate a company successfully. Our portfolio companies may incur debt that ranks equally with, or senior to, our investments in such companies and such portfolio companies may not generate sufficient cash flow to service their debt obligations to us. We may invest a portion of our capital in second lien and subordinated loans issued by our portfolio companies. Our portfolio companies may have, or be permitted to incur, other debt that ranks equally with, or senior to, the debt securities in which we invest. Such subordinated investments are subject to greater risk of default than senior obligations as a result of adverse changes in the financial condition of the obligor or in general economic conditions. If we make a subordinated investment in a portfolio company, the portfolio company may be highly leveraged, and its relatively high debt- to- equity ratio may create increased risks that its operations might not generate sufficient cash flow to service all of its debt obligations. By their terms, such debt instruments may provide that the holders are entitled to receive payment of interest or principal on or before the dates on which we are entitled to receive payments in respect of the securities in which we invest. These debt instruments would usually prohibit the portfolio companies from paying interest on or repaying our investments in the event of and during the continuance of a default under such debt. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of securities ranking senior to our investment in that portfolio company would typically be entitled to receive payment in full before we receive any distribution in respect of our investment. After repaying senior creditors, the portfolio company may not have any remaining assets to use for repaying its obligation to us where we are junior creditor. In the case of debt ranking equally with debt securities in which we invest, we would have to share any distributions on an equal and ratable basis with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company. Additionally, certain loans that we 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. Similarly, investments in " last out " pieces of tranched first lien loans will be similar to second lien loans in that such investments will be junior in priority to the " first out " piece of the same tranched first lien loan with respect to payment of principal, interest and other amounts. We can offer 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 or the " last out " pieces of the tranched first lien loans 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 or the " last out " pieces of unitranche loans, then we, to the extent not repaid from the proceeds of the sale of the collateral, will only have an unsecured claim against the portfolio company' s remaining assets, if any. We may make unsecured loans to portfolio companies, meaning that such loans will not benefit from any interest in collateral of such companies. Liens on a portfolio company' s 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. We can offer 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 loans secured by collateral. 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. The rights we may have with respect to the collateral securing any junior priority loans, including any " last out " pieces of tranched first lien loans, we make to our portfolio companies may also be limited pursuant to the terms of one or more intercreditor agreements that we enter into (or the absence of an intercreditor agreement) with the holders of 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 our rights as junior lenders are adversely affected. We may suffer a loss if a portfolio company defaults on a loan and the underlying collateral is not sufficient. In the event of a default by a portfolio company on a secured loan, we will only have recourse to the assets collateralizing the loan. If the underlying collateral value is less than the loan amount, we will suffer a loss. In addition, we may make loans that are unsecured, which are subject to the risk that other lenders may be directly secured by the assets of the portfolio company. In the event of a default, those collateralized lenders would have priority over us with respect to the proceeds of a sale of the underlying assets. In cases described above, we may lack control over the underlying asset collateralizing our loan or the underlying assets of the portfolio company prior to a default, and as a result the value of the collateral may be reduced by acts or omissions by owners or managers of the assets. In the event of bankruptcy of a portfolio company, we may not have full recourse to its assets in order to satisfy our loan, or our loan may be subject to " equitable subordination. " This means that depending on the facts and circumstances, including the extent to which we actually provided significant " managerial assistance, " if any, to that portfolio company, a bankruptcy court might re- characterize our debt holding and subordinate all or a portion of our claim to that of other creditors. In addition, certain of our loans are subordinate to other debt of the portfolio company. If a portfolio company defaults on our loan or on debt senior to our loan, or in the event of a portfolio company bankruptcy, our loan will be satisfied only after the senior debt receives payment. Where debt senior to our loan exists, the presence of inter- creditor arrangements may limit our ability to amend our loan documents, assign our loans, accept prepayments, exercise our remedies (through " standstill " periods) and control decisions made in bankruptcy proceedings relating to the portfolio company. Bankruptcy and portfolio company litigation can significantly increase collection losses and the time needed for us to acquire the underlying collateral in the event of a default, during which time the collateral may decline in value, causing us to suffer losses. If the value of collateral underlying our loan declines or interest rates increase during the term of our loan, a portfolio company may not be able to obtain the necessary funds to repay our loan at maturity through refinancing. Decreasing collateral value and / or increasing interest rates may hinder a portfolio company' s ability to refinance our loan because the underlying collateral cannot satisfy the debt service coverage requirements necessary to obtain new financing. If a borrower is unable to repay our loan at maturity, we could suffer a loss which may adversely impact our financial performance. We may be subject to risks under hedging transactions and may become subject to risks if we invest in foreign securities. We may invest in non- U. S. companies to the limited extent such investments are permitted under the 1940 Act. We expect that these investments would focus on the same types of investments that we make in U. S. middle- market companies. Investing in securities of non- U. S. companies involves many risks including economic, social, political, financial, tax and security conditions, potential inflationary economic environments, regulation by foreign governments, different accounting standards and political uncertainties. These factors could include changes in economic and fiscal policies, the possible imposition of, or changes in, currency exchange laws or other laws or restrictions applicable to the non- U. S. company or investments in their securities and the possibility of fluctuations in the rate of exchange between currencies. We may engage in hedging transactions to the limited extent such transactions are permitted under the 1940 Act and applicable commodities laws. Engaging in hedging transactions or investing in foreign 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 securities, we could use instruments such as forward contracts or currency options and borrow under a credit facility in currencies selected to minimize our foreign currency exposure. In each such case, we generally would seek to hedge against fluctuations of the relative values of our portfolio positions from changes in market interest rates or currency exchange rates. Hedging against a decline in the values of our portfolio positions would not eliminate the possibility of fluctuations in the values of such positions or prevent losses if the values of the positions declined. However, such hedging could establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of such portfolio positions. Such hedging transactions could also limit the opportunity for gain if the values of the underlying portfolio positions increased. Moreover, it might not be possible to hedge against an exchange rate or interest rate fluctuation that was so generally anticipated that we would not be able to enter into a hedging transaction at an acceptable price. Use of a hedging transaction could involve counterparty credit risk. The success of any hedging transactions we may enter into will depend on our ability to correctly predict movements in currencies and interest rates. Therefore, while we may enter into hedging transactions to seek to reduce currency exchange rate and interest rate risks, unanticipated changes in currency exchange rates or interest rates could result in poorer overall investment performance than if we had not engaged in any such hedging transactions. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio positions being hedged could vary. Moreover, for a variety of reasons, we might not seek to (or be able 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 to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non- U. S. currencies because the value of those securities is likely to fluctuate as a result of factors not related to currency fluctuations. Our ability to engage in hedging transactions may also be adversely affected by rules adopted by the CFTC. We may not realize gains from our equity investments. When we invest in unitranche, second lien and subordinated loans, we may acquire warrants or other equity securities of portfolio companies as well. We may also invest in equity securities directly. To the extent we hold equity investments, we will seek to dispose of them and realize gains upon our disposition of them. However, the equity interests we receive may not appreciate in value and may decline in value. As a result, we may not be able to realize gains from our equity interests, and any gains that we do realize on the disposition of any equity interests may not be sufficient to offset any other losses we experience. We may be subject to risks to the extent we provide managerial assistance to our portfolio companies. To the extent we participate substantially in the conduct of the management of certain of our portfolio companies, such as designating directors to serve on the boards of directors of certain portfolio companies, such designation of representatives and other measures contemplated could expose our assets to claims by a portfolio company in which we invest, its security- holders and its creditors, including claims that we are a controlling person and thus are liable for securities laws violations of a portfolio company. These measures also could result in certain liabilities in the event of the bankruptcy or reorganization of a portfolio company, could result in claims against us if a designated director violates their fiduciary or other duties to a portfolio company or fail to exercise appropriate levels of care under applicable corporate or securities laws, environmental laws or other legal principles, and could expose us to claims that we have interfered in management to the detriment of a portfolio company. Risks Relating to an Investment in our Common Stock ~~There is no existing trading~~ **We cannot assure you that the** market **price** ~~for shares of our Common Stock, and although we may pursue a Liquidity Event, including an Exchange Listing, in the future, there is no assurance that a public market for shares~~ of our Common Stock will ~~develop~~ **not decline below the IPO price or below our net asset value** . **The** ~~If developed, any such~~ market **price of our Common Stock** may ~~not~~ **be volatile and may fluctuate significantly. We currently list our Common Stock on the NYSE under the symbol " MSDL. " We cannot assure you that the trading market can** be sustained. In **addition** ~~the absence of a trading market~~ , ~~holders of shares of~~ **we cannot predict the prices at which** our Common Stock **will trade** ~~may be unable to liquidate an investment in our shares~~ . The ~~shares of~~ **IPO offering price for** our Common Stock ~~have~~ **was determined through our negotiations with the IPO underwriters and may** not **bear** ~~been registered under the Securities Act or~~ any **relationship** ~~state securities laws and, unless so registered, may not be offered or sold except pursuant~~ to ~~an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. There are restrictions on the ability of holders of our Common Stock to transfer shares in excess of the restrictions typically associated with a private offering of securities under Regulation D and other~~ -- **the market** ~~exemptions from registration under the Securities Act, and these restrictions could limit the liquidity of an investment in shares of our Common Stock and the~~ price at which ~~holders~~ **it** may **trade in the future. Shares of companies offered in an initial public offering often trade at a discount to the initial offering price due to underwriting discounts and commissions and related offering expenses. Also, shares of closed- end investment companies, including BDCs, frequently trade at a discount from their net asset value and our shares may also** be **discounted in** ~~able to sell~~ the **market. This characteristic of closed- end investment companies is separate and distinct from the risk that our net asset value per** ~~shares~~ - **share may decline** . We **cannot predict whether** ~~are relying on an exemption from registration under the Securities Act and state securities laws in offering shares of~~ our ~~Common Stock pursuant to the Subscription Agreements. As such, absent an effective registration statement covering our Common Stock, such shares may be resold only in transactions that are exempt from the registration requirements of the Securities Act and with our prior consent. Our~~ Common Stock will **trade at** ~~have limited transferability which could delay~~ , **above** ~~defer or prevent a transaction or a change of control of the Company that might involve a premium price for~~ - **or below** ~~our securities or otherwise be in the best interest of our stockholders. The~~ net asset value **. The risk of loss associated with this characteristic of closed- end management investment companies may be greater for investors expecting to sell Common Stock purchased in the offering soon after the offering. In addition, if our Common**

Stock trades below its net asset value, we will generally not be able to sell additional Common Stock to the public at its market price without first obtaining the approval of a majority of our stockholders (including a majority of our unaffiliated stockholder) and our independent directors for such issuance. The market price and liquidity ~~, if any,~~ of the market for our Common Stock **that will prevail in the market after this offering may be higher or lower than the price you pay and** may be significantly affected by numerous factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include: **• Significant volatility in the market price and trading volume of securities of BDCs or other companies in our sector, which are not necessarily related to the operating performance of these companies; • Price and volume fluctuations in the overall stock market from time to time; • The inclusion or exclusion of our Common Stock from certain indices;** • Changes in the value of our portfolio of investments and derivative instruments as a result of changes in market factors, such as interest rate shifts, and also portfolio specific performance, such as portfolio company defaults, among other reasons; • Changes in regulatory policies or tax guidelines, particularly with respect to RICs or BDCs; • Loss of RIC tax treatment or BDC status; • Distributions that exceed our net investment income and net income as reported according to ~~U. S. GAAP~~ **the generally accepted accounting principles in the United States of America** ; • Changes in earnings or variations in operating results; • Changes in accounting guidelines governing valuation of our investments; • Any shortfall in revenue or net income or any increase in losses from levels expected by investors; • Departure of our Adviser or certain of its key personnel; • Inability of the Adviser to employ additional experienced investment professionals; • General economic trends and other external factors; • **Escalation of tensions and conflicts in Europe and elsewhere, including in Ukraine and Russia, Israel and Gaza, and disruptions in local, regional, national and global markets and economies affected thereby, including the potential for volatility in energy prices and its impact on the industries in which we invest; • Elevating levels of inflation, and its impact on our portfolio companies and on the industries in which we invest; • The impact of supply chain constraints on our portfolio companies and the global economy; •** Loss of a major funding source; **• The impact of information technology system failures, data security breaches, data privacy compliance, network disruptions, and cybersecurity attacks;** and • The economic and other impacts of disease outbreaks **,** pandemics, or any other serious public health concern, such as the Coronavirus pandemic, in the United States as well as worldwide. There is a risk that you may not receive distributions or that our distributions may not grow over time and a portion of our distributions may be a return of capital. We intend to make periodic distributions to our stockholders out of assets legally available for distribution. We may fund our cash distributions to stockholders from any sources of funds available to us, including offering proceeds, borrowings, net investment income from operations, capital gains proceeds from the sale of assets, non- capital gains proceeds from the sale of assets, dividends or other distributions paid to us on account of preferred and common equity investments in portfolio companies and fee and expense reimbursement waivers from the Adviser or the Administrator, if any. We cannot assure you that we will achieve investment results that will allow us to make a specified level of cash distributions or year- to- year increases in cash distributions. Our ability to pay distributions might be adversely affected by the impact of one or more of the risk factors described in this report. Due to the asset coverage test applicable to us under the 1940 Act as a BDC, we may be limited in our ability to make distributions. To the extent we make distributions to stockholders that include a return of capital, such portion of the distribution essentially constitutes a return of the stockholder’ s investment. Although such return of capital may not be taxable, such distributions may increase an investor’ s tax liability for capital gains upon the future sale of our Common Stock. A return of capital distribution may cause a stockholder to recognize a capital gain from the sale of our Common Stock even if the stockholder sells its shares for less than the original purchase price **. Purchases of our Common Stock by us under the Company 10b5- 1 Plan may result in the price of our Common Stock being higher than the price might otherwise exist in the open market. On September 11, 2023, our Board of Directors approved the Company 10b5- 1 Plan which we entered into on January 25, 2024. Under the Company 10b5- 1 Plan, Wells Fargo Securities, LLC, as agent for the Company, will acquire up to $ 100 million in the aggregate of our Common Stock during the period beginning 60 calendar days following the end of the “ restricted period ” under Regulation M and will terminate upon the earliest to occur of (i) 12- months from the commencement date of the Company 10b5- 1 Plan, (ii) the end of the trading day on which the aggregate purchase price for all shares purchased under the Company 10b5- 1 Plan equals $ 100 million and (iii) the occurrence of certain other events described in the Company 10b5- 1 Plan. The “ restricted period ” under Regulation M ended upon the closing of the IPO and, therefore, the Common Stock repurchases / purchases described above will begin 60 days after the closing of the IPO, or March 26, 2024. Whether purchases will be made under the Company 10b5- 1 Plan and how much will be purchased at any time is uncertain, dependent on prevailing market prices and trading volumes, all of which we cannot predict. These activities may have the effect of maintaining the market price of our Common Stock or retarding a decline in the market price of the Common Stock, and, as a result, the price of our Common Stock may be higher than the price that otherwise might exist in the open market. Purchases of our Common Stock by us under the Company 10b5- 1 Plan may result in dilution to our net asset value per share. The Company 10b5- 1 Plan is intended to require Wells Fargo Securities, LLC, as our agent, to repurchase our Common Stock on our behalf when the market price per share is below the most recently reported net asset value per share (including any updates, corrections or adjustments publicly announced by us to any previously announced net asset value per share, including any distributions declared). Under the Company 10b5- 1 Plan, the agent will increase the volume of purchases made as the price of our Common Stock declines, subject to volume restrictions. Because purchases under the Company 10b5- 1 Plan will be made beginning at any price below our most recently reported net asset value per share, if our net asset value per share as of the end of a quarter is lower than the net asset per share as of the end of the prior quarter, purchases under the Company 10b5- 1 Plan during the period from the end of a quarter to the time of our earnings release announcing the new net asset value per share for that quarter may result in dilution to our net asset value per share. This dilution would occur because we would repurchase Common Stock**

under the Company 10b5- 1 Plan at a price above the net asset value per share as of the end of the most recent quarter end, which would cause a proportionately smaller increase in our stockholders' interest in our earnings and assets and their voting interest in us than the decrease in our assets resulting from such repurchase. As a result of any such dilution, our market price per share may decline. The actual dilutive effect will depend on the number of Common Stock that could be so repurchased, the price and the timing of any repurchases under the Company 10b5- 1 Plan . The investments we make in accordance with our investment objective may result in a higher amount of risk than alternative investment options and a higher risk of volatility or loss of principal. Our investments in portfolio companies involve higher levels of risk, and therefore, an investment in our shares may not be suitable for someone with lower risk tolerance. In addition, our Common Stock is intended for long- term investors who can accept the risks of investing primarily in illiquid loans and other debt or debt- like instruments and should not be treated as a trading vehicle. We have not established any limit on the amount of funds we may use from available sources, such as borrowings, if any, or proceeds from any offering of securities, to fund dividends (which may reduce the amount of capital we ultimately invest in assets). Stockholders should understand that any distributions made from sources other than cash flow from operations or relying on fee or expense reimbursement waivers, if any, from the Adviser of the Administrator are not based on our investment performance and can only be sustained if we achieve positive investment performance in future periods and / or the Adviser or the Administrator continues to make such expense reimbursements, if any. The extent to which we pay distributions from sources other than cash flow from operations will depend on various factors, including the level of participation in our distribution reinvestment plan, how quickly we invest the proceeds from any securities offerings and the performance of our investments. There can be no assurance that we will achieve such performance in order to sustain these distributions or be able to pay distributions at all. The Adviser and the Administrator have no obligation to waive fees or receipt of expense reimbursements, if any. **Sales of substantial amounts of our Common Stock in the public market, including shares of our Common Stock held by MS Credit Partners Holdings, may have an adverse effect on the market price of our Common Stock. The shares of Common Stock sold in the IPO will be freely tradable without restriction or limitation under the Securities Act. Each of MS Credit Partners Holdings and our directors, officers and members of the Investment Committee agreed that they will not transfer their shares in accordance with the transfer restrictions provided for in a lock- up agreement with the underwriters in our IPO for a period of 365 days after the date of the prospectus relating to the IPO, which was January 23, 2024. Certain other stockholders holding in the aggregate approximately 88. 0 % of the outstanding shares of Common Stock agreed that they will not transfer their shares that they own prior to the IPO in accordance with the transfer restrictions provided for in a lock- up agreement with the underwriters in our IPO for 365 days after January 23, 2024 (or January 22, 2025), provided, however that (i) 33 % of the shares of our Common Stock held by such stockholder prior to this offering will be automatically released from the transfer restrictions at any time beginning 180 days after January 23, 2024 (or July 21, 2024), (ii) an additional 33 % of the shares of our Common Stock held by such stockholder prior to this offering will be automatically released from the transfer restrictions at any time beginning 270 days after January 23, 2024 (or October 19, 2024), and (iii) the remaining 33 % of the shares of our Common Stock held by such stockholder prior to this offering will be released from such transfer restrictions 365 days after January 23, 2024 (or January 22, 2025). Following this offering and the expiration of applicable lock- up periods with the underwriters for MS Credit Partners Holdings, directors, officers and stockholders of our outstanding shares of Common Stock, and subject to applicable securities laws, including Rule 144, sales of substantial amounts of our Common Stock, or the perception that such sales could occur, could adversely affect the prevailing market prices for our Common Stock. If these sales occur, it could impair our ability to raise additional capital through the sale of equity securities should we desire to do so. We cannot predict what effect, if any, future sales of securities, or the availability of securities for future sales, will have on the market price of our Common Stock prevailing from time to time.** Our stockholders may experience dilution in their ownership percentage. Our stockholders do not have preemptive rights to purchase any shares of our Common Stock we issue in the future. To the extent that we issue additional equity interests at or below net asset value your percentage ownership interest in us may be diluted. In addition, depending upon the terms and pricing of any future sales of Common Stock and the value of our investments, you may also experience dilution in the book value and fair value of your shares of Common Stock. Under the 1940 Act, we generally are prohibited from issuing or selling shares of our Common Stock at a price below net asset value per share, which may be a disadvantage as compared with certain public companies. We may, however, sell shares of our Common Stock, or warrants, options, or rights to acquire shares of our Common Stock, at a price below the current net asset value of shares of our Common Stock if our Board of Directors determines that such sale is in our best interests and the best interests of our stockholders, and 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 of Directors, closely approximates the fair value of such securities (less any distributing commission or discount). If we raise additional funds by issuing shares of our Common Stock or senior securities convertible into, or exchangeable for, shares of our Common Stock, then the percentage ownership of our stockholders at that time will decrease and you will experience dilution. ~~Purchases of Common Stock pursuant to the Subscription Agreements will generally be made pro rata, in accordance with the remaining capital commitments of all investors. However, we may request capital contributions on a non- pro rata basis in accordance with the terms of the Subscription Agreement. To the extent an investor is required to purchase less than its pro rata share of a drawdown of investor capital commitments, such stockholder will experience dilution in their percentage ownership of the Company. In the event that we enter into a Subscription Agreement with one or more investors after the Initial Drawdown, each such investor will be required to make Catch- up Purchases on one or more dates to be determined by us. Each Catch- up Purchase will dilute the ownership percentage of all investors whose subscriptions were accepted at previous closings. As a result, each subsequent closing after the Initial Closing will result in existing stockholders in the Company experiencing~~

~~dilution as a result of Catch- up Purchases.~~ Our stockholders will experience dilution in their ownership percentage if they do not ~~opt~~ **participate** in ~~to~~ our ~~Dividend Reinvestment Plan ("~~ DRIP ~~")~~ . ~~We have~~ **On January 26, 2024, we adopted** an " opt ~~in~~ **out** " DRIP pursuant to which all distributions declared will be ~~payable~~ **automatically reinvested** in ~~cash~~ **shares of our Common Stock** unless stockholders elect to receive their distributions in **cash** ~~shares of our Common Stock~~ . As a result, our stockholders that do not **participate** ~~" opt~~ in ~~" to~~ our DRIP will experience dilution in their ownership percentage of our Common Stock over time. See " Item 5. Market for Registrant' s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities — Distribution Policy and Dividend Reinvestment Plan " for a description of our dividend policy and obligations. Our stockholders may receive shares of our Common Stock as dividends, which could result in adverse tax consequences to them. In order to satisfy the Annual Distribution Requirement applicable to RICs, we will have the ability to declare a large portion of a dividend in shares of our Common Stock instead of in cash. Revenue procedures issued by the IRS, allow a publicly offered regulated investment company (as defined above) to distribute its own stock as a dividend for the purpose of fulfilling its distribution requirements, if certain conditions are satisfied. As long as a portion of such dividend is paid in cash (which portion may be as low as 20 % of such dividend) and certain requirements are met, the entire distribution will be treated as a dividend for U. S. federal income tax purposes. As a result, a stockholder generally would be subject to tax on 100 % of the fair market value of the dividend on the date the dividend is received by the stockholder in the same manner as a cash dividend, even though most of the dividend was paid in shares of our Common Stock. We may in the future determine to issue preferred stock, which could adversely affect the value of shares of Common Stock. The issuance of preferred stock with dividend or conversion rights, liquidation preferences or other economic terms favorable to the holders of preferred stock could make an investment in shares of Common Stock less attractive. In addition, the dividends on any preferred stock we issue must be cumulative. Payment of dividends and repayment of the liquidation preference of preferred stock must take preference over any distributions or other payments to holders of Common Stock, and holders of preferred stock are not subject to any of our expenses or losses and are not entitled to participate in any income or appreciation in excess of their stated preference (other than convertible preferred stock that converts into shares of Common Stock). In addition, under the 1940 Act, preferred stock would constitute a " senior security " for purposes of the 150 % asset coverage test. Our stockholders may be subject to filing requirements under the Exchange Act as a result of an investment in us. Because our Common Stock is registered under the Exchange Act, ownership information for any person who beneficially owns 5 % or more of our Common Stock must 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. Although we will provide in our quarterly financial statements the amount of outstanding stock and the amount of the investor' s stock, the responsibility for determining the filing obligation and preparing the filing remains with the investor. In addition, owners of 10 % or more of our Common Stock are subject to reporting obligations under Section 16 (a) of the Exchange Act. Our stockholders may be subject to the short- swing profits rules under the Exchange Act as a result of an investment in us. Persons with the right to appoint a director or who hold 10 % or more of a class of our shares may be subject to Section 16 (b) of the Exchange Act, which recaptures for the benefit of the issuer profits from the purchase and sale of registered stock within a six- month period. ~~Disposition of shares of our Common Stock by MS Credit Partners Holdings may negatively impact our performance and the price of our Common Stock. MS Credit Partners Holdings, a wholly owned subsidiary of Morgan Stanley and an affiliate of our Adviser, has made an aggregate capital commitment of $ 200. 0 million to the Company. However, MS Credit Partners Holdings is not obligated to maintain its investment in the Company and, to the extent MS Credit Partners Holdings determines to dispose of its shares of our Common Stock and to the extent such disposition is permissible, the disposition of a large number of shares of our Common Stock may negatively impact our performance and, if there is a market for shares of our Common Stock, the share price of such Common Stock. Morgan Stanley has no obligation, contractual or otherwise, to financially support us beyond this equity commitment to purchase our Common Stock.~~ Risks Related to the Notes The Notes are unsecured and therefore are effectively subordinated to any secured indebtedness we may incur. Additionally, the Notes are not guaranteed by Morgan Stanley. The Notes are not secured by any of our assets or any of the assets of our subsidiaries. As a result, the Notes are effectively subordinated to any secured indebtedness we or our subsidiaries have outstanding or that we or our subsidiaries may incur in the future (or any indebtedness that is initially unsecured in respect of which we subsequently grant security) to the extent of the value of the assets securing such indebtedness. In any liquidation, dissolution, bankruptcy or other similar proceeding, the holders of any of our existing or future secured indebtedness and the secured indebtedness of our subsidiaries may assert rights against the assets pledged to secure that indebtedness in order to receive full payment of their indebtedness before the assets may be used to pay other creditors, including the holders of the Notes. As of December 31, ~~2022~~ **2023** , our total consolidated indebtedness was approximately $ 1. 5 billion, approximately $ 0. 8 billion of which was secured by our assets. The Notes are not obligations of Morgan Stanley nor are they guaranteed by Morgan Stanley and Morgan Stanley has no obligation to pay any amounts due on the Notes. The Company is not a subsidiary of or consolidated with Morgan Stanley. Furthermore, Morgan Stanley has no obligation, contractual or otherwise, to financially support us ~~beyond the equity commitment to purchase our Common Stock pursuant to a subscription agreement entered into by MS Credit Partners Holdings~~ . Morgan Stanley has no history of financially **supporting** any of the MS BDCs on the MS Private Credit platform, even during periods of financial distress. The 2027 Notes are obligations exclusively of the Company and not of any of our subsidiaries. None of our subsidiaries is a guarantor of the 2027 Notes and the 2027 Notes are not required to be guaranteed by any subsidiaries we may acquire or create in the future. Although the 2025 Notes are guaranteed by certain of our subsidiaries, the 2025 Notes are not secured by any of the assets of our subsidiaries and are effectively subordinated to any secured indebtedness our subsidiaries have outstanding or that our subsidiaries may incur in the future. As of December 31, ~~2022~~ **2023** , approximately $ ~~0~~ **1** . ~~8~~ **5** billion of the indebtedness required to be consolidated on our balance sheet was held through subsidiary financing vehicles and / or secured by assets of the Company and its subsidiaries. Except to the extent we are a creditor with recognized claims against our subsidiaries, all claims of creditors, including trade creditors, and holders of preferred stock, if any, of our subsidiaries will have priority over our claims (and therefore the claims of our creditors, including holders of the 2027 Notes) with respect to the assets of such subsidiaries. Even if we were recognized as a creditor of one or more of our subsidiaries, our claims (and therefore the claims of our creditors, including the holders of the Notes) would still be effectively subordinated to any security interests in the assets of any such subsidiary and to any indebtedness or other liabilities of any such subsidiary senior to our claims. Consequently, the Notes are subordinated structurally to all existing indebtedness and other liabilities of any of our subsidiaries and the 2027 Notes are subordinated structurally to all indebtedness of any subsidiaries that we may in the future acquire or establish as financing vehicles or otherwise. All of the existing indebtedness of our subsidiaries is structurally senior to the Notes. In addition, our subsidiaries may incur substantial additional indebtedness in the future, all of which would be structurally senior to the 2027 Notes. Our credit ratings are an internal assessment by rating agencies of our ability to pay our debts when due. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of the Notes or other debt securities we may issue. Our 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 of our debt securities, if any. These credit ratings may not reflect the potential impact of risks relating to the structure or marketing of the Notes or an investment in other debt securities we may issue. Credit ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization in its sole discretion. None of the initial purchasers, us, or Morgan Stanley undertakes any obligation to maintain our credit ratings or to advise holders of the Notes of any changes in our credit ratings. The 2025 Notes and the 2027 Notes are rated by certain credit rating agencies. There can be no assurance that the respective credit ratings will remain for any given period of time or that such credit ratings will not be lowered or withdrawn entirely by the applicable ratings agency if in its judgment future circumstances relating to the basis of the credit rating, such as adverse changes in our business, financial condition and results of operations, so warrant. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future, which could have an adverse effect on the market prices, if any, or values of the Notes. In general, as market interest rates rise, debt securities bearing interest at fixed rates of interest decline in value. Consequently, if an investor purchases Notes bearing interest at fixed rates and market interest rates increase, the market prices, if any, or values of those Notes may decline. We cannot predict the future level of market interest rates. The Indenture governing the 2027 Notes contains limited protection for holders of the 2027 Notes. The Indenture governing the 2027 Notes offers limited protection to holders of the 2027 Notes. The terms of the Indenture and the 2027 Notes do not restrict our or any of our subsidiaries' ability to engage in, or otherwise be a party to, a variety of corporate transactions, circumstances or events that could have an adverse impact on a holder' s investment in the 2027 Notes. In particular, the terms of the Indenture and the 2027 Notes do not place any restrictions on our or our subsidiaries' ability to: • issue securities or otherwise incur additional indebtedness or other obligations, including (1) any indebtedness or other obligations that would be equal in right of payment to the 2027 Notes, (2) any indebtedness or other obligations that would be secured and therefore rank effectively senior in right of payment to the 2027 Notes to the extent of the values of the assets securing such debt, (3) indebtedness of ours that is guaranteed by one or more of our subsidiaries and which therefore is structurally senior to the 2027 Notes and (4) securities, indebtedness or obligations issued or incurred by our subsidiaries that would be senior to our equity interests in our subsidiaries and therefore rank structurally senior to the 2027 Notes with respect to the assets of our subsidiaries, in each case other than an incurrence of indebtedness or other obligation that would cause a violation of Section 18 (a) (1) (A) of the 1940 Act as modified by Section 61 (a) (1) and (2) of the 1940 Act or any successor provisions, as such obligations may be amended or superseded, giving effect to any exemptive relief granted to us by the SEC; • pay dividends on, or purchase or redeem or make any payments in respect of, capital stock or other securities ranking junior in right of payment to the 2027 Notes; • sell assets (other than certain limited restrictions on our ability to consolidate, merge or sell all or substantially all of our assets); • enter into transactions with affiliates; • create liens (including liens on the shares of our subsidiaries) or enter into sale and leaseback transactions; • make investments; or • create restrictions on the payment of dividends or other amounts to us from our subsidiaries. In addition, the terms of the Indenture and the 2027 Notes do not protect holders of the 2027 Notes in the event that we experience changes (including significant adverse changes) in our financial condition, results of operations or credit ratings, as they do not require that we or our subsidiaries adhere to any financial tests or ratios or specified levels of net worth, revenues, income, cash flow or liquidity other than certain events of default under the Indenture governing the 2027 Notes. Our ability to recapitalize, incur additional debt and take a number of other actions are not limited by the terms of the 2027 Notes and may have important consequences for holders of the 2027 Notes, including making it more difficult for us to satisfy our obligations with respect to the 2027 Notes or negatively affecting the trading value of the 2027 Notes. Other debt we issue or incur in the future could contain more protections for its holders than the indenture and the Notes, including additional covenants and events of default. The issuance or incurrence of any such debt with incremental protections could affect the market for and trading levels and prices of the 2027 Notes. The indenture governing the 2027 Notes does not place any restrictions on the operations of Morgan Stanley or its subsidiaries. The optional redemption provision for the Notes may materially adversely affect the return on the Notes. The Notes are redeemable in whole or in part upon certain conditions at any time or from time to time at our option. We may choose to redeem the Notes at times when prevailing interest rates are lower than the interest rate paid on the Notes. In this circumstance, a holder of the Notes may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the Notes being redeemed. If an active trading market for the Notes does not develop or is not maintained, a noteholder may not be able to sell its Notes. The Unrestricted 2027 Notes have been registered for resale under the Securities Act. However, the Restricted 2027 Notes and the 2025 Notes have not been registered under the Securities Act and may only be offered or sold in transactions that are not subject to, or that are otherwise exempt from, the registration requirements of the Securities Act and applicable state securities laws or pursuant to an effective registration statement. We cannot provide any assurances that an active trading market for any of the

Notes will exist in the future or that holders will be able to sell their Notes. We do not currently intend to apply for listing of the Notes on any securities exchange or for quotation of the Notes on any automated dealer quotation system. Even if an active trading market does exist, the Notes may trade at a discount from their initial offering price depending on prevailing interest rates, the market for similar securities, our credit ratings, if any, general economic conditions, our financial condition, performance and prospects and other factors. To the extent an active trading market does not exist, the liquidity and trading price for the Notes may be harmed. Accordingly, a holder of the Notes may be required to bear the financial risk of an investment in the Notes for an indefinite period of time. There are significant restrictions on the ability to transfer or resell the Restricted 2027 Notes and the 2025 Notes. The Restricted 2027 Notes and the 2025 Notes have not been registered under the Securities Act. Accordingly, the Restricted 2027 Notes and the 2025 Notes may only be offered or sold in transactions that are not subject to, or that are otherwise exempt from, the registration requirements of the Securities Act and applicable state securities laws or pursuant to an effective registration statement. Therefore, a noteholder may transfer or resell the Restricted 2027 Notes or the 2025 Notes in the **United States** ~~U. S.~~ only in a transaction exempt from the registration requirements of Securities Act and applicable state securities laws or pursuant to an effective registration statement, and a noteholder may be required to bear the risk of its investment until the maturity of the Restricted 2027 Notes or 2025 Notes, as applicable. We relied on exemptions from the registration and / or prospectus qualification requirements under the laws of other jurisdictions where the Restricted 2027 Notes and 2025 Notes are being offered and sold, and, therefore, the Restricted 2027 Notes and 2025 Notes may be transferred and resold by purchasers that are resident in or otherwise subject to the laws of those jurisdictions, to the extent applicable. We may not be able to repurchase the Notes upon a Change of Control Repurchase Event. We may not be able to repurchase the Notes upon a Change of Control Repurchase Event (as defined in the indenture governing the 2027 Notes or the Note Purchase Agreement governing the 2025 Notes, as applicable) because we may not have sufficient funds. Upon a Change of Control Repurchase Event, holders of the Notes may require us to repurchase for cash some or all of the Notes at a repurchase price equal to 100 % of the aggregate principal amount of the Notes being repurchased, plus accrued and unpaid interest to, but not including, the repurchase date. Our failure to purchase such tendered Notes upon the occurrence of such Change of Control Repurchase Event would cause an event of default under the indenture governing the 2027 Notes or the Note Purchase Agreement governing the 2025 Notes, as applicable, and a cross- default under the agreements governing certain of our other indebtedness, which may result in the acceleration of such indebtedness requiring us to repay that indebtedness immediately. If a Change of Control Repurchase Event were to occur, we may not have sufficient funds to repay any such accelerated indebtedness and / or to make the required repurchase of the Notes. For the avoidance of doubt, except with respect to the subscription agreement entered into by MS Credit Partners Holdings to purchase our Common Stock described above, Morgan Stanley does not have any obligation to provide us with funding to repurchase the Notes upon a Change of Control Repurchase Event or otherwise. **We are operating in a period of capital markets volatility and economic uncertainty. The conditions have materially and adversely affected debt and equity capital markets in the United States, and any future volatility or instability in capital markets may have a negative impact on our business and operations.** From time to time, capital markets may experience periods of volatility and instability for a variety of reasons. We are currently operating in a period of market volatility, as a result of, among other factors, elevated levels of inflation. Uncertainty remains as to the probability of, and length and depth of a global recession and the impact of actions taken by the Federal Reserve, foreign central banks and other U. S. and global governmental entities. Government spending, government policies, including recent increases in certain interest rates by the Federal Reserve ~~,~~ and **other global central banks, the failure of certain regional banks earlier this year and the potential for** disruptions in ~~supply chains~~ **the availability of credit** in the United States and elsewhere, in conjunction with other factors have led and could continue to lead to a continued inflationary economic environment that could affect the Company' s portfolio companies, the Company' s financial condition and the Company' s results of operations. In addition to the factors described above, other factors described herein that may affect market, economic and geopolitical conditions, and thereby adversely affect the Company including, without limitation, economic slowdown in the United States and internationally, changes in interest rates and / or a lack of availability of credit in the United States and internationally, commodity price volatility and changes in law and / or regulation, and uncertainty regarding government and regulatory policy. The full impact of any such risks is uncertain and difficult to predict. Capital markets volatility and instability have also occurred in the past and may occur in the future. For example, from 2008 to 2009, the global capital markets were unstable as evidenced by the lack of liquidity in the debt capital markets, significant write- offs in the financial services sector, the re-pricing of credit risk in the broadly syndicated credit market and the failure of major financial institutions. Despite actions of the U. S. federal government and various foreign governments, these events contributed to worsening general economic conditions that materially and adversely impacted the broader financial and credit markets and reduced the availability of debt and equity capital for the market as a whole and financial services firms in particular. There have been more recent periods of volatility and there can be no assurance that adverse market conditions will not repeat themselves in the future. Furthermore, uncertainty between the United States and other countries with respect to trade policies, treaties and tariffs, among other factors, have caused volatility in the global markets, and we cannot assure you that these market conditions will not continue or worsen in the future. Terrorist acts, acts of war, natural disasters, or disease outbreaks, pandemics or other public health crises may cause periods of market instability and volatility and may disrupt the operations of us and our portfolio companies for extended periods of time. If similar adverse and volatile market conditions repeat in the future, we and other companies in the financial services sector may have to access, if available, alternative markets for debt and equity capital in order to grow. Equity capital may be particularly difficult to raise during periods of adverse or volatile market conditions because, subject to some limited exceptions, as a BDC, we are generally not able to issue additional shares of Common Stock at a price less than the net asset value per share without first obtaining approval for such issuance from our stockholders and our Board of Directors, including all of our directors who are not " interested persons " of the Company, as defined in the 1940 Act. Moreover, the re- appearance of market conditions similar to those experienced from 2008 through 2009 for any substantial length of time or worsened market conditions, including as a result of U. S. government shutdowns or the perceived creditworthiness of the United States, could make it difficult for us to borrow money or to extend the maturity of or refinance any indebtedness we may have under similar terms and any failure to do so could have a material adverse effect on our business. The debt capital that will be available to us in the future, if any, may be at a higher cost and on less favorable terms and conditions than would currently be available. If we are unable to raise or refinance debt, stockholders may not benefit from the potential for increased returns on equity resulting from leverage and we may be limited in our ability to make new commitments or to fund existing commitments to our portfolio companies. Given the periods of extreme volatility and dislocation in the capital markets from time to time, many BDCs have faced, and may in the future face, a challenging environment in which to raise or access capital. In addition, significant changes in the capital markets, including the extreme volatility and disruption over the past several years, has had, and may in the future have, a negative effect on asset valuations and on the potential for liquidity events. While most of our investments will not be publicly traded, applicable accounting standards require us to assume as part of our valuation process that our investments are sold in a principal market to market participants (even if we plan on holding an investment through to maturity). As a result, volatility in the capital markets can adversely affect the valuations of our investments. Further, the illiquidity of our investments may make it difficult for us to sell such investments to access capital if required. As a result, we could realize significantly less than the value at which we have recorded our investments if we were required to sell them for liquidity purposes. In addition, a prolonged period of market illiquidity may cause us to reduce the volume of loans and debt securities we originate and / or fund and adversely affect the value of our portfolio investments, which could have a material and adverse effect on our business, financial condition, results of operations and cash flows. An inability to raise or access capital could have a material adverse impact on our business, financial condition or results of operations. We and certain of 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 relevant government agencies charged with implementing those laws and regulations, and new laws, regulations and interpretations may also come into effect. For example, because a Morgan Stanley affiliate is acting as the Adviser and Morgan Stanley has a 5 % or greater voting investment in us, we are subject to the certain federal banking and financial requirements, including the BHCA, regulations of the Federal Reserve, and certain provisions of the Dodd- Frank Act. See " Regulation as a Business Development Company — Bank Holding Company Act and Dodd Frank and Volcker Rule Disclosure. " Because we are controlled by Morgan Stanley for purposes of the BHCA, we must generally comply with the investment and activity restrictions applicable to Morgan Stanley under the BHCA. Such restrictions may place certain limitations on our ability to engage in activities or make investments in companies. For instance, the BHCA permits a BHC as well as any non- bank affiliate of such BHC, to make investment representing less than 5 % of any class of voting shares of another company so long as that investment is otherwise non- controlling under the BHCA. The BHCA also permits well- capitalized, well- managed BHCs that have elected to be treated as a FHC to engage in expanded " financial in nature " activities without prior approval of the Federal Reserve. Such financial in nature activities include bona fide merchant banking activities, so long as (i) the FHC holds its merchant banking investments only for a period of time sufficient to enable the sale or disposition thereof on a reasonable basis (generally no more than 10 years) and (ii) the FHC does not routinely manage or operate the companies in which it invests except as necessary or required to obtain a reasonable return on its investment. The BHCA does not, however, require Morgan Stanley to financially support us. Similarly, the Volcker Rule generally restricts any banking entity (which includes Morgan Stanley and most affiliates of Morgan Stanley, including us as a BDC controlled by Morgan Stanley) from engaging in " proprietary trading " as well as from acquiring or retaining any " ownership interest " in a " covered fund ", in each case unless the investment or activity is conducted in accordance with an exclusion or exemption. The Volcker Rule also generally prohibits certain transactions between a banking entity and any of its affiliates, on the one hand, and a covered fund for which the banking entity or any of its affiliates serves, directly or indirectly, as the investment manager, investment adviser, or that the banking entity or any of its affiliates sponsors in connection with organizing and offering that fund (or with any other covered fund that is controlled by such fund, on the other hand. It is not certain how all aspects of the Volcker Rule will be interpreted and applied, or what the impact of the Volcker Rule will have on us. In addition, the restrictions and limitation on Morgan Stanley and us may change in the future as the Federal Reserve and other agencies consider whether and how to revise and apply the Volcker Rule. We believe that we may perform our activities and services without violation of applicable U. S. banking laws and regulations. However, it is possible that future changes or clarifications in the BHCA and Volcker Rule, as well as judicial or administrative decisions or interpretations of present of future laws or regulations, could restrict (or possibly prevent) our ability to continue to conduct our operations as currently contemplated. In such event, we, the Adviser and / or Morgan Stanley may agree to make certain amendments or changes to the extent necessary to permit the Adviser to continue to provide services to us, while enabling us to continue to achieve our purposes and objectives. These regulations and any future legislative and regulatory proposals, as well as future interpretations of existing rules, that are directed at the financial services industry, including those that may be proposed or pending in the U. S. Congress, may negatively impact the operations, cash flows or financial condition of us or our portfolio companies, impose additional costs on us or our portfolio companies, intensify the regulatory supervision of us or our portfolio companies or otherwise adversely affect our business or the business of our portfolio companies. Laws that apply to us, either now or in the future, are often highly complex and may include licensing requirements. The licensing process can be lengthy and can be expected to subject us to increased regulatory oversight. Failure, even if unintentional, to comply fully with applicable laws may result in sanctions, fines or limitations on the ability of the Company or the Adviser to do business in the relevant jurisdiction or to procure required licenses in other jurisdictions, all of which could have a material adverse effect on us. 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 our 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 and BDCs, may cause us to alter our investment strategy in order to avail ourselves of new or different opportunities, or to comply with additional restrictions on our investments or capital structure, or result in the imposition of corporate- level taxes on us. Such changes could result in material differences to our strategies and plans and may shift our investment focus from the areas of expertise of the Adviser to other types of investments in which the Adviser 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 your investment. The Adviser currently acts pursuant to an exemption from registration as a commodity trading advisor with the CFTC. These requirements restrict the types of commodity investment strategies that the Adviser can pursue while remaining exempt, and if the Adviser were to seek other investment strategies that required it to register with the CFTC, that registration would increase their, and therefore our, costs. In addition, new legislation and any U. S. Treasury regulations, administrative interpretations or court decisions interpreting such legislation could significantly and negatively affect our ability to qualify for tax treatment as a RIC or the U. S. federal income tax consequences to us and our stockholders of such qualification, or could have other adverse consequences. Stockholders are urged to consult with their tax advisor regarding tax legislative, regulatory, or administrative developments and proposals and their potential effect on an investment in our securities. In addition, certain regulations applicable to debt securitizations implementing credit risk retention requirements in effect in both the United States and in Europe may adversely affect or prevent us from entering into any future securitization transaction. These risk retention rules may cause an increase in our cost of funds under or may prevent us from completing any future securitization transactions. The U. S. risk retention rules require the sponsor (directly or through a majority- owned affiliate) of a debt securitization subject to such rules, such as collateralized loan obligations, in the absence of an exemption, to retain an economic interest in the credit risk of the assets being securitized. If, and to the extent that, we engage in securitization transactions that require the retention of an economic interest, these rules would increase our financing costs in comparison to other types of financings and this increase in financing costs would ultimately be borne by our stockholders. Over the last several years, there also has been an increase in regulatory attention to the extension of credit outside of the traditional banking sector, raising the possibility that some portion of the non- bank financial sector will be subject to new regulation. While it cannot be known at this time whether any regulation will be implemented or what form it will take, increased regulation of non- bank credit extension could negatively impact our operations, cash flows or financial condition, impose additional costs on us, intensify the regulatory supervision of us or otherwise adversely affect our business, financial condition and results of operations. ~~To the extent that certain~~ **Certain** tax law changes **have been** ~~announced but not yet~~ enacted, including, among others, a minimum tax on book income and profits of certain multinational corporations **.** ~~, are subsequently enacted, such~~ **Such** legislative changes, any other significant changes in economic or tax policy and / or government programs, as well as any future such changes could have a material adverse impact on us and on our investments. Ongoing implementation of, or changes in, including changes in interpretation or enforcement of, laws and regulations could impose greater costs on us and on financial services companies and impact the value of assets we hold and our business, financial condition and results of operations. In addition, uncertainty regarding legislation and regulations affecting the financial services industry or taxation could also adversely impact our business or the business of our portfolio companies. If we do not comply with applicable laws and regulations, we could lose any licenses that we then hold for the conduct of our business and may be subject to civil fines and criminal penalties. We are highly dependent on information systems, and systems failures could significantly disrupt our business, which may, in turn, negatively affect the value of shares of our Common Stock and our ability to pay distributions. The operations of the Company, the Adviser, the Administrator and any third- party service provider to any of the foregoing are susceptible to risks from cybersecurity attacks and incidents due to reliance on the secure processing, storage and transmission of confidential and other information in the relevant computer systems and networks. In particular, cyber security incidents and cyber- attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. These attacks could involve gaining unauthorized access to information systems for purposes of misappropriating assets, stealing confidential information, corrupting data or causing operational disruption and result in disrupted operations, misstated or unreliable financial data, liability for stolen assets or information, increased cybersecurity protection and insurance costs, litigation and damage to our business relationships, any of which could have a material adverse effect on our business, financial condition and results of operations. We, the Adviser and the Administrator must each continuously monitor and innovate our cybersecurity to protect our technology and data from corruption or unauthorized access. In addition, due to the use of third- party vendors, agents, exchanges, clearing houses and other financial institutions and service providers, we, the Adviser and the Administrator could be adversely impacted if any of us are subject to a successful cyber- attack or other breach of our information. Furthermore, in recent years cybersecurity risks for financial institutions have significantly increased in part because of the proliferation of new technologies, the use of the internet, mobile telecommunications and cloud technologies to conduct financial transactions, and the increased sophistication and activities of organized crime, hackers, terrorists and other external extremist parties, including foreign state actors in some circumstances as a means to promote political ends. Global events and geopolitical instability may lead to increased nation state targeting of financial institutions in the U. S. and abroad. Any of these parties may also attempt to fraudulently induce employees, customers, clients, vendors, or other third parties or users of the Company, the Adviser, the Administrator and their affiliates' systems to disclose sensitive information in order to gain access to such parties' data or that of their employees or clients. Cybersecurity risks may also derive from human error, fraud or malice on the part of the Adviser or the Administrator and their affiliates' employees or third parties, or may result from accidental technological failure. Like other financial services firms, Morgan Stanley continues to be the subject of unauthorized access attacks, mishandling or misuse of information, computer viruses or malware, cyber attacks designed to obtain confidential information, destroy data, disrupt or degrade service, sabotage systems or cause other damage, denial of service attacks, data breaches, social engineering attacks and other events, and there can be no assurance that such unauthorized access, mishandling or misuse of information, or cyber incidents will not occur in the future, and they could occur more frequently and on a more significant scale. Given Morgan Stanley' s global footprint and the high volume of transactions it processes, the large number of clients, partners, vendors and counterparties with which it does business, and the increasing sophistication of cyber attacks, a cyber attack, information or security breaches could occur and persist for an extended period of time without detection. Although we, the Adviser, the Administrator and Morgan Stanley have developed protocols, processes, internal controls and other protective measures to help mitigate cybersecurity risks and cyber intrusions, these measures, as well as our increased awareness of the nature and extent of the 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. If any of the foregoing events occur, the confidential and other information of the Company, the Adviser, and the Administrator could be compromised. Such events could also cause interruptions or malfunctions in the operations of the Company, the Adviser or the Administrator, and in particular the Adviser' s investment activities on our behalf and the provision of administrative services to us by the Administrator. In addition, the Company, the Adviser, the Administrator or our portfolio companies could be required to make a significant investment to remedy the effects of any cybersecurity incident, harm to their reputations, legal claims that they and their respective affiliates may be subjected to, regulatory action or enforcement arising out of applicable privacy and other laws, adverse publicity, and other events that may affect their business and financial performance. The increased use of mobile and cloud technologies can heighten these and other operational risks. We, the Adviser and the Administrator currently or in the future are expected to routinely transmit and receive personal, confidential and proprietary information by email and other electronic means. We, the Adviser and the Administrator have discussed and worked with clients, vendors, service providers, counterparties and other third parties to develop secure transmission capabilities and protect against cyber- attacks. However, we, the Adviser and the Administrator may not be able to ensure secure capabilities with all of our clients, vendors, service providers, counterparties and other third parties to protect the confidentiality of the information. **The** ~~In addition, the~~ systems and technology resources used by us, our Adviser, our Administrator and our and their respective affiliates could be strained by extended periods of remote working by our Adviser, our Administrator and their affiliate' s employees and such extended remote working could introduce operational risks, including heightened cybersecurity risk. Remote working environments may be less secure and more susceptible to hacking attacks, including phishing and social engineering attempts. **In addition, cybersecurity continues to be a key priority for regulators around the world, and some jurisdictions have enacted laws requiring companies to notify individuals or the general investing public of data security breaches involving certain types of personal data, including the SEC, which, on July 26, 2023, adopted amendments requiring the prompt public disclosure of certain cybersecurity breaches. If we fail to comply with the relevant laws and regulations, we could suffer financial losses, a disruption of our business, liability to investors, regulatory intervention or reputational damage.** Terrorist attacks, acts of war, natural disasters, outbreaks or pandemics, such as the Coronavirus pandemic, may impact our portfolio companies and our Adviser and harm our business, operating results and financial condition. Terrorist acts, acts of war, natural disasters, disease outbreaks, pandemics or other similar events may disrupt our operations, as well as the operations of our portfolio companies and our Adviser. Such acts have created, and continue to create, economic and political uncertainties and have contributed to recent global economic instability. For example, many countries have experienced outbreaks of infectious illnesses in recent decades, including polio, swine flu, avian influenza, SARS, coronaviruses and the monkeypox virus. ~~In February 2022,~~ **The Israel-Hamas war and the conflict between** Russia **and** ~~launched a large- scale invasion of~~ Ukraine **, and resulting market volatility, could also adversely affect the Company' s business, operating results, and financial condition** . The extent and duration **or escalation** of **such conflicts** ~~Russian military action in the Ukraine~~ , resulting sanctions and resulting future market disruptions ~~, including declines in stock markets in Russia and elsewhere and the value of the ruble against the U. S. dollar,~~ are impossible to predict, but could be significant. Any **disruptions resulting from** such **conflicts and any future conflict** ~~disruptions caused by Russian military or other actions~~ (including cyberattacks, espionage or the use or threatened use of nuclear weapons) or resulting from actual or threatened responses to such actions could cause disruptions to any of our portfolio companies located in Europe **or the Middle East** or that have substantial business relationships with ~~European or Russian~~ companies **in affected regions** . It is not possible to predict the duration or extent of longer- term consequences of ~~this~~ **these** ~~conflict~~ **conflicts** , which could include further sanctions, retaliatory and escalating measures ~~taken by Russia~~ , embargoes, regional instability, geopolitical shifts and adverse effects on or involving macroeconomic conditions **, the energy sector** , supply chains, inflation, security conditions, currency exchange rates and financial markets around the globe. Any such market disruptions could affect our portfolio companies' operations and, as a result, could have a material adverse effect on our business, financial condition and results of operations. Market volatility has had a material adverse impact on local economies in the affected jurisdictions and also on the global economy, as cross border commercial activity and market sentiment continue to be impacted by such events. In addition to these and any future developments potentially having adverse consequences for certain portfolio companies and other issuers in or through which we may invest and the value of our investments therein, the operations of the Adviser (including those relating to us) have been, and could continue to be, adversely impacted. Any of the foregoing events could materially and adversely affect our ability to source, manage and divest our investments and our ability to fulfill our investment objectives. Similar consequences could arise with respect to other comparable infectious diseases. The extent to which the Coronavirus and / or other disease outbreaks or health pandemics may negatively affect our and our portfolio companies' operating results, or the duration of any potential business or supply- chain disruption, is uncertain. These potential impacts, while uncertain, could adversely affect our operating results and the operating results of the portfolio companies in which we invest. There is a risk that any future disease outbreaks or health pandemics (including a recurrence of the Coronavirus) would impact our ability to achieve our investment objectives. Further, if a future pandemic occurs during a period when our investments are maturing, we may not be able to realize our investments within the Company' s term, or at all. In addition, future terrorist activities, military or security operations, natural disasters, disease outbreaks, pandemics or other similar events could weaken the domestic / global economies and create additional uncertainties, which may negatively impact our portfolio companies and, in turn, could have a material adverse impact on our business, operating results and financial condition ~~. The United Kingdom' s exit from the European Union may create significant risks and uncertainty for global markets and our investments. It is difficult to predict the future of the United Kingdom' s relationship with the European Union, the uncertainty of which may increase the volatility in the global financial markets in the short- and medium- term and may negatively disrupt regional and global financial markets. On December 24, 2020 the United Kingdom and the European Union announced they had reached agreement on the terms of a trade and cooperation agreement to govern the future relationship between the parties. The agreement consists of three main pillars including trade, citizens' security and governance, covering a variety of arrangements in several areas. The agreement was provisionally applicable with effect from January 1, 2021 and entered into force effective May 1, 2021. With respect to financial services, although the United Kingdom chose to grant the European Union equivalence in a number of key areas under European financial regulations, the European Union only made certain more limited equivalence decisions, leaving decisions on equivalence and adequacy to be determined by each of the United Kingdom and European Union unilaterally in due course. As a result, United Kingdom licensed entities are unable to provide regulated services in a number of European Union jurisdictions from the end of December 2020, absent regulatory relief or other measures implemented by individual countries. Such agreement is untested and may lead to ongoing political and economic uncertainty and periods of exacerbated volatility in both the United Kingdom and in wider European and global markets for some time. As such, it is difficult to predict the precise impact of Brexit on us. This uncertainty is likely to continue to adversely affect the global economic climate and may affect companies or assets, including with respect to opportunity, pricing, regulation, value or exit, especially companies based in, doing business in, or having service or other significant relationships in or with the United Kingdom or the European Union. In addition, the long- term stability of certain European financial markets remains uncertain and the possibility of defaults and / or bankruptcies by sovereign states in Europe in respect of their obligations remains a concern, which could have an impact on economic conditions and market activity in the European Union. Given current market conditions of relatively weak growth in many European Union member states, there is a risk that default of certain participating member states of the European Union may lead to the collapse of the Eurozone as it is constituted today, that certain member states of the European Union may cease to use the Euro as their national currency or that one or more member states may seek to withdraw from European Union membership, which would likely have an adverse impact on the Company. Moreover, financial and economic developments in one European Union member state may impact economic and financial conditions among other European Union member states. A Euro collapse would likely have negative implications for the European financial industry and the global economy as a whole because of counterparty risks, exposures and other " systemic " risks. A potential effect would be an immediate reduction of liquidity for particular investments in economically connected countries, thereby impairing the value of such investments. We cannot predict for how long uncertain economic conditions will continue to impact markets adversely, or to what degree economic conditions will deteriorate further. Volatility in the global credit markets may make it more difficult for issuers and borrowers to obtain favorable financing or refinancing arrangements that may be needed to execute our investment strategy. A Euro collapse could have an adverse effect on us by affecting the performance of our investments and our ability to fulfill our investment objectives. Moreover, this could have a detrimental effect on the performance of investments both in those countries that may experience a default on liabilities and other countries which are economically connected with the European Union~~ . We may be the target of litigation. We may be the target of securities litigation in the future, particularly if the value of shares of our Common Stock fluctuates significantly. We could also generally be subject to litigation, including derivative actions by our stockholders. Any litigation could result in substantial costs and divert management' s attention and resources from our business and cause a material adverse effect on our business, financial condition and results of operations. 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 debt securities we acquire, the default rate on such securities, the number and size of investments we originate or acquire, 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 our performance in future periods. We are an " emerging growth company, " and we do not know if such status will make our shares less attractive to investors. We are an " emerging growth company, " as defined in the JOBS Act, until the earliest of: • The last day of the fiscal year ending after the fifth anniversary of **the IPO** ~~any initial public offering of our shares of Common Stock~~ ; • The year in which our total annual gross revenues first exceed $ 1. 235 billion; • The date on which we have, during the prior three- year period, issued more than $ 1. 0 billion in non- convertible debt; and • The last day of a fiscal year in which we (1) have an aggregate worldwide market value of our shares of our Common Stock held by non- affiliates of $ 700 million or more, computed at the end of the last business day of the second fiscal quarter in such fiscal year and (2) have been a reporting company under the Exchange Act for at least one year (and filed at least one annual report under the Exchange Act). As an " emerging growth company ", we may take advantage of certain reduced regulatory and disclosure requirements permitted by the JOBS Act and, as a result, some investors may consider shares of our Common Stock less attractive. For example, while we are an emerging growth company and / or a non- accelerated filer within the meaning of the Exchange Act, we are exempt from the provisions of Section 404 (b) of the Sarbanes- Oxley Act, requiring that our independent registered public accounting firm provide an attestation report on the effectiveness of our internal control over financial reporting. This may increase the risk that material weaknesses or other deficiencies in our internal control over financial reporting go undetected. Efforts to comply with the Sarbanes- Oxley Act will involve significant expenditures, and non- compliance with the Sarbanes- Oxley Act would adversely affect us and the value of our Common Stock. We are required to comply with certain requirements of the Sarbanes- Oxley Act and the related rules and regulations promulgated by the SEC but will not have to comply with certain requirements until we ~~have been registered under the Exchange Act for a specified~~

~~period of time or~~ cease to be an " emerging growth company. " Because shares of our Common Stock are registered under the Exchange Act, we are subject to the Sarbanes- Oxley Act and the related rules and regulations promulgated by the SEC, and our management is required to report on our internal control over financial reporting pursuant to Section 404 of the Sarbanes- Oxley Act. We are required to review on an annual basis our internal control over financial reporting, and on a quarterly and annual basis to evaluate and disclose changes in our internal control over financial reporting. As a result, we expect to incur significant additional expenses that may negatively impact our financial performance and our ability to make distributions. This process will also result in a diversion of management' s time and attention. We do not know when our evaluation, testing and remediation actions will be completed or its impact on our operations. In addition, we may be unable to ensure that the process is effective or that our internal control over financial reporting is or will be effective. In the event that we are unable to come into and maintain compliance with the Sarbanes- Oxley Act and related rules, we and the value of our securities would be adversely affected. **Additionally** ~~We do not currently have comprehensive documentation of our internal controls and have not yet tested our internal controls in accordance with Section 404 of the Sarbanes- Oxley Act~~ , **we** ~~and failure to achieve and maintain effective internal controls over financial reporting in accordance with Section 404 of the Sarbanes- Oxley Act could have a material adverse effect on our business and the value of our Common Stock. We have not previously been required to maintain proper and effective internal control over financial reporting, including the internal control evaluation and certification requirements of Section 404 of the Sarbanes- Oxley Act. We~~ will not be required to comply with all of the requirements under Section 404 of the Sarbanes- Oxley Act until we have been subject to the reporting requirements of the Exchange Act for a specified period of time or the date we are no longer an emerging growth company under the JOBS Act ~~. Our internal controls over financial reporting do not currently meet all of the standards contemplated by Section 404 of the Sarbanes- Oxley Act that we will eventually be required to meet~~ . Our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting until the ~~later of the year following our first annual report required to be filed with the SEC or the~~ date we are no longer an emerging growth company under the JOBS Act. Because we do not currently have comprehensive documentation of our internal control and have not yet tested our internal control in accordance with Section 404 of the Sarbanes- Oxley Act, we cannot conclude, as required by Section 404, that we do not have a material weakness in our internal control or a combination of significant deficiencies that could result in the conclusion that we have a material weakness in our internal control ~~. As a public entity, we will be required to complete our initial assessment in a timely manner~~ . If we are not able to implement the applicable requirements of Section 404 of the Sarbanes- Oxley Act in a timely manner or with adequate compliance, our operations, financial reporting or financial results could be adversely affected. Matters impacting our internal controls may cause us to be unable to report our financial information on a timely basis and thereby subject us to adverse regulatory consequences, including sanctions by the SEC, and result in a breach of the covenants under the agreements governing any of our financing arrangements. There could also be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our financial statements. Confidence in the reliability of our financial statements could also suffer if we or our independent registered public accounting firm were to report a material weakness in our internal controls over financial reporting. This could materially adversely affect us. Our internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud. Even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. If we fail to maintain the adequacy of our internal controls, including any failure to implement required new or improved controls, or if we experience difficulties in their implementation, our business and operating results could be harmed and we could fail to meet our financial reporting obligations. We ~~incur~~ **and our portfolio companies may maintain cash balances at financial institutions that exceed federally insured limits with the FDIC and may otherwise be materially affected by adverse developments affecting the financial services industry, such as actual events or concerns involving liquidity, defaults or non- performance by financial institutions or transactional counterparties. Cash held by us and by our portfolio companies in non- interest- bearing and interest- bearing operating accounts may exceed the FDIC insurance limits. If such banking institutions were to fail, we or our portfolio companies could lose all or a portion of those amounts held in excess of such FDIC insurance limitations. In addition, actual events involving limited liquidity, defaults, non- performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market- wide liquidity problems, which could adversely affect our and our portfolio companies' business, financial condition, results of operations, or prospects. Although we assess our and our portfolio companies' banking relationships as we believe necessary or appropriate, our and our portfolio companies' access to funding sources and other credit arrangements in amounts adequate to finance or capitalize our respective current and projected future business operations could be** ~~significant~~ **significantly impaired by factors that affect us or our portfolio companies, the financial institutions with which we, or our portfolio companies have arrangements directly, or the financial services industry or economy in general. These factors could include, among others, events such as liquidity constraints or failures, the ability to perform obligations under various types of financial, credit or liquidity agreements or arrangements, disruptions or instability in the financial services industry or financial markets, or concerns or negative expectations about the prospects for companies in the financial services industry. These factors could involve financial institutions or financial services industry companies with which we or our portfolio companies have financial or business relationships, but could also include factors involving financial markets or the financial services industry generally. In addition, investor concerns regarding the U. S. or international financial systems could result in less favorable commercial financing terms, including higher interest rates or** costs ~~as a result of being registered under the Exchange Act. We incur legal, accounting~~ and ~~other expenses~~ **tighter financial and operating covenants** ,

or systemic limitations on access ~~including costs associated with the periodic reporting requirements applicable~~ to ~~a~~ **credit and liquidity sources, thereby making it more difficult for us or our portfolio** ~~company~~ **companies to acquire financing on acceptable terms or at all** ~~whose securities are registered under the Exchange Act, as well as additional corporate governance requirements, including requirements under the Sarbanes- Oxley Act and other rules implemented by the SEC~~ .